

1991 BILL 41

Third Session, 22nd Legislature, 40 Elizabeth II

THE LEGISLATIVE ASSEMBLY OF ALBERTA

BILL 41

NATURAL GAS MARKETING AMENDMENT ACT, 1991

THE MINISTER OF ENERGY

First Reading

Second Reading

Committee of the Whole

Third Reading

Royal Assent

BILL 41

1991

NATURAL GAS MARKETING AMENDMENT ACT, 1991

(Assented to _____, 1991)

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

1 *The Natural Gas Marketing Act is amended by this Act.*

2 *The following is added after section 9:*

9.1(1) In this section,

- (a) “continuation period”, in relation to a netback pricing agreement to which a designated shipper is a party, means the period commencing on the effective date of the designation order applicable to the shipper and ending on the date on which this section ceases to apply to the shipper by reason of subsection (5);
- (b) “designated shipper” means a shipper designated by an order under subsection (2) as a shipper to whom this section applies;
- (c) “designation order”, in relation to a designated shipper, means the order under subsection (2) designating that shipper as a shipper to whom this section applies;
- (d) “effective date”, in relation to a designation order, means the date on which the order is made effective;
- (e) “netback pricing agreement” means an agreement between a shipper and a producer, whether contained in their producer-shipper contract or not, providing for a netback pricing formula with respect to netback gas sold to the shipper under

Explanatory Notes

- 1** This Bill will amend chapter N-2.8 of the Statutes of Alberta, 1986.
- 2** Continuation of netback pricing agreements.

the producer-shipper contract, and includes a contract that varies or amends that agreement.

(2) The Lieutenant Governor in Council may, by order, designate a shipper as a shipper to whom this section applies if the Lieutenant Governor in Council is of the opinion that the shipper is affiliated with, or is otherwise influenced in favour of, a major purchaser of gas acquired by that shipper.

(3) A designation order may be made effective as of a date prior to the day on which it is made but not earlier than June 3, 1991.

(4) If a designation order is made in respect of a shipper and the shipper is a party to a netback pricing agreement in effect on the effective date of the designation order,

- (a) the netback pricing agreement, in the form in which it stood on the effective date, remains binding on the parties during the continuation period of the agreement, notwithstanding any expiration or termination of the agreement occurring during the continuation period, and
- (b) after the date on which the designation order is made and during the remainder of the continuation period of the agreement, the designated shipper shall not, except with the approval of the Commission and subject to any conditions prescribed by the Commission, purchase gas for resale unless the gas is purchased under a producer-shipper contract that was in effect on the effective date, whether or not the price to be paid under the contract is determined in accordance with a netback pricing agreement.

(5) This section ceases to apply to a designated shipper and the netback pricing agreements to which the designated shipper is a party

- (a) on a date determined in accordance with the regulations following a vote of the producers who are parties to the agreements conducted in accordance with the regulations and favouring the termination of the application of this section to the shipper and the agreements,
- (b) on the revocation of the designation order, or

(c) at any other time and in any other circumstances provided for in the regulations.

(6) The Lieutenant Governor in Council may make regulations

(a) respecting a vote of producers for any purpose under this section;

(b) respecting the time at which and the circumstances in which this section ceases to apply to a designated shipper and to the netback pricing agreements to which the designated shipper is a party;

(c) respecting any other matter arising under this section.

(7) If this section applies to a netback pricing agreement, it applies notwithstanding anything in that agreement or in the producer-shipper contract or any other contract or arrangement between the producer and the designated shipper who are parties to the agreement or any purported termination of the agreement.

(8) A person who contravenes this section or a regulation under this section is guilty of an offence.

(9) This section is repealed on November 1, 1994 unless it is sooner repealed by Proclamation.

3 This Act comes into force on Proclamation.

3 Coming into force.