

1974 Bill 46

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Third Session, 17th Legislature, 23 Elizabeth II

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THE LEGISLATIVE ASSEMBLY OF ALBERTA

**BILL 46**

**The Alberta Gas Trunk Line Company Amendment Act, 1974**

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MR. HARLE

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First Reading .....

Second Reading .....

Third Reading .....

# BILL 46

1974

## THE ALBERTA GAS TRUNK LINE COMPANY AMENDMENT ACT, 1974

(Assented to \_\_\_\_\_, 1974)

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

1. *The Alberta Gas Trunk Line Company Act is hereby amended.*

2. *Section 3, subsection (1) is amended*

(a) *by adding after the words "The Alberta Gas Trunk Line Company Limited" the words "or such other name as may be determined by the Lieutenant Governor in Council from time to time",*  
*and*

(b) *by adding after subsection (4) the following subsection:*

(5) Where the name of the company has been changed by the Lieutenant Governor in Council, a reference to the company by any previous name in any other Act, or in any order, regulation, rule, by-law, certificate of title, agreement or in any other document shall be deemed to be a reference to the company by its new name.

3. *Section 4 is amended by striking out subsection (2) and by substituting therefor the following subsection:*

(2) The company may establish such other offices and agencies as it from time to time considers expedient.

4. *Section 5b is amended*

(a) *as to subsection (1), clause (a) by striking out sub-clause (iii) and by substituting the following:*

(iii) any common shares so created shall have such voting rights, if any, as the Board considers expedient but in no case shall they have any

## **Explanatory Notes**

**1.** This Bill will amend chapter 37 of the Statutes of Alberta, 1954.

**2.** This amendment will permit a change of name of the company in line with its wider powers.

**3.** This amendment will authorize the company to maintain offices wherever it is expedient to do so.

**4.** This amendment will permit the company to subdivide preferred shares as well as common shares, to convert shares without par value into shares with a par value, to cancel shares that are surrendered to the company or which have not been issued, to provide for restrictions on transfer of new shares and to purchase common shares.

greater voting rights than the limited voting rights provided in section 5c, and

(b) *as to subsection (1) by striking out clauses (d), (e) and (f) and by substituting therefor the following:*

- (d) convert any of its shares without par value into shares with par value;
- (e) subdivide any shares of the company into shares of a smaller amount than the existing shares, but in the case of subdivision of shares having a par value the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived;
- (f) cancel authorized shares that have not been taken up;
- (g) cancel paid-up shares that are surrendered to the company by way of gift;
- (h) provide for restrictions on the transfer of any shares or any class thereof;
- (i) fix or vary the maximum price or consideration in the aggregate for which shares of the company without nominal or par value may be issued and the maximum price or consideration at or for which each share without nominal or par value may be issued;
- (j) redesignate or reclassify any class of shares of the company.

*and*

(c) *by adding after subsection (4) the following new subsection:*

- (5) The company may purchase or otherwise acquire shares issued by it but
  - (a) the company shall not make any payment to purchase or acquire shares if there are reasonable grounds for believing that such purchase or acquisition would render the company insolvent, and
  - (b) any such purchase shall be authorized by an express resolution of the Board.

*5. Section 5d is renumbered as subsection (1) and the following subsection is added thereafter:*

(2) The holders of Class "B" common shares of the company are precluded, upon the reduction or redemption of such shares or upon the winding up of the company, from participating in the assets of the company to a greater extent than the amount paid up thereon.

**5.** This amendment inserts in the Act the substance of a regulation passed pursuant to section 33 of the Act to facilitate the company in subdividing the Class "A" common shares of the company.

6. Section 13 is amended by striking out subsection (1) and by substituting therefor the following subsections:

**13.** (1) Subject to the provisions of any general legislation enacted by the Legislature, the company has the following objects:

- (a) to act as a carrier, common or otherwise, of gas, oil, other hydrocarbons and other products whether in gaseous or liquid form or otherwise;
- (b) to act as a common purchaser of gas from any pool;
- (c) to construct pipe lines for the transmission of gas, oil, or other hydrocarbons and other products, whether in gaseous or liquid form or otherwise, re-arrange such pipe lines, install compressor and all other equipment required for, and perform all further acts and things for the purpose of conserving, gathering and transporting gas, oil, other hydrocarbons and other products whether in gaseous or liquid form or otherwise;
- (d) to construct, purchase, lease or otherwise acquire and hold, develop, operate, manage, maintain, control, mortgage, create liens upon, sell, convey or otherwise dispose of and turn to account any and all pipe lines, storage fields, plants, refineries, factories and appurtenances for gathering, processing, manufacturing, refining, transmitting, transporting, storing and delivering gas, oil, other hydrocarbons and other products whether in gaseous or liquid form or otherwise;
- (e) to purchase, acquire, manufacture, purify, scrub, treat, refine, process, transmit, transport, distribute and sell or otherwise acquire and dispose of gas, oil, other hydrocarbons and other products whether in gaseous or liquid form or otherwise;
- (f) to carry on the businesses of drilling for, producing, developing, transporting, manufacturing, refining, processing, treating, purchasing and selling gas, oil, other hydrocarbons and other products whether in gaseous or liquid form or otherwise and all other mines and minerals and products and by-products thereof;
- (g) to carry on the businesses of manufacturing, producing, refining, processing, fabricating, buying, selling and dealing in substances, goods, wares and merchandise;
- (h) to carry on the businesses of engineering, designing, constructing and operating pipe lines, refineries, chemical plants, petrochemical plants, and other plants which manufacture products derived from such plants or refineries;

**6. Section 13, subsection (1) presently reads:**

13. (1) Subject to the provisions of any general legislation enacted by the Legislative Assembly, the company within the Province only may

- (a) act as a common carrier of gas,
- (b) act as a common purchaser of gas from any pool in the Province,
- (c) construct gas pipe lines for the transmission of gas, re-arrange gas pipe lines, install compressor and all other equipment required for, and perform all further acts and things for the purpose of conserving, gathering and transporting gas,
- (d) develop, purchase, lease or otherwise acquire, hold, operate or maintain and control gas storage fields and the necessary facilities for their operation,
- (e) construct, purchase, lease or otherwise acquire and hold, develop, operate, maintain, control, mortgage, create liens upon, sell, convey or otherwise dispose of and turn to account any and all pipe lines, gas storage fields and appurtenances relative thereto for gathering, processing, transmitting, transporting, storing and delivering gas and other gaseous hydrocarbons,
- (f) purchase, acquire, process, transmit, transport, distribute and sell or otherwise acquire and dispose of gas,
- (g) own, lease, operate and maintain inter-station telephone, radio, teletype and telegraph communication systems and to operate and maintain inter-station communication facilities,
- (h) purify, scrub or otherwise treat for the removal therefrom of hydrogen sulphide or other substances from that portion of the gas required for the market,
- (i) exercise all or any of the powers defined in subsection (1) of section 20 of The Companies Act.

The new section will expand the powers of the company to those normally available to an industrial company.

- (i) to carry on the business of transportation of any kind or nature;
- (j) to carry on the business of developers of property, real and personal, for the purposes of its businesses;
- (k) to carry on the business of scientific or industrial research and development;
- (l) to purchase or otherwise acquire and to hold, sell, exchange or otherwise dispose of and deal in the property, real or personal, rights and assets of, and bonds, debentures, debenture stock, shares of all classes and securities of any form or type issued by, any individual, corporation or company, public or private, incorporated or unincorporated;
- (m) to guarantee the payment or performance of any debts, contracts or obligations whatsoever or to become surety for any person, firm, corporation or company for any purpose whatsoever.

(1.1) The objects specified in each clause of subsection (1) shall in no way be limited or restricted by reference to, or inference from, the terms of any other clause of subsection (1).

(1.2) The company has the powers enumerated in section 20, subsection (1) of *The Companies Act*.

*7. Section 14 is struck out and the following section is substituted therefor:*

**14.** The company

- (a) may exercise its powers in any jurisdiction outside Alberta where it is registered to carry on business, in accordance with and subject to the laws in force in the jurisdiction, and
- (b) shall not accept or exercise any powers that could otherwise be conferred on it by or under the laws in force in that jurisdiction that would authorize the purchase, acquisition, construction, operation or control by the company of any works or undertakings situate outside Alberta which are a part of any pipe line facilities involving transportation of hydrocarbons produced in Alberta from Alberta to any other province except as may be permitted by regulations.

*8. Section 18 is struck out and the following section is substituted therefor:*

- 18.** (1) The Board shall consist of 15 directors.
- (2) Every director of the company shall
  - (a) be a Canadian citizen,



**7. Section 14 presently reads:**

14. The objects and powers of the company do not authorize and shall not be interpreted to authorize the purchase, acquisition, construction, operation or control by the company of any works or undertakings situate outside the Province of Alberta.

This amendment changes the former restriction on the company's extra provincial operations by restricting it to facilities involving transportation of hydrocarbons produced in Alberta.

**8. Section 18 presently reads:**

18. (1) The Board shall consist of 11 directors.

(2) No person shall be elected or appointed to the Board unless

(a) he is a Canadian citizen domiciled in Alberta, and

(b) he has been a resident of the Province for at least one year.

(3) No member of the Government of Alberta and no member of the public service of Alberta shall be appointed to the Board.

This amendment provides for increasing the number of directors, all of whom must be Canadian citizens and must be domiciled in and resident in Alberta.

- (b) be domiciled in and a resident of Alberta, and
- (c) have been resident in Alberta for at least one year immediately prior to his appointment as a director.

(3) No member of the Government of Alberta and no member of the public service of Alberta shall be appointed or elected to the Board.

9. *Section 19 is amended*

- (a) *as to subsection (1) by striking out the word "three" and by substituting therefor the word "four",*
- (b) *as to subsection (2) by striking out the word "three" and by substituting therefor the word "four",*
- (c) *as to subsection (3) by striking out the word "three" and by substituting therefor the word "seven", and*
- (d) *by striking out subsection (4).*

10. *Section 22 is amended by striking out the words "(2), (3) and (4)" and by substituting therefor the words "(2) and (3)".*

11. *Section 23 is struck out and the following section is substituted therefor:*

**23.** Upon the commencement of this section the term of all directors appointed by the Lieutenant Governor in Council terminate and the Lieutenant Governor in Council shall appoint four directors to the Board for such terms as may be specified in their appointments.

12. *Section 25a is amended by striking out subsection (4).*

13. *The following section is added after section 26:*

**26a.** The provisions of section 78, subsections (1) to (6) and subsection (8) of *The Companies Act* apply to the company except that the reference to articles of association in subsection (4) of that section shall be deemed to refer to by-laws of the company.

14. *Section 27 is amended by striking out subsection (3).*

**9.** This amendment makes provision for the additional four directors created by the previous amendment. Section 19 presently reads:

19. (1) The Lieutenant Governor in Council shall appoint three directors to the Board.

(2) Holders of Class "B" common shares who are otherwise qualified to vote shall elect three directors to the Board.

(3) Holders of Class "A" common shares who are otherwise qualified to vote shall elect three directors to the Board.

(4) The Board appointed and elected as provided in subsections (1), (2) and (3) shall appoint the chief executive officer and one other full-time employee of the company as directors.

**10.** Consequential to amendment in section 9.

**11.** Government appointed directors.

**12.** Consequential to the deletion of section 19 (4) of the Act.

**13.** Section 78 of The Companies Act is the provision relating to the Declaration of Interest in contracts by directors which presently does not apply to the company.

**14.** Section 27, subsection (3) presently reads:

(3) Notwithstanding clause (a) of subsection (1) or section 26, the Board shall not appoint or elect any director, officer, employee, agent or servant of a gas export company to any office in the company.

This subsection is no longer necessary in view of the changes in the numbers of and methods of appointing and electing directors to the Board since the incorporation of the company.

15. *Section 30 is amended by striking out subsections (1) to (3) and by substituting therefor the following subsections:*

**30.** (1) The company shall from time to time fix and may from time to time vary the rates, tolls and other charges, including the rates and methods of depreciation and amortization, determination of rate base and rate of return thereon, for the gathering, treating, transporting, storing, distributing, commingling, exchanging, handling and delivery of gas carried by its pipe lines and other facilities or any part or parts thereof or for any service performed by the company in relation to the gathering, treating, transporting, storing, distributing, commingling, exchanging, handling or delivery of any gas.

(2) Upon complaint in writing of an interested party, the Public Utilities Board may, or upon the direction of the Lieutenant Governor in Council shall, after notice to and hearing of the parties interested, determine the justness and reasonableness of the rates, tolls or other charges fixed or varied by the company and by order in writing may vary or confirm the rates, tolls or other charges.

(3) Where the Public Utilities Board varies a rate, toll or other charge fixed or varied by the company, its order shall specify that the variation shall remain in full force and effect until a specified date or until the date of the happening of a specified event but in no case shall the period involved exceed 12 months.

16. *Section 30a is amended by striking out the words "fixed by" and by substituting therefor the word "of".*

17. *Section 30b is amended by striking out subsection (3.1) and by substituting therefor the following subsection:*

(3.1) Upon the implementation of an exchange of gas, the company shall mail by prepaid registered mail to the owners of the gas which is subject to such exchange, a notice of such exchange including particulars thereof and shall file on the date of the mailing a copy of the notice with the Energy Resources Conservation Board.

18. *Section 30c is amended*

(a) *by striking out subsection (1.1), and*

(b) *as to subsection (3) by striking out the words "subsection (1)" and by substituting therefor the words "section 30 or this section".*

19. (1) *This Act, except sections 8, 9, 10, 11 and 12, comes into force on the day upon which it is assented to.*

(2) *Sections 8, 9, 10, 11 and 12 come into force on a date to be fixed by Proclamation.*

**15. Section 30 presently reads:**

30. (1) The company shall from time to time fix the rates, tolls and other charges for the gathering, treating, transporting, storing, distributing, handling and delivery of gas carried by its pipe lines and other facilities or any part or parts thereof, or for any service performed by the company in relation to the gathering, treating, transporting, storing, distributing, handling or delivery of any gas.

(2) Upon complaint in writing of an interested party the Public Utilities Board may, or upon the direction of the Lieutenant Governor in Council shall, after notice to and hearing of the parties interested, determine the justness and reasonableness of any rate, toll or charge fixed by the company and by order in writing may vary or confirm the rate, toll or charge.

(3) Where the Public Utilities Board varies a rate, toll or charge fixed by the company, its order shall specify that the variation shall remain in force and effect until a specified date or until the date of the happening of a specified event but in no case shall the period involved exceed 12 months.

(4) The provisions of Part I of The Public Utilities Board Act apply with respect to matters within the jurisdiction of the Public Utilities Board under this section in so far as they do not conflict with the provisions of this section.

**16. Section 30a presently reads:**

30a. Rates, tolls or other charges fixed by the company shall be filed in the head office of the company and shall be available for inspection during normal business hours.

This change merely recognizes the change in terminology in section 30, subsection (1).

**17. The amendment will recognize the elimination of the 90 day waiting period formerly contained in section 30c, subsection (1.1).**

**18. Section 30c presently reads:**

30c. (1) Upon complaint in writing of an interested party respecting a decision made by the company under section 30b, the Energy Resources Conservation Board under The Energy Resources Conservation Act, may, after notice to and hearing of the parties interested, determine the reasonableness of the decision made by the company and by order in writing may vary or confirm the decision.

(1.1) Where a complaint arises out of a proposed exchange of gas, the complaint must be received by the Energy Resources Conservation Board within 90 days after the date of mailing of the notice of intention to exchange gas and if no complaint is received by the Energy Resources Conservation Board within that time the company may implement the proposed exchange.

(2) Repealed 1971, c. 30, s. 50 (1).

(3) In the event of conflict between any term or condition of an order made under subsection (1) with any provision of an existing contract or arrangement, the term or condition of the order shall prevail.

This amendment eliminates the 90 day waiting period prior to implementation of an exchange within which period the complaint could be filed and further delay the exchange. Exchange of gas is thus dealt with on the same basis as commingling of gas.

The second amendment extends the application of the subsection to include orders under section 30.