# 1988 BILL 42

Third Session, 21st Legislature, 37 Elizabeth II

# THE LEGISLATIVE ASSEMBLY OF ALBERTA

# **BILL 42**

# **ENERGY STATUTES AMENDMENT ACT, 1988**

THE MINISTER OF ENERGY
First Reading
Second Reading
Committee of the Whole
Third Reading
Royal Assent

# **BILL 42**

#### 1988

# **ENERGY STATUTES AMENDMENT ACT, 1988**

(Assented to

, 1988)

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

#### Mines and Minerals Act

- 1(1) The Mines and Minerals Act is amended by this section.
- (2) Section 5(1) is amended by adding the following after clause (m):
  (m.1) respecting the determination of compensation for the purposes of section 92(6);
- (3) Section 8 is amended by adding the following after subsection (3):
  - (4) For the purpose of applying subsection (1)(h) to a petroleum and natural gas lease, petroleum lease or natural gas lease, the expression "term" in that clause includes the period during which the lease is continued under Part 5.
- (4) Section 37 is amended
  - (a) in subsection (2)
    - (i) by repealing clause (d) and substituting the following:
      - (c.1) respecting the determination of the amount of money payable to the Crown in respect of the Crown's royalty share of a mineral when disposed of by a person required by the regulations to be an agent of the Crown for that purpose, notwithstanding the consideration actually received for the Crown's royalty share when it is disposed of by the agent, and respecting the liability of that agent for the payment of that amount;
      - (d) respecting the determination of the value of a mineral or of the Crown's royalty share of a mineral for any purpose under the regulations;
    - (ii) by adding the following after clause (e):
      - (f) respecting the respective rights, powers, liabilities and obligations of the Minister, the lessee and others in the

# **Explanatory Notes**

#### Mines and Minerals Act

- 1(1) This section will amend chapter M-15 of the Revised Statutes of Alberta 1980.
- (2) Section 5(1) presently reads in part:
  - 5(1) The Lieutenant Governor in Council may make regulations
    - (m) respecting the determination of compensation on the surrender of, cancellation of or refusal to renew an agreement pursuant to section 8(1)(c);
- (3) Section 8(1)(h) presently reads:
  - 8(1) The Minister may
    - (h) if he is satisfied that it is in the public interest to do so, agree from time to time with the lessee to extend the term of the lessee's agreement for an additional period or periods not exceeding 10 years in the aggregate;
- (4) Section 37(2) presently reads:
  - (2) The Lieutenant Governor in Council may make regulations
    - (a) respecting the Crown's royalty share of a mineral;
    - (b) respecting the circumstances under which the lessee or any other person may be required to act or requiring the lessee or any other person to act as agent of the Crown in right of Alberta for any purpose leading to and including the disposal of the Crown's royalty share of a mineral;
    - (c) respecting the conditions of any agency relationship created pursuant to clause (b) and the powers, rights and duties of the Minister and of the lessee or any other person under the agency relationship;
    - (d) authorizing the Minister to determine the value of a mineral at the time the Crown's royalty share of the mineral is disposed of by an agent, notwithstanding the consideration actually given for the Crown's royalty share when it is disposed of by the agent;
    - (e) respecting the costs and allowances for which the Crown may consent to be liable in relation to the Crown's royalty share of a mineral.

event that the quantity of a mineral delivered to the Crown under the lessee's agreement in a month is less than or greater than the quantity of the Crown's royalty share of the mineral actually payable in respect of that month.

- (b) by adding the following after subsection (2):
  - (2.1) Without limiting the powers of the Lieutenant Governor in Council under subsection (2)(f), regulations may be made under that clause
    - (a) respecting the powers of the Minister, in the event of a deficiency in deliveries of the quantity of the Crown's royalty share of a mineral under an agreement in a month, to require that the default under the agreement resulting from the deficient delivery be remedied in a subsequent month by either
      - (i) the delivery in kind to the Crown of the deficient quantity in that subsequent month, or
      - (ii) the payment to the Crown in that subsequent month of an amount of money determined in accordance with the regulations as the value to the Crown of the deficient quantity,

#### whichever the Minister directs;

- (b) respecting the powers of the Minister, in the event of deliveries of a mineral to the Crown in excess of the quantity of the Crown's royalty share of the mineral in a month, to act as the agent of the owner of the excess quantity for the sale and delivery of the excess quantity to a purchaser in accordance with the regulations.
- (5) Section 46(5) is repealed and the following is substituted:
  - (5) The Minister may at any reasonable time enter any place where a business is carried on by a person required to keep records under this Act, if he does so for the purpose of auditing or examining records that are required to be kept under this Act.
  - (6) A person having possession of any records referred to in subsection (5) shall, for the purposes of an audit or examination under that subsection,
    - (a) provide access to that place by the Minister or any persons conducting the audit or examination on his behalf,
    - (b) give all reasonable assistance to the Minister and those persons,
    - (c) provide or make available information and records required by the Minister or any of those persons, including information in the possession of agents or employees of that person and located elsewhere, and answer questions relating to those records, and
    - (d) provide a copy of any information or records required by the Minister or those persons.

# (5) Section 46(5) presently reads:

(5) The records that are required to be kept by a person shall be made available by that person for inspection by the Minister whether or not those records are in that person's possession.

(6) Section 90(2) is amended by striking out "Board" wherever it occurs and substituting "Minister".

- (7) Section 92 is amended by adding the following after subsection (5):
  - (6) If, in the opinion of the Minister, a lease contains a misdescription of a zone, the Minister may amend the lease for the purpose of rectifying the description of the zone, subject to the payment of compensation determined in accordance with the regulations in respect of any loss suffered by the lessee as a consequence of the amendment.
  - (7) It is hereby declared that, subject to any adverse claim of which the Minister has notice before the commencement of this subsection, a lease whose term expired before July 1, 1985 did not continue after the expiration of its term or of any subsequent period of continuation
    - (a) as to the whole of its location if the records of the Department in existence at the commencement of this subsection show that no part of the location continued under the lease after the expiration of its term or of that continuation period, and
    - (b) as to any part of its location or as to any zones underlying all or any part of its location, if the records of the Department in existence at the commencement of this subsection show that the part of the location or the zones, as the case may be, did not continue under the lease after the expiration of its term or of that continuation period.
- (8) Section 94(1) is repealed and the following is substituted:
  - **94**(1) A lessee may, in accordance with the regulations and within
    - (a) the 120-day period prior to the expiration of the term of the lease, or
    - (b) with the consent of the Minister, that part of the last year of the term of the lease that precedes the 120-day period referred to in clause (a),

apply to the Minister for the Minister's approval of the continuation of the lease pursuant to section 95 or 96 or both.

## (6) Section 90(2) presently reads:

90(2) In this Part and in an agreement granting rights to petroleum or natural gas or both.

- (a) "natural gas" means the production from any well that, in the opinion of the Board, initially produces gas either alone or with oil at a gas-oil ratio of 1800:1 or higher, but does not include any production that may be obtained from any well that, in the opinion of the Board, initially produces gas with oil at a lower gas-oil ratio;
- (b) "petroleum" means the production from any well that, in the opinion of the Board, initially produces oil either alone or with gas at a gas-oil ratio of less than 1800:1, but does not include any production that may be obtained from any well that, in the opinion of the Board, initially produces oil with gas at a higher gas-oil ratio.

# (7) Section 92 presently reads:

- 92(1) A petroleum and natural gas lease grants in accordance with the terms and conditions of the lease the right to the petroleum and natural gas in the location that are the property of the Crown.
- (2) Notwithstanding subsection (1), a petroleum and natural gas lease may except from the rights granted
  - (a) the petroleum rights in all or part of the location or in 1 or more zones in all or part of the location, or
  - (b) the natural gas rights in all or part of the location or in 1 or more zones in all or part of the location.
- (3) A reference in this Part to a petroleum and natural gas lease includes a petroleum and natural gas lease from which rights to petroleum or natural gas are excepted pursuant to subsection (2).
- (4) An agreement granting rights to petroleum or natural gas or both, whether granted before, on or after July 1, 1978, does not grant the right to oil sands.
- (5) An agreement granting rights to which this Part applies does not grant the right to natural gas in a coal seam that the Minister has authorized the lessee of a coal lease to recover under section 65(2).

# (8) Section 94 presently reads in part:

94(1) A lessee may, in accordance with the regulations and within the 120-day period prior to the expiration of the term of his lease, apply to the Minister for the Minister's approval of the continuation of the lease pursuant to section 95 or 96 or both.

- (9) Section 96 is amended
  - (a) by repealing subsection (6)(b) and substituting the following:
    - (b) the Minister is satisfied that the lessee requires additional time to properly evaluate the petroleum or natural gas rights in the location or part of the location continued under subsection (1), and
  - (b) by repealing subsection (9)(b) and substituting the following:
    - (b) the application is made within the 120-day period referred to in section 94(1)(a) that applies to the lease that qualifies for continuation under subsection (1) as to all or part of its location.
    - (b.1) the terms of each of the other leases expire within the same 120-day period, and

#### **Natural Gas Marketing Act**

- 2(1) The Natural Gas Marketing Act is amended by this section.
- (2) The following is added after section 14:
  - **14.1(1)** Employees and authorized agents of the Commission may enter at any reasonable time any place where a business is carried on by a person required to keep records under this Part, if they do so for the purpose of auditing or examining records that are required to be kept under this Part, in order to determine the accuracy of information furnished or submitted to the Commission under this Part or to obtain information that is required to be furnished or submitted to the Commission under this Part but which has not been so furnished or submitted.
  - (2) A person having possession of any records referred to in subsection (1) shall, for the purposes of an audit or examination under that subsection,
    - (a) provide access to that place by the employees and authorized agents of the Commission conducting the audit or examination,
    - (b) give all reasonable assistance to those employees and agents,
    - (c) provide or make available to those employees and agents any records required by them, including records in the possession of agents or employees of that person and located elsewhere, and answer questions relating to those records, and
    - (d) provide a copy of any record required by those employees or agents.

- (9) Section 96 presently reads in part:
  - (6) The Minister may extend the 90-day period referred to in subsection (1)(b) or a 90-day period within which the drilling of a well must be commenced pursuant to subsection (4) if
    - (a) an application for the extension is made during that 90-day period,
    - (b) the Minister is satisfied that the lessee requires additional time to properly evaluate the well to determine whether or not it can be completed as a producing well, and
    - (c) the extension does not exceed a further period of 90 days.
  - (9) Notwithstanding subsections (1) to (8), the Minister may allow 1 application to be made for continuation under subsection (1) in respect of 2 or more leases, whether held by the same lessee or not, if
    - (a) I of the leases qualifies for continuation under subsection (1) as to all or part of its location,
    - (b) the application is made on a day that is within that part of the 120-day period referred to in section 94(1) applicable to each of the leases and
    - (c) the application is accompanied by evidence that the well on which the application is based will evaluate the petroleum or natural gas the rights to which are granted by each of the other leases in all or part of the locations of those leases.

#### **Natural Gas Marketing Act**

- 2(1) This section will amend chapter N-2.8 of the Statutes of Alberta, 1986.
- (2) Audit and examination by the Commission.

(3) If a person does not comply with any of the requirements of subsection (2) or if the agents or employees of the Commission are otherwise prevented from conducting an audit or examination under subsection (1), the Court of Queen's Bench, on an application by the Commission by originating notice on at least 2 days' notice, may make any order it considers appropriate to restrain any person from preventing the employees and authorized agents of the Commission from exercising their powers under subsection (1) and to enforce compliance with subsection (2).

#### **Natural Gas Pricing Agreement Act**

- 3(1) The Natural Gas Pricing Agreement Act is amended by this section.
- (2) Section 17 is amended
  - (a) in subsection (4) by adding the following after clause (e):
    - (f) money directed to be transferred to the General Revenue Fund pursuant to subsection (6.2).
  - (b) in subsection (5)
    - (i) by adding the following after clause (a):
      - (a.1) authorizing the Commission, when a federal-provincial agreement is no longer in effect and any outstanding liabilities of the Fund have been paid, to make payments to producers or to original buyers and second buyers for the benefit of producers, and respecting the conditions on which the payments are to be made;
    - (ii) in clause (b) by striking out "clause (a)" and substituting "this subsection";
  - (c) in subsection (6)(c) by striking out "and money required to make payments referred to in subsection (4)(d)" and substituting ", money required to make payments referred to in subsection (4)(d) and money directed to be transferred to the General Revenue Fund pursuant to subsection (6.2)";
  - (d) by adding the following after subsection (6.1):
    - (6.2) The Commission shall, on being directed to do so by the Minister, transfer from the Natural Gas Pricing Agreement Act Fund to the General Revenue Fund the amount specified in the direction.

#### **Natural Gas Pricing Agreement Act**

- **3**(1) This section will amend chapter N-4 of the Revised Statutes of Alberta 1980.
- (2) Section 17 presently reads in part:
  - 17(1) There shall be a fund called the "Natural Gas Pricing Agreement Act Fund" which shall be held and administered by the Commission.
  - (4) The following shall be paid out of the Fund:
    - (a) compensation payable by the Commission pursuant to section 15 with respect to gas delivered to the Commission under that section:
    - (b) any cost of service incurred by the Commission with respect to gas delivered to the Commission under section 15 and the movement of the gas from the point of delivery to the Commission to the point of delivery to the purchaser of the gas from the Commission;
    - (c) money paid to producers, original buyers and second buyers pursuant to the regulations under subsection (5):
    - (d) money required to be paid by the Commission to the Government of Canada as market development incentive payments pursuant to a federal-provincial agreement;
    - (e) money directed to be transferred to the Natural Gas Pricing Agreement Market Development Fund pursuant to subsection (6.1).
  - (5) The Lieutenant Governor in Council may make regulations
    - (a) authorizing the Commission to make payments on a monthly basis from money in the Fund that is not from time to time required to pay any compensation or costs referred to in subsection (4)(a) and (b) or to make any payments referred to in subsection (4)(d) to
      - (i) eligible producers,
      - (ii) eligible original buyers by way of reimbursement to those buyers for the price adjustments required to be paid by them by virtue of the operation of section 11(1) and (2), and
      - (iii) eligible second buyers by way of reimbursement to those buyers for the price adjustments required to be paid by them by virtue of the operation of section 11(4)(c);
    - (b) prescribing the classes of producers, original buyers and second buyers eligible to receive payments pursuant to regulations under clause (a);
    - (c) prescribing the conditions on which the payments shall be made and the manner in which they shall be made;
    - (d) governing any other matter incidental to the making of payments to producers, original buyers and second buyers under this section.

- (3) Section 20(6.1) is repealed and the following is substituted:
  - (6.1) The Minister may direct the Commission to transfer all of the assets of the Development Fund to the Natural Gas Pricing Agreement Act Fund.

# **Petroleum Marketing Act**

- 4(1) The Petroleum Marketing Act is amended by this section.
- (2) Section 18 is repealed and the following is substituted:
  - **18**(1) Subject to this section, the delivery to the Commission of the Crown's royalty share of crude oil recovered pursuant to an agreement operates to discharge the lessee with respect to his liability to pay that royalty to the Crown in right of Alberta.
  - (2) The Lieutenant Governor in Council may make regulations
    - (a) respecting the reports and other information required to be supplied to the Commission by lessees and others for the purposes of this Part;
    - (b) respecting the imposition of pecuniary penalties payable to the Commission for the late filing of any report or other information required to be supplied to the Commission by the regulations.

# Take-or-Pay Costs Sharing Act

- 5(1) The Take-or-Pay Costs Sharing Act is amended by this section.
- (2) Section 1 is amended
  - (a) in subsection (1)
    - (i) by repealing clause (b) and substituting the following:
      - (b) "Consolidated" means
        - (i) Consolidated Natural Gas Limited, or
        - (ii) a corporation designated by the Minister as the successor to Consolidated Natural Gas Limited for the purposes of this Act;
    - (ii) by adding the following after clause (d):
      - (d.1) "extra-provincial carrier" means a person who operates an extra-provincial system;
      - (d.2) "extra-provincial system" means a pipeline or pipeline system that transports gas across the Alberta-Saskat-

(6) The regulations under subsection (5)

(c) shall be administered in such a manner that the eligible producers, original buyers and second buyers receive all of the money in the Fund except for the money required to pay for compensation or costs referred to in subsection (4)(a) and (b) and money required to make payments referred to in subsection (4)(d).

3) Section 20(6.1) presently reads:

(6.1) The Minister may direct the Commission to pay all of the money then in the Development Fund to or for the benefit of persons who, pursuant to section 15(4), purchase from the Commission gas intended to be removed from Alberta, in the manner and on the conditions specified by the Minister.

## **Petroleum Marketing Act**

- **4**(1) This section will amend chapter P-5 of the Revised Statutes of Alberta 1980.
- (2) Section 18(1) presently reads:

18(1) The delivery to the Commission of the Crown's royalty share of crude oil recovered pursuant to an agreement operates to discharge the lessee with respect to his liability to pay that royalty to the Crown in right of Alberta but nothing in this Part shall be construed to relieve the lessee from his obligation to file reports under the Mines and Minerals Act respecting the amount of crude oil recovered pursuant to the agreement.

# Take-or-Pay Costs Sharing Act

- 5(1) This section will amend chapter T-0.1 of the Statutes of Alberta, 1986.
- (2) Section 1(1) presently reads in part:
  - 1(1) In this Act,
    - (b) "Consolidated" means Consolidated Natural Gas Limited;
    - (f) "gas" means
      - (i) natural gas recovered from a well in Alberta and not processed for the purpose of obtaining products from that natural gas, or
      - (ii) where natural gas recovered from a well in Alberta is processed, the product resulting from the processing that is a gaseous mixture consisting primarily of methane;

chewan or Alberta-Montana border and that is the subject of

- (i) a certificate of public convenience and necessity issued or declared to be issued under the *National Energy Board Act* (Canada), or
- (ii) an exemption order made under paragraph 49(1)(a) of that Act.

but does not include the TCPL system or the pipeline system owned by Foothills Pipe Lines (Alta.) Ltd.;

- (iii) by repealing clause (f) and substituting the following:
  - (f) "gas" means a gaseous mixture consisting primarily of methane:
- (iv) by adding the following after clause (m):
  - (m.1) "provincial carrier" means Nova or any other person operating a pipeline in Alberta that delivers gas into an extra-provincial system;
- (b) by adding the following after subsection (2):
  - (3) If
    - (a) Consolidated Natural Gas Limited, or
    - (b) a corporation designated by the Minister as the successor to Consolidated Natural Gas Limited for the purposes of this Act,

changes its name, references in this Act and the regulations to "Consolidated Natural Gas Limited" are deemed to be references to Consolidated Natural Gas Limited or the successor corporation, as the case may be, by its new name.

- (3) Section 2 is amended
  - (a) by repealing subsection (1) and substituting the following:
    - 2(1) Subject to this Act and the regulations, a levy is payable on gas upon its delivery
      - (a) within Alberta to TCPL or Consolidated, or
      - (b) into an extra-provincial system at any point on that system within Alberta.
  - (b) in subsection (2) by striking out "and" at the end of clause (a) and by adding the following after clause (b):
    - (c) on gas delivered to an extra-provincial carrier whether the carrier takes delivery of the gas as a buyer or for the purpose of transporting it in the carrier's extra-provincial system, and
    - (d) on gas delivered to an extra-provincial carrier as the buyer of the gas, whether the gas is resold by the carrier for delivery within Alberta or outside Alberta.
  - (c) by adding the following after subsection (2):
    - (2.1) Levies are payable on gas only if it is in the form in which it exists upon its recovery from a well in Alberta or is

# (3) Section 2 presently reads in part:

- 2(1) Subject to this Act and the regulations, a levy is payable on gas upon its delivery within Alberta to TCPL or Consolidated.
- (2) Levies are payable under subsection (1)
  - (a) on gas delivered to TCPL whether TCPL takes delivery of the gas as a buyer or for the purpose of transporting it in the TCPL system, and
  - (b) on gas delivered to TCPL or Consolidated as the respective buyers of the gas, whether the gas is resold by TCPL or Consolidated for delivery within Alberta or outside Alberta.
- (3) Levies are not payable on gas exempted under the regulations from the payment of levies.
- (4) The person liable for the payment of a levy is
  - (a) the seller under the contract, where TCPL or Consolidated takes delivery of leviable gas as the buyer under a contract for the sale and purchase of gas, or
  - (b) the person for whose account the gas was being transported by Nova in the Nova system immediately before its delivery into the TCPL system, where TCPL takes delivery of leviable gas for the purpose of transporting it in the TCPL system.

- a product resulting from processing petroleum or natural gas recovered from a well in Alberta.
- (d) in subsection (4) by striking out "or" at the end of clause (a) and by repealing clause (b) and substituting the following:
  - (b) the person for whose account the gas was being transported by Nova in the Nova system immediately before its delivery into
    - (i) the TCPL system, where TCPL takes delivery of leviable gas for the purpose of transporting it in the TCPL system, or
    - (ii) an extra-provincial system,
  - (c) the person for whose account the gas was being transported by the pipeline system of a provincial carrier other than Nova immediately before its delivery into an extraprovincial system, or
  - (d) the provincial carrier who delivers gas into the TCPL system or an extra-provincial system, where the provincial carrier is also the owner of the gas immediately before its delivery into that system.
- (e) in subsection (5)(a) by striking out "TCPL or Consolidated" and substituting "TCPL, Consolidated or an extra-provincial carrier".
- (f) in subsection (6) by striking out "and" at the end of clause (a), by adding "and" at the end of clause (b) and by adding the following after clause (b):
  - (c) may be made by any member of the Commission on behalf of the Commission.
- (4) The following is added after section 6:
  - **6.1**(1) Employees and authorized agents of the Commission may enter at any reasonable time any place of business of any person required to keep records by the regulations, for the purposes of auditing or examining records at those premises if the audit or examination is made for any purpose related to the exercise or performance of the Commission's powers and duties under this Act or the regulations.
  - (2) A person having possession of any records referred to in subsection (1) shall, for the purposes of an audit or examination under subsection (1),
    - (a) provide access to his premises by the employees and authorized agents of the Commission conducting the audit or examination,
    - (b) give all reasonable assistance to those employees and agents,
    - (c) provide or make available to those employees and agents any records required by them, including records in the possession of agents or employees of that person, and answer questions relating to those records, and

# (5) A levr

- (a) is payable on the quantities of leviable gas delivered to TCPL or Consolidated in a delivery month,
- (b) is payable at the rate or rates or in the amounts prescribed by an order of the Commission or in accordance with a method prescribed by an order of the Commission.
- (c) shall be calculated and paid in the manner and at the time or times provided in this Act and the regulations, and
- (d) is payable to the Commission.
- (6) An order of the Commission under subsection (5)(b)
  - (a) shall be made in accordance with any directions provided for in the regulations, and
  - (b) is not invalid by reason only of the fact that it results in levies being payable at different rates in respect of different classes of gas.

(4) Audit and examination by Commission.

- (d) provide a copy of any record required by those employees and agents.
- (3) If a person does not comply with any of the requirements of subsection (2) or if the agents or employees of the Commission are otherwise prevented from conducting an audit or examination under subsection (1), the Court of Queen's Bench, on an application by the Commission by originating notice on at least 2 days' notice, may make any order it considers appropriate to restrain any person from preventing the employees and authorized agents of the Commission from exercising their powers under subsection (1) and to enforce compliance with subsection (2).
- (5) Section 11 is amended
  - (a) by repealing subsection (1) and substituting the following:
    - 11(1) If a payor referred to in section 2(4)(b) or (c) defaults in the payment of levies, interest or penalties for a period of more than 30 days following the date on which payment is due, the Commission, with the approval of the Minister, may issue an order directing a provincial carrier to cease transporting gas in his pipeline system for the account of that payor for delivery into the TCPL system or an extra-provincial system, as the case may be, commencing on the first day of the month following the date on which the order is served on the provincial carrier and continuing until the Commission notifies the provincial carrier in writing that all arrears of levies, interest and penalties for which the payor was liable have been fully paid or that the order is rescinded.
  - (b) by repealing subsection (3) and substituting the following:
    - (3) An order under subsection (1) does not operate
      - (a) to frustrate or otherwise render ineffective any agreement between
        - (i) the payor and a provincial carrier, or
        - (ii) the payor and any other person, if the agreement relates to the transportation of gas by pipeline within Alberta,

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- (b) to relieve the payor from any liability
  - (i) to a provincial carrier, or
  - (ii) to a party under an agreement referred to in clause (a)(ii),

for the payment of any amount that would in any event have been payable in the absence of the order.

(6) Section 14 is amended by striking out "Nova" wherever it occurs and substituting "a provincial carrier".

# (5) Section 11 presently reads:

11(1) If a payor referred to in section 2(4)(b) defaults in the payment of levies, interest or penalties for a period of more than 30 days following the date on which payment is due, the Commission, with the approval of the Minister, may issue an order directing Nova to cease transporting gas in the Nova system for the account of that payor for delivery into the TCPL system, commencing on the first day of the month following the date on which the order is served on Nova and until the Commission notifies Nova in writing that all arrears of levies, interest and penalties for which the payor was liable have been fully paid.

- (2) The Commission shall serve on the payor a copy of the order made under subsection (1), and any subsequent notice under that subsection, as soon as possible after it is issued.
- (3) An order under subsection (1) does not operate to
  - (a) frustrate or otherwise render ineffective any agreement between Nova and the payor concerned, or
  - (b) relieve the payor from any liability to Nova for the payment of any amount that would in any event have been payable in the absence of the order.

#### (6) Section 14 presently reads:

14 No action or proceeding may be brought against the Commission, Nova or a designated collector, any member, employee or agent of the Commission or any employee or agent of Nova or a designated collector, in respect of any act or thing done purportedly in pursuance of this Act or the regulations or in pursuance of any order or decision of the Commission under this Act or the regulations.

# Miscellaneous

- 6 An opinion of the Energy Resources Conservation Board given before the commencement of section 1(6)
  - (a) under the Mines and Minerals Act or an agreement as defined in that Act, and
- (b) respecting the gas-oil ratio of the initial production of a well shall be deemed to be the opinion of the Minister of Energy.
- 7 The Natural Gas Pricing Agreement Amendment Regulation (Alta. Reg. 423/86) is validated.
- 8 Section 5(2)(a)(ii) and (iv), (3)(a), (b), (d) and (e), (5) and (6) come into force on Proclamation.

# Miscellaneous

- 6 Transitional.
- 7 Validates regulation.
- 8 Coming into force.