

1973 Bill 97

Second Session, 17th Legislature, 22 Elizabeth II

THE LEGISLATIVE ASSEMBLY OF ALBERTA

BILL 97

The Gas Utilities Amendment Act, 1973

THE MINISTER OF TELEPHONES AND UTILITIES

First Reading

Second Reading

Third Reading

Printed by QUEEN'S PRINTER for the Province of Alberta, EDMONTON

BILL 97

1973

THE GAS UTILITIES AMENDMENT ACT, 1973

(Assented to _____, 1973)

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of Alberta, enacts as follows:

1. *The Gas Utilities Act is hereby amended.*

2. *Section 2 is amended*

(a) *by adding the following clause after clause (b):*

(b1) "butanes" means butanes as defined in *The Oil and Gas Conservation Act*;

(b) *as to clause (f), subclause (ii) by adding after the words "liquefied petroleum gas" the words "(except propane and butanes)"*,

(c) *as to clause (h), by adding at the end thereof the words " , but does not include butanes"*,

(d) *by adding the following clause after clause (i):*

(i1) "propane" means propane as defined in *The Oil and Gas Conservation Act*;

3. *Part 1 is amended by striking out the heading "FIELD PRICES OF GAS" and by substituting the heading "GAS PRICES"*.

4. *Section 6 is amended*

(a) *as to subsection (1), by striking out all that portion of the subsection preceding clause (a) and by substituting the following:*

6. (1) Notwithstanding the terms of any contract, the Board upon the application of an interested party or a municipality or upon its motion may, and upon an order of the Lieutenant Governor in Council shall, fix and determine the just and reasonable price or prices to be paid for any gas used, consumed, stored or retained within Alberta, and without limiting the foregoing powers and jurisdiction of the Board, the Board may or shall, as the case may be, fix and determine any or all of the following:

(b) *as to subsection (1), by striking out clause (f),*

Explanatory Notes

1. This Bill will amend chapter 158 of the Revised Statutes of Alberta 1970.

2. Section 2 (d), (f) and (h) presently read:

2. In this Act,

- (d) "gas" means all natural gas both before and after it has been subjected to any treatment or process by absorption, purification, scrubbing or otherwise, and includes all fluid hydrocarbons not defined by clause (h) as oil;
- (f) "gas utility" means
 - (i) any gas pipe line,
 - (ii) any system, works, plant, pipes, equipment or service for the production, gathering, conveying, transmission, transporting, delivery, furnishing or supplying of gas by retail or wholesale, either directly or indirectly, to or for the public or any member of the public, whether an individual or a corporation, other than the transportation, delivery, furnishing or supplying by retail or wholesale, either directly or indirectly, of liquefied petroleum gas by means of tank car, tank wagon, cylinder or vessel,
 - (iii) any scrubbing plant, and
 - (iv) any system, well, works, plant, equipment or service for the production of gas or capable of producing gas which may be declared by the Energy Resources Conservation Board to be a gas utility;
- (h) "oil" means crude bitumen and crude oil and all other hydrocarbons, regardless of gravity, that are recovered in liquid form from a pool by ordinary production methods;

The result of the amendment to clause (f) will be to make the Act applicable to sale of propane or butanes in pressurized tanks or vessels. The Public Utilities Board may nevertheless exclude the sale of propane or butanes or a particular company from the application of the Act or any provisions of it under its powers in section 3 of the Act.

The result of the amendment to clause (h) is to include butanes in the definition of "gas". Propane is already within the definition of "gas".

3. The change of heading is made as a consequence of the amendment to section 6(1) in this Bill.

4. Section 6 (1) (f) and (2) presently read:

6. (1) Notwithstanding the terms of any contract, the Board upon the application of an interested party or municipality or upon its own motion may, and upon an order of the Lieutenant Governor in Council shall, with respect to gas to be used, consumed, stored or retained within Alberta, fix and determine any or all of the following:

- (f) the just and reasonable price or prices to be paid for all commodities and services that, pursuant to the provisions of The Oil and Gas Conservation Act, are required to be fixed by the Board;
- (2) Notwithstanding any other provisions of this Act, in fixing and determining the just and reasonable price or prices as provided for in subsection (1), clauses (a), (b), (g) and (h), the Board is not required or compelled to fix or determine the price or prices for, in respect of, or on the basis of, any individual well or wells, or on the value or cost thereof, or the investment therein, or a rate of return thereon, but may instead fix and determine such price or prices as are applicable generally to all wells in a field, or may fix and determine different prices paid for gas produced from any classifications or groups, and in the fixing and determining of such price or prices the Board may adopt any just and reasonable basis or method of arriving at or computing such price or prices that the Board deems to be applicable or proper having regard to all circumstances and factors involved.

Section 6 is in Part 1 of the Act entitled "Field Prices of Gas". The amendment to subsection (1) is aimed at giving the Public Utilities Board a general power to fix and determine field prices for gas. At present the Board is restricted to the cases specifically enumerated in clauses (a) to (h).

Subsection (1) (f) is omitted as it does not refer to gas specifically and because the Board has sufficient power under s. 56 of The Oil and Gas Conservation Act to deal with the matters referred to in clause (f).

(c) *by striking out subsection (2) and by substituting the following:*

(2) Notwithstanding any other provisions of this Act, the Board may, for the purpose of fixing and determining the just and reasonable price or prices pursuant to subsection (1), adopt any just and reasonable basis or method of arriving at or computing such price or prices that the Board considers applicable or proper having regard to all the circumstances and factors involved.

(3) Where the Lieutenant Governor in Council, pursuant to subsection (1), orders the Board to fix and determine the just and reasonable price or prices to be paid for any gas used, consumed, stored or retained within Alberta, the Lieutenant Governor in Council may also direct the Board

- (a) to make its order fixing and determining the price or prices without notice to any interested parties and without holding a hearing, and
- (b) to specify in its order the date on which the price or prices are to come into effect.

(4) Where the Board, pursuant to an order of the Lieutenant Governor in Council under subsection (3), makes its order without holding a hearing, the Board shall, within a reasonable time after the date on which the price or prices come into effect and after giving notice to any interested parties, hold a hearing for the purpose of reviewing its order and, if necessary, amending or replacing it.

5. The following section is added after section 6:

6.1 (1) Where the Lieutenant Governor in Council, pursuant to section 6, subsection (1), orders the Board to fix and determine the just and reasonable price or prices to be paid for any propane or butanes to be used, consumed, stored or retained within Alberta, the price or prices for the propane or butanes that is the subject of that order and in effect on the date the order is made shall not be increased during the period between the date of the order of the Lieutenant Governor in Council and the effective date of the Board's order under section 6, subsection (1), unless the Board by an order approves the increased price or prices.

(2) An order of the Board under this section shall specify the date on which the increased price or prices are to come into effect.

(3) The Board may from time to time amend or replace an order made by it under subsection (1).

6. This Act comes into force on a date to be fixed by Proclamation.

5. The new section 6.1 operates to freeze prices for propane or butanes in any case where the Government orders the Public Utilities Board to fix and determine prices for such propane or butanes.