

1983 BILL 45

First Session, 20th Legislature, 32 Elizabeth II

THE LEGISLATIVE ASSEMBLY OF ALBERTA

BILL 45

UTILITIES STATUTES AMENDMENT ACT, 1983

THE ATTORNEY GENERAL

First Reading

Second Reading

Committee of the Whole

Third Reading

Royal Assent

BILL 45

1983

UTILITIES STATUTES AMENDMENT ACT, 1983

(Assented to _____, 1983)

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

Gas Utilities Act

1(1) *The Gas Utilities Act is amended by this section.*

(2) *Section 29 is amended*

(a) *by striking out subsection (1) and substituting the following:*

29(1) In fixing just and reasonable rates, tolls or charges or schedules of them to be imposed, observed and followed thereafter by an owner of a gas utility, the Board

(a) shall determine a rate base for the property of the owner of the gas utility used or required to be used to provide service to the public within Alberta, and

(b) may determine a rate base for all or any portion of the property of the owner of a gas utility that is being constructed or that has been constructed or acquired but that is not yet being used and is intended to be used in the future to provide service to the public within Alberta,

and on determining a rate base it shall fix a fair return on the rate base.

(b) *in subsection (2)*

(i) *by striking out "this section" and substituting "subsection (1)(a)";*

(ii) *in clause (a) by striking out "use, to" and substituting "use and to";*

(c) *by adding the following after subsection (2):*

(2.1) In determining a rate base under subsection (1)(b), the Board

Explanatory Notes

Gas Utilities Act

1(1) This section amends chapter G-4 of the Revised Statutes of Alberta 1980.

(2) Section 29 presently reads:

29(1) In fixing just and reasonable rates, tolls or charges, or schedules of them, to be imposed, observed and followed thereafter by an owner of a gas utility, the Board shall determine a rate base for the property of the owner of the gas utility used or required to be used to provide service to the public within Alberta and on determining a rate base it shall fix a fair return on the rate base.

(2) In determining a rate base under this section, the Board shall give due consideration

(a) to the cost of the property when first devoted to public use, to prudent acquisition cost to the owner of the gas utility, less depreciation, amortization or depletion in respect of each, and

(b) to necessary working capital.

(3) In fixing the fair return that an owner of a gas utility is entitled to earn on the rate base, the Board shall give due consideration to all facts that in its opinion are relevant.

(a) shall give due consideration to the cost of the property and to prudent acquisition cost to the owner of the gas utility, and

(b) may give consideration to depreciation, amortization or depletion in respect of the property and to necessary working capital.

(d) by adding the following after subsection (3):

(4) Notwithstanding subsections (1)(b), (2.1) and (3), when fixing just and reasonable rates, tolls or charges or schedules of them to be imposed, observed and followed thereafter by an owner of a gas utility, the Board, in respect of all or any portion of the property being constructed or that has been constructed or acquired but that is not yet being used and is intended to be used in the future to provide service to the public within Alberta, may adopt any just and reasonable basis for determining a method of calculating a fair return on that property without establishing a rate base for that property.

Public Utilities Board Act

2(1) *The Public Utilities Board Act is amended by this section.*

(2) *Section 7 is amended*

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

7(1) The members of the Board shall receive

(a) remuneration and benefits, and

(b) travelling and other expenses while absent from their place of residence and in the course of their duties as members of the Board,

as prescribed by the Lieutenant Governor in Council.

(b) *by repealing subsection (2)(a) and substituting the following:*

(a) to prescribe the remuneration, travelling and other expenses and benefits, and

(3) *The following is added after section 7:*

7.1 The members of the Board shall conduct the investigations, make the reports and perform the duties, in addition to those functions assigned to them by this or any other Act, that are prescribed by the Lieutenant Governor in Council.

(4) *Section 20 is repealed and the following is substituted:*

20 All expenditures of the Board incurred under this or any other Act shall be paid from money appropriated from the General Revenue Fund by the Legislature.

Public Utilities Board Act

2(1) This section amends chapter P-37 of the Revised Statutes of Alberta 1980.

(2) Section 7 presently reads:

7(1) The members of the Board shall receive the remuneration and benefits, conduct the investigations, make the reports and perform the duties, in addition to the duties assigned to them by this or any other Act, that are prescribed or directed by the Lieutenant Governor in Council.

(2) The Lieutenant Governor in Council may delegate all or any of his powers

(a) to prescribe or direct the remuneration or benefits, or

(b) to fix the terms of office

of all or any of the members to the member of the Executive Council designated by the Lieutenant Governor in Council.

(3) Duties of the members of the Board.

(4) Section 20 presently reads:

20 The salaries and all expenses incurred by the Board in the performance of its duties, including all reasonable travelling and subsistence expenses of the members and the secretary, and of such members of the staff

(5) Section 69(2)(b) is amended by adding "in" after "contained".

(6) Section 82 is amended

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

82(1) In fixing just and reasonable rates, tolls or charges or schedules of them to be imposed, observed and followed thereafter by an owner of a public utility, the Board

(a) shall determine a rate base for the property of the owner of the public utility used or required to be used to provide service to the public within Alberta, and

(b) may determine a rate base for all or any portion of the property of the owner of a public utility that is being constructed or that has been constructed or acquired but that is not yet being used and is intended to be used in the future to provide service to the public within Alberta,

and on determining a rate base it shall fix a fair return on the rate base.

(b) in subsection (2)

(i) by striking out "this section" and substituting "subsection (1)(a)";

(ii) in clause (a) by striking out "use, to" and substituting "use and to";

(c) by adding the following after subsection (2):

(2.1) In determining a rate base under subsection (1)(b), the Board

(a) shall give due consideration to the cost of the property and to prudent acquisition cost to the owner of the public utility, and

(b) may give consideration to depreciation, amortization or depletion in respect of the property and to necessary working capital.

of the Board as may be required by the Board, shall be paid monthly out of the General Revenue Fund.

(5) Section 69(2) presently reads:

(2) A copy of a regulation or order of the Board

(a) purporting to be printed by the Queen's Printer, or

(b) contained a copy of The Alberta Gazette,

and indicating that it is filed under the Regulations Act, shall be admitted in evidence as prima facie proof of the contents of the regulation or order and that it is filed under the Regulations Act on the date indicated.

(6) Section 82 presently reads:

82(1) In fixing just and reasonable rates, tolls or charges or schedules of them, to be imposed, observed and followed thereafter by an owner of a public utility, the Board shall determine a rate base for the property of the owner of a public utility used or required to be used to provide service to the public within Alberta and on determining a rate base it shall fix a fair return on the rate base.

(2) In determining a rate base under this section, the Board shall give due consideration

(a) to the cost of the property when first devoted to public use, to prudent acquisition cost to the owner of the public utility, less depreciation, amortization or depletion in respect of each,

(a.1) with respect to a public utility to which the Electric Energy Marketing Act applies, specifically to that portion of the public utility that is at and upstream from the pooling interface, and

(b) to necessary working capital.

(3) In fixing the fair return that an owner of a public utility is entitled to earn on the rate base, the Board shall give due consideration to

(a) any effect on the public utility of the Electric Energy Marketing Act,

(b) the price to be paid for electric energy to the public utility or by the public utility under the Electric Energy Marketing Act, and

(c) all those facts that in the Board's opinion are relevant.

(d) by adding the following after subsection (3):

(4) Notwithstanding subsections (1)(b), (2.1) and (3), when fixing just and reasonable rates, tolls or charges or schedules of them to be imposed, observed and followed thereafter by an owner of a gas utility, the Board, in respect of all or any portion of the property being constructed or that has been constructed or acquired but that is not yet being used and is intended to be used in the future to provide service to the public within Alberta, may adopt any just and reasonable basis for determining a method of calculating a fair return on that property without establishing a rate base for that property.

In accordance with section 4(1) of the Interpretation Act, this Bill comes into force on the date it receives Royal Assent.

