

1990 BILL 51

Second Session, 22nd Legislature, 39 Elizabeth II

THE LEGISLATIVE ASSEMBLY OF ALBERTA

BILL 51

GAS UTILITIES STATUTES AMENDMENT ACT, 1990

THE MINISTER OF ENERGY

First Reading

Second Reading

Committee of the Whole

Third Reading

Royal Assent

BILL 51

1990

GAS UTILITIES STATUTES AMENDMENT ACT, 1990

(Assented to _____, 1990)

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 1 is amended by adding the following after clause (g):

(g.1) “municipal gas franchise” means

(i) a contract entered into between a municipality and another person pursuant to section 279(1)(a) of the *Municipal Government Act* respecting the supply of gas by that person to residents of that municipality or part of that municipality, and

(ii) a special franchise conferred by the municipality pursuant to section 279(1)(b) of that Act on the other party to the contract referred to in subclause (i);

(3) The following is added after section 26:

26.1(1) In this section,

(a) “consumer” means a consumer of gas who takes delivery of the gas at its place of consumption by means of the gas distribution system of a distributor;

(b) “direct seller” means a person who sells gas to a consumer, if the gas is delivered to its place of consumption

Explanatory Notes

Gas Utilities Act

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

(2) Section 1 contains definitions of expressions used in the Act.

(3) Regulation of gas supply obtained from direct sellers.

by means of the gas distribution system of a distributor, but does not include the consumer's distributor;

(c) "distributor" means a person who operates a gas distribution system that is the subject of a municipal gas franchise.

(2) The Lieutenant Governor in Council may make regulations

(a) establishing classes of consumers for the purposes of this section;

(b) respecting, in relation to any class of consumers, the requirements to be met before and during the term of a contract under which a consumer within that class obtains a supply of gas from a direct seller;

(c) respecting the rights and obligations of

(i) a distributor in relation to his consumers or to members of any class of his consumers or in relation to a direct seller,

(ii) a direct seller in relation to a distributor or in relation to consumers to whom the direct seller sells gas, or

(iii) consumers or members of any class of consumers in relation to their distributor or in relation to direct sellers from whom they purchase gas,

with respect to any matters provided for in the regulations.

(3) Subject to the regulations, a consumer has the right to obtain a supply of gas from a direct seller for delivery to the consumer by means of the gas distribution system of a distributor, and for that purpose the Board may require the distributor to transport gas by means of his gas distribution system on behalf of the consumer or the direct seller at the rates, tolls or charges fixed by the Board and on the terms and conditions imposed by the Board.

(4) Subsection (3) applies notwithstanding any municipal gas franchise held by the distributor, whether or not it grants any exclusive rights to the distributor.

(5) Section 279(1) of the *Municipal Government Act* does not apply to the sale of gas by a direct seller to a consumer.

(4) *Section 40 is amended*

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

40(1) A municipal gas franchise is not valid unless it is approved by the Board.

(b) *in subsection (2) by striking out “privilege or franchise” and substituting “municipal gas franchise”.*

Municipal Government Act

2(1) *The Municipal Government Act is amended by this section.*

(2) *The following is added before section 291:*

290.1(1) In this section,

(a) “consumer” means a consumer of gas who takes delivery of the gas at its place of consumption by means of an urban gas system;

(b) “direct seller” means a person who sells gas to a consumer, if the gas is delivered to its place of consumption by means of an urban gas system, but does not include the distributor that operates that urban gas system;

(c) “distributor” means

(i) an urban municipality, or

(ii) a rural gas co-operative association as defined in the *Rural Gas Act*,

that operates an urban gas system;

(d) “urban gas system” means a system for the distribution of gas to consumers within all or part of an urban municipality and operated by

(i) the urban municipality, or

(4) Section 40 presently reads:

40(1) No privilege or franchise granted to any owner of a gas utility by any municipality within Alberta is valid until approved by the Board.

(2) Approval shall be given when, after hearing the parties interested or with the consent of the parties, the Board determines that the privilege or franchise is necessary and proper for the public convenience and properly conserves the public interests.

(3) The Board may, in giving its approval under subsection (2), impose any conditions as to construction, equipment, maintenance, service or operation that the public convenience and interests reasonably require.

Municipal Government Act

2(1) This section will amend chapter M-26 of the Revised Statutes of Alberta 1980.

(2) Regulation of gas supply obtained from direct sellers.

(ii) a rural gas co-operative association, as defined in the *Rural Gas Act*, pursuant to a contract and special franchise under section 279;

(e) “urban municipality” means a city, town, village or summer village.

(2) The Lieutenant Governor in Council may make regulations

(a) establishing classes of consumers for the purposes of this section;

(b) respecting, in relation to any class of consumers, the requirements to be met before and during the term of a contract under which a consumer within that class obtains a supply of gas from a direct seller;

(c) respecting the rights and obligations of

(i) a distributor in relation to its consumers or to members of any class of its consumers or in relation to a direct seller,

(ii) a direct seller in relation to a distributor or in relation to consumers to whom the direct seller sells gas,
or

(iii) consumers or members of any class of consumers in relation to their distributor or in relation to direct sellers from whom they purchase gas,

with respect to any matters provided for in the regulations.

(3) Subject to the regulations, a consumer has the right to obtain a supply of gas from a direct seller for delivery to the consumer by means of an urban gas system, subject to the rates, charges or tolls and on the terms and conditions established by the distributor with respect to the transportation of the gas.

(4) The Public Utilities Board, on the application of a consumer or direct seller aggrieved by an unreasonable refusal of the distributor to provide service for the transportation of gas to the consumer by means of the distributor’s urban gas system or by any unreasonable term or condition under which the transportation service is or is sought to be provided by the distributor, may make an order

(a) directing the distributor to provide the transportation service in accordance with the provisions of the order,

(b) amending, replacing or voiding the term or condition, or

(c) settling the term or condition,

as the case requires.

(5) Section 279(1) does not apply to the sale of gas by a direct seller to a consumer.

(3) *Section 291 is amended by adding “, rate or toll” after “charge” wherever it occurs.*

Municipal Taxation Act

3(1) The Municipal Taxation Act is amended by this section.

(2) Section 14(7) is repealed and the following is substituted:

(7) A municipality may, with the approval of the Public Utilities Board, enter into an agreement with the holder of a special franchise under which the municipality, in lieu of imposing a tax for a year on the special franchise, land, improvements, pipelines, works and transmission lines, machinery, equipment and apparatus belonging to and used by the special franchise holder in the exercise of the franchise, accepts payment of

(a) a fixed percentage of the gross revenue of the special franchise for the year, or

(b) an amount calculated for that year in any other manner established by the Public Utilities Board.

Rural Gas Act

4(1) The Rural Gas Act is amended by this section.

(3) Section 291 presently reads:

291 Any user of a public utility aggrieved by service charges, rates and tolls made to him may by application appeal to the Public Utilities Board and the Board, if satisfied that the service charge

(a) does not conform to the public utility rate structure established by the municipality,

(b) has been improperly imposed, or

(c) is discriminatory,

may make an order varying, adjusting or disallowing the whole or any part of the charge.

Municipal Taxation Act

3(1) This section will amend chapter M-31 of the Revised Statutes of Alberta 1980.

(2) Section 14(7) presently reads:

(7) A municipality may with the approval of the Public Utilities Board enter into an agreement with the holder of a special franchise whereby the municipality accepts payment of an amount equal to a fixed percentage of the gross revenue of the special franchise from the holder in lieu of taxing the special franchise, lands, improvements, pipelines, works and transmission lines, machinery, equipment and apparatus belonging to and used by the special franchise holder in the exercise of the franchise.

Rural Gas Act

4(1) This section will amend chapter R-19 of the Revised Statutes of Alberta 1980.

(2) *The following is added after section 25:*

25.1(1) In this section,

(a) “consumer” means a consumer of gas who takes delivery of the gas at its place of consumption by means of a rural gas utility operated by a distributor within a franchise area;

(b) “direct seller” means a person who sells gas to a consumer, if the gas is delivered to its place of consumption by means of a rural gas utility operated by a distributor within a franchise area, but does not include that distributor;

(c) “distributor” does not include a remote urban municipality designated by the Minister under section 2.

(2) The Lieutenant Governor in Council may make regulations

(a) establishing classes of consumers for the purposes of this section;

(b) respecting, in relation to any class of consumers, the requirements to be met before and during the term of a contract under which a consumer within that class obtains a supply of gas from a direct seller;

(c) respecting the rights and obligations of

(i) a distributor in relation to its consumers or to members of any class of its consumers or in relation to a direct seller,

(ii) a direct seller in relation to a distributor or in relation to consumers to whom the direct seller sells gas, or

(iii) consumers or members of any class of consumers in relation to a distributor whose rural gas utility is used to transport gas to those consumers or in relation to direct sellers from whom they purchase gas,

with respect to any matters provided for in the regulations.

(3) Subject to the regulations, a consumer has the right to obtain a supply of gas from a direct seller for delivery to the consumer by means of a rural gas utility operated by a distributor whose rural gas utility is subject to the *Gas Utilities Act*, and for that purpose the Public Utilities Board may require the distributor to transport gas by means of his rural gas utility on behalf of the consumer or the direct seller at the rates, tolls or charges fixed by the Board and on the terms and conditions imposed by the Board.

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(4) Subject to the regulations, a consumer has the right to obtain a supply of gas from a direct seller for delivery to a consumer by means of a rural gas utility operated by a member-owned co-operative association or rural municipal authority, subject to the rates, charges or tolls and on the terms and conditions established by the member-owned co-operative association or rural municipal authority with respect to the transportation of the gas.

(5) Subsections (3) and (4) do not apply to a consumer if under the regulations a distributor has the exclusive right to provide natural gas service to that consumer.

(6) The Public Utilities Board, on the application of a consumer or direct seller aggrieved by an unreasonable refusal of the distributor to provide service for the transportation of gas to the consumer by means of the distributor's rural gas utility or by any unreasonable term or condition under which the transportation service is or is sought to be provided by the distributor, may make an order

(a) directing the distributor to provide the transportation service in accordance with the provisions of the order,

(b) amending, replacing or voiding the term or condition, or

(c) settling the term or condition,

as the case requires.

Commencement

5 *This Act comes into force on Proclamation.*

Commencement

5 Coming into force.