

1985 BILL 41

Third Session, 20th Legislature, 34 Elizabeth II

THE LEGISLATIVE ASSEMBLY OF ALBERTA

BILL 41

PIPELINE AMENDMENT ACT, 1985

THE MINISTER OF ENERGY AND NATURAL RESOURCES

First Reading

Second Reading

Committee of the Whole

Third Reading

Royal Assent

BILL 41

1985

PIPELINE AMENDMENT ACT, 1985

(Assented to _____, 1985)

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

1 *The Pipeline Act is amended by this Act.*

2 *Section 1 is amended*

(a) *by repealing subsection (1)(b), (c), (c.1), (e), (m), (o), (x) and (y);*

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

(i) "licensee" means a person who is the holder of a licence;

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

(s) "pipeline" means a pipe used to convey a substance or combination of substances, including installations associated with the pipe, but does not include

(i) a pipe used to convey water other than water used in connection with a facility, scheme or other matter authorized under the *Oil and Gas Conservation Act* or the *Oil Sands Conservation Act*,

(ii) a pipe used to convey gas, if the pipe is operated at a maximum pressure of 700 kilopascals or less, and is not used to convey gas in connection with a facility, scheme or other matter authorized under the *Oil and Gas Conservation Act* or the *Oil Sands Conservation Act*, or

(iii) a pipe used to convey sewage;

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

(2) A decision of the Board is final as to whether a particular thing falls within a definition in subsection (1), or whether a definition in subsection (1) applies to a particular case.

Explanatory Notes

- 1 This Bill will amend chapter P-8 of the Revised Statutes of Alberta 1980.
- 2 Section 1(1)(b), (c), (c.1), (e), (i), (m), (o), (s), (x) and (y) and (2) presently read:

1(1) In this Act,

(b) "distribution line" means a pipe used for transmitting gas for domestic, commercial or industrial purposes and includes the installations in connection with that pipe;

(c) "flow line" means a pipe for

(i) the transmission of fluids from an oil well or wells to a tank, battery or common pipeline manifold, or

(ii) the transmission of water obtained from oil or gas for disposal to other than an underground formation,

and includes installations in connection with that pipe;

(c.1) "fluids line" means a pipe for the transmission of fluids other than

(i) oil,

(ii) gas,

(iii) carbon monoxide produced from coal,

(iv) water for a waterworks system that is a public utility,

(v) sewage, or

(vi) water where the pipe forms part of a works or undertaking constructed under the authority of an interim licence or licence issued pursuant to the Water Resources Act,

and includes installations in connection with that pipe but does not include a flow line or secondary line;

(e) "gas line" means a pipe for the transmission of gas from a secondary line or storage facility to a distribution centre or storage facility and includes installations in connection with that pipe, but does not include a multiphase line, secondary line, flow line or distribution line;

3 Section 2(c) and (e) are repealed.

4 The heading **"POWERS OF THE LIEUTENANT GOVERNOR IN COUNCIL"** is repealed and the heading **"REGULATIONS"** is substituted.

5 Section 3(1) is amended

(a) by striking out "Lieutenant Governor in Council" and substituting "Board";

(b) by repealing clauses (c.1) and (c.2) and substituting the following:

(c.1) requiring the upgrading of pipelines or portions of pipelines and respecting the standards of upgrading;

(i) "licensee" means the holder of a licence;

(m) "multiphase line" means a pipe for the transmission of effluent consisting of oil, gas and water in any combination from one or more oil wells and includes installations in connection with that pipe;

(o) "oil line" means a pipe for the transmission of oil from a secondary line, storage facility or processing plant to a terminal or storage facility and includes installations in connection with that pipe, but does not include a secondary line or flow line;

(s) "pipeline" means a gas line, oil line, fluids line, multiphase line, solids line, secondary line, distribution line or flow line;

(x) "secondary line" means a pipe for

(i) the gathering or transmission of oil or gas in an area,

(ii) the gathering or transmission of oil, gas, water or any other substance in connection with an order made, or a scheme or operation approved, under the Oil and Gas Conservation Act or the Oil Sands Conservation Act,

(iii) the gathering or transmission of water, oil or gas in connection with drilling or production operations in any area, or

(iv) the gathering and transmission of solids to a solids line,

and includes installations in connection with that pipe, but does not include a flow line;

(y) "solids line" means a pipe for the transmission of a normally solid material whether in suspension or other form and includes installations in connection with that pipe, but does not include a gas line, oil line, fluids line, multiphase line, secondary line, flow line, distribution line or sewer line;

(2) A decision of the Board is final as to whether a pipeline is a gas line, oil line, fluids line, multiphase line, solids line, secondary line, distribution line or flow line.

3 Section 2(c) and (e) presently read:

2 Except as otherwise provided in this Act, this Act applies to all pipelines in Alberta other than

(c) a distribution line that is designed or intended to operate at a maximum pressure of 700 kilopascals or less,

(e) a gas installation within the meaning of the Gas Protection Act, or

4 Consequential amendment.

5 Section 3(1)(c.1) and (m) to (q) presently read:

3(1) The Lieutenant Governor in Council may make regulations

(c.1) authorizing the Board to require the upgrading of pipelines, portions of pipelines, types of pipelines or portions of types of pipelines and respecting standards for such upgrading;

(c.2) authorizing the Board to exempt a permittee or licensee of a pipeline from the requirement of upgrading the pipeline or a portion

(c) *by repealing clauses (m) to (q) and substituting the following:*

(m) exempting a pipeline or class of pipeline from any provision of this Act or the regulations;

(n) prescribing alternate provisions that may apply to a pipeline or class of pipeline exempted by a regulation made under clause (m);

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

(w) prescribing or approving forms to be used under this Act or the regulations either generally or for a particular case;

(x) establishing a schedule of fees

(i) pertaining to applications, or

(ii) for any other service provided by the Board.

6 *Section 4 is repealed.*

7 *Section 12(2) is repealed.*

8 *Section 13(2) is repealed.*

9 *The following is added after section 13:*

13.1 A permit expires on the date specified by the Board.

13.2 The Board, on the request of the permittee or on its own initiative, may

(a) change the date on which a permit expires,

(b) amend a permit,

of the pipeline or from a standard of upgrading specified in the regulations;

(m) with respect to flow lines

(i) exempting flow lines from any provision of this Act or the regulations, and

(ii) prescribing other provisions in substitution for any provisions of this Act or the regulations referred to in subclause (i);

(n) with respect to distribution lines

(i) exempting distribution lines from any provision of this Act or the regulations, and

(ii) prescribing other provisions in substitution for any provisions of this Act or the regulations referred to in subclause (i);

(o) with respect to multiphase lines

(i) exempting multiphase lines from any provision of this Act or the regulations, and

(ii) prescribing other provisions in substitution for any provisions of this Act or the regulations referred to in subclause (i);

(p) with respect to solids lines

(i) exempting solids lines from any provision of this Act or the regulations, and

(ii) prescribing other provisions in substitution for any provisions of this Act or the regulations referred to in subclause (i);

(q) applicable to fluids lines generally or to particular fluids lines;

6 Section 4 presently reads:

4 The Board may

(a) prescribe or approve forms to be used under this Act or the regulations, either generally or for any particular case, and

(b) establish a schedule of fees

(i) pertaining to applications or proceedings under this Act or the regulations, and

(ii) for any other service provided by the Board.

7 Section 12(2) presently reads:

(2) An application under subsection (1) shall be made and dealt with in the same manner as an application for a permit under this Part.

8 Section 13(2) presently reads:

(2) An application under subsection (1) shall be submitted and dealt with in the same manner as an application for a permit under this Part.

9 Extends the powers of the Board with respect to permits.

- (c) suspend a permit,
- (d) cancel a permit, or
- (e) subject to any terms or conditions the Board considers necessary, regrant a permit.

10 Sections 16 and 17 are repealed.

11 Sections 19 to 22 are repealed and the following is substituted:

19(1) No person shall operate a pipeline for any purpose unless he is a licensee.

(2) No person shall operate a pipeline unless the pipeline has first been tested pursuant to the regulations or as otherwise approved by the Board, and been found to be satisfactory.

(3) A permittee is a licensee for the purposes of subsection (1) during the term of the permit and, subject to subsection (2), may operate a pipeline.

20(1) The Board may grant a licence to an applicant subject to any terms and conditions expressed in the licence, or the Board may refuse to grant a licence.

(2) The Board shall not grant a licence under this Act in respect of

(a) a pipeline that is part of a rural gas utility as defined in the *Rural Gas Act*, or

(b) an individual tap as defined in the *Rural Gas Act*,

without the consent of the Minister of Utilities and Telecommunications or a person authorized by him to give that consent.

21 The Board, on the request of the licensee or on its own initiative, may

- (a) amend a licence,
- (b) suspend a licence,

10 Sections 16 and 17 presently read:

16 The Board may

- (a) cancel a permit if a date was prescribed pursuant to section 14 by which the construction of the pipeline was to be commenced or completed and the pipeline was not commenced or completed by that date,*
- (b) amend a permit if it considers it to be in the public interest to do so,*
- (c) cancel a permit at the request of the permittee, or*
- (d) issue a new permit in place of a cancelled permit.*

17(1) When, in the opinion of the Board, a permittee has not substantially commenced construction of the pipeline for which his permit was issued within one year from the date of the permit, the Board may cancel the permit.

(2) When, in the opinion of the Board, a permittee has not completed construction of the pipeline for which his permit was issued within 18 months from the date of the permit, the Board may cancel the permit.

11 Sections 19 to 22 presently read:

19(1) No person shall operate a pipeline to which this Act applies for any purpose under this Act until he has

- (a) furnished the Board with particulars of the testing of the pipeline, and*
- (b) applied for and obtained a licence from the Board.*

(2) A licence may be granted by the Board subject to such terms and conditions as may be expressed in the licence or the Board may refuse to grant a licence.

20 A licence shall not be granted by the Board, except provisionally, for

- (a) a pipeline that is part of a rural gas utility (as defined in the Rural Gas Act), or*
- (b) an individual tap (as defined in the Rural Gas Act),*

without the consent of the Minister of Utilities and Telecommunications or a person authorized by him to give that consent.

21 A licence granted provisionally by the Board may be for any period not exceeding 6 months but the Board, on application, may extend the period if in its opinion circumstances warrant it.

22 When application is made to amend a licence the Board may

- (a) amend the licence,*
- (b) cancel the licence and grant a new licence subject to any terms and conditions it prescribes, or*
- (c) deny the application.*

- (c) cancel a licence, or
- (d) subject to any terms or conditions the Board considers necessary, regrant a licence.

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