

1980 BILL 63

Second Session, 19th Legislature, 29 Elizabeth II

THE LEGISLATIVE ASSEMBLY OF ALBERTA

BILL 63

**THE NATURAL GAS PRICE ADMINISTRATION
AMENDMENT ACT, 1980**

THE MINISTER OF ENERGY AND
NATURAL RESOURCES

First Reading
Second Reading
Committee of the Whole
Third Reading
Royal Assent

Bill 63

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THE NATURAL GAS PRICE ADMINISTRATION AMENDMENT ACT, 1980

(Assented to , 1980)

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

1 The Natural Gas Price Administration Act is amended by this Act.

2 Section 1 is amended

(a) by repealing subsection (1)(a) and substituting the following:

(a) “Alberta cost of service” means the Alberta cost of service determined in accordance with section 1.1;

(b) by repealing subsection (3).

Explanatory Notes

1 This Bill will amend chapter 70 of the Statutes of Alberta, 1975.

2 Section 1 presently reads in part:

1(1) In this Act,

(a) "Alberta cost of service" with respect to any gas or the movement of any gas means the costs and charges, wherever incurred,

(i) that are attributable to the acquisition of the gas by the original buyer, except the contract field price or the regulated field price, whichever applies,

(ii) that are associated with the movement and metering of the gas in Alberta,

(iii) that are related to any processing required to cause the gas to become marketable gas or that are otherwise related to the supply of the gas, and

(iv) that consist of interest or other costs which, under a contract entered into prior to November 1, 1975, were recoverable by the original buyer from the price at which he sold the gas, or any portion of those costs or charges,

as determined by the Minister;

(3) For the purposes of this Act, in determining for any month the Alberta cost of service with respect to gas intended to be removed from Alberta, there shall be deducted an amount equal to the revenues received from the original buyer's sales of gas in Alberta in that month (other than gas delivered by him to the Minister and repurchased by

3 *The following is added after section 1:*

1.1(1) For the purposes of this Act, the Alberta cost of service with respect to any gas or the movement of any gas shall be as determined by the Commission and may include costs and charges wherever incurred that

(a) are attributable to the acquisition of the gas by the original buyer, except the contract field price or regulated field price, whichever applies,

(b) are associated with the movement and metering of the gas in Alberta,

(c) are related to any processing required to cause the gas to become marketable gas or that are otherwise related to the supply of the gas,

(d) consist of interest or other costs or charges that, under a contract entered into prior to November 1, 1975, were recoverable by the original buyer from the price at which he sold the gas, or any portion of those costs or charges, or

(e) are prescribed by regulation.

(2) Subject to section 6, the Commission shall determine the Alberta cost of service for an original buyer of gas intended to be removed from Alberta that shall, unless otherwise ordered by the Commission, apply to all gas purchased in the month by that person as an original buyer.

(3) In determining for any month the Alberta cost of service for an original buyer there may be deducted an amount equal to

(a) the revenues received from the original buyer's sales of gas in Alberta in that month less the amount paid to the producers in respect of that gas, and

(b) any costs and charges refunded to the original buyer that have been included in prior months Alberta cost of service.

(4) Subsection (3)(a) does not apply to sales of gas made to the Commission pursuant to section 15 if the gas is repurchased by the original buyer pursuant to that section.

4 *Section 15(5)(b) is amended by striking out "and" at the end of subclause (i), by adding "and" at the end of subclause (ii) and by adding the following after subclause (ii):*

him from the Minister pursuant to section 16) less the amount paid to the producers in respect of that gas.

3 New section that provides for the calculation of the Alberta cost of service.

4 Section 15(5) presently reads in part:

(iii) any other costs or charges determined by the Commission as being deductible for the purposes of this clause.

5 This Act comes into force on a date or dates to be fixed by Proclamation.

(5) Where the Minister sells gas pursuant to subsection (4), the price at which the gas shall be sold shall be

(b) in the case of gas sold for consumption outside Canada, except any gas referred to in clause (a), subclause (ii), the international border price less the sum of

(i) the Alberta cost of service with respect to the gas and the movement of the gas from the point at which the Minister delivers the gas to the purchaser to the point on the Alberta border at which the gas is or will be removed from Alberta, and

(ii) the Canadian cost of service with respect to the gas and the movement of the gas from the Alberta border to the point at which it crosses the international boundary of Canada.