

1993 BILL 344

Fourth Session, 22nd Legislature, 41 Elizabeth II

THE LEGISLATIVE ASSEMBLY OF ALBERTA

BILL 344

RURAL ELECTRIFICATION ACT

MR. TAYLOR

First Reading

Second Reading

Committee of the Whole

Third Reading

Royal Assent

Bill 344
Mr. Taylor

BILL 344

1993

RURAL ELECTRIFICATION ACT

(Assented to _____, 1993)

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

Definitions

1 In this Act,

- (a) "Association" means a Rural Electrification Association;
- (b) "chief officer" means the Deputy Minister of the Department or an employee of the Department designated by the Minister as chief officer;
- (c) "Department" means the Department of Transportation and Utilities;
- (d) "Deposit Reserve Account" means the account established for the reserve funds which an Association collects from its members for the replacement, extension or increase in capacity of an electrical distribution system owned by an Association;
- (e) "distributor" means an Association that owns or operates a rural electrical utility;
- (f) "electrical source" means a point at which electricity is supplied to a rural electrical utility or an individual tap;

(g) "extend" means the addition of a transmission line to the utility for the intended purpose of transmitting electricity to provide a supply of electricity to 2 or more consumers, whether more than one consumer has applied for electrical service from that transmission line or not, but does not include an expansion line;

(h) "franchise area" means the area prescribed as the franchise area in a franchise area approval;

(i) "franchise area approval" means a franchise area approval granted under Part 2;

(j) "individual tap" means a connection made into a transmission line transmitting electricity in order to provide electrical service to a rural customer;

(k) "member-owned co-operative association" means an Association that owns its rural electrical utility;

(l) "Minister" means the Minister of Transportation and Utilities;

(m) "Operation and Maintenance Account" means the account established for the payment of expenses relating to the operation and maintenance of an electrical system owned by an Association;

(n) "rural electrical utility" means a system of transmission lines for the distribution and delivery of electricity and which provides electrical service wholly or primarily to rural consumers in Alberta or consumers in remote urban municipalities in Alberta;

(o) "Rural Electrification Association" means an association under the *Rural Utilities Act* that has as a principal object the supplying of electricity to its members;

(p) "rural municipal authority" means

(i) the corporation of a municipal district, county or Metis settlement, or

(ii) the Minister of Municipal Affairs, in the case of an improvement district or special area;

(q) "service area" means the area prescribed as the service area in a service area approval;

(r) "service area approval" means a service area approval granted under Part 2;

(s) "Service Area of the Association" means the area within which the Association is entitled to provide electrical service, as designated by the Energy Resources Conservation Board pursuant to the *Hydro and Electrical Energy Act*;

(t) "System" means an electrical distribution system owned by an Association;

(u) "transmission line" includes any equipment, apparatus, mechanism, machinery or instrument incidental to the operation of a transmission line.

PART I GENERAL

Regulations 2 The Lieutenant Governor in Council may make regulations governing any other matter or procedure in connection with the administration of this Act not otherwise provided for.

Administration and Enforcement 3(1) Any person who contravenes Section 5 is guilty of an offence and liable to a fine not exceeding \$5000 and, in default of payment, to a term of imprisonment not exceeding 3 months.

(2) Any person who is guilty of an offence under the regulations for which no penalty is prescribed is liable to a fine not exceeding \$5000 and, in default of payment, to a term of imprisonment not exceeding 3 months.

4 Where the Attorney General has reasonable grounds to believe that a person is contravening or has contravened Section 5, the Attorney General may, whether or not a conviction has been adjudged in respect of the contravention, apply to the Court of Queen's Bench by way of originating notice on not less than 3 days notice for an order

- (a) restraining that person from contravening that section or continuing the contravention, and
- (b) requiring that person to do any act for the purpose of removing any transmission line constructed or installed in contravention of Section 5 and of making restitution to any other person for any damage resulting from the contravention.

**PART II
RURAL ELECTRICAL UTILITIES**

Construction
prohibitions

5(1) No person shall commence or complete the construction of a rural electrical utility or a transmission line unless

- (a) its design installation has been approved by the chief officer or an employee of the Department authorized to give the approval, and
- (b) it is to be located in a service area prescribed by a service area approval issued to the distributor.

(2) No person shall extend a rural electrical utility unless

- (a) the extension is to be located in a service area prescribed by a service area approval issued to the distributor, and
- (b) the design of the extension has been approved by the chief officer or an employee of the Department authorized to give the approval.

(3) Notwithstanding subsections (1) and (2), a distributor may, with the consent of the Minister,

- (a) extend the distributor's rural electrical utility to a consumer who is not in any franchise area, or
- (b) extend the distributor's rural electrical utility to a consumer whose location is within the service area of another distributor in accordance with the regulations.

Franchise Areas

6(1) An Association that proposes to construct a rural electrical utility shall first apply for a franchise area approval in respect of the rural electrical utility.

(2) An Association that proposes to extend to a rural electrical utility shall apply to the chief officer for a franchise area approval in respect of that rural electrical utility unless the Association is already the holder of a franchise area approval with respect to that rural electrical utility.

(3) An application under this section for a franchise area approval shall be filed with the Department and shall, subject to the regulations, be accompanied by

(a) a map showing the proposed franchise area, and

(b) a preliminary engineering design of the rural electrical utility or the extension, as the case may be.

(4) The chief officer may issue a franchise area approval with respect to a rural electrical utility in existence at the effective date of this Act or which was under construction on that date.

(5) The chief officer may, if in his opinion it is necessary to facilitate the implementation of a franchise area approval, order the transfer of distribution lines within the franchise area.

7(1) A franchise area approval shall establish the franchise area for the rural electrical utility of the distributor to whom it is issued.

(2) The chief officer shall determine the boundaries of a franchise area in accordance with criteria prescribed by the regulations.

(3) The chief officer shall not issue a franchise area approval unless satisfied that it is in the public interest to do so.

(4) This section applies to a distributor to which a franchise area approval is issued notwithstanding any other Act or any agreement made or issued under any other Act.

Service areas

8(1) When a distributor has applied for and been issued a franchise area approval, the distributor shall apply to the chief officer for a service area approval.

(2) An application under this section shall, subject to the regulations, be accompanied by

(a) a map showing the franchise area and the proposed service area, and

(b) an engineering design of the rural electrical utility or the extension, as the case might be.

(3) When the chief officer has issued a franchise area approval pursuant to Section 6(4) the chief officer may, in accordance with regulations, issue a service area approval with respect to the same rural electrical utility.

9(1) A service area approval shall prescribe the service area for the rural electrical utility, which shall be the same as or part of the franchise area for that utility.

(2) The chief officer shall determine the boundaries of a service area in accordance with criteria prescribed by the regulations.

(3) The chief officer shall not issue a service area approval unless satisfied that it is in the public interest to do so.

(4) This section applies to a distributor to whom a service approval is issued notwithstanding any other Act or any agreement or instrument made or issued under any other Act.

10(1) The chief officer may amend a service area approval in accordance with the regulations.

(2) The chief officer may, in lieu of issuing an amendment to a service area approval, issue a new service area approval incorporating the amendment and any previous amendments.

Revocation of
franchise area
approvals

11(1) The chief officer may, subject to the regulations, revoke any franchise area approval if he is satisfied that it is in the public interest to do so.

(2) If a franchise area approval is revoked, the distributor shall cease to operate the rural electrical utility that is the subject of the approval.

Reviews of
approvals

12(1) The chief officer shall review all franchise area approvals every 3 years.

(2) The chief officer may, for the purpose of ensuring that the maximum number of consumers are provided with electricity, amend or replace any approval by altering either the franchise area or the service area, or both, in accordance with the regulations.

13 The officers and employees of the Department shall, on request, provide assistance and information to any person making or proposing to make an application for a franchise area approval or a service area approval or an amendment to either.

14 If a dispute arises in conjunction with an application for a franchise area approval or a service area approval or an amendment to either of them, the chief officer, before deciding the application may, with the consent of the Minister, arrange for the conducting of a plebiscite or referendum by mail in order to obtain the views of electrical consumers, or potential electrical consumers, affected by the application, and the chief officer is bound by the results of a plebiscite or referendum so conducted.

15 On the completion of construction of a rural electrical utility, an extension or a distribution transmission line, the distributor shall file with the Department

(a) a copy of the final plans showing the actual physical location of all transmission lines forming part of the rural electrical utility, the extension of the low pressure distribution transmission line, as the case may be, and

(b) any other information required by the regulations.

16(1) When a consumer within the service area of an Association requires supplies of electricity large enough to necessitate the installation of over-size transmission lines, the Association may require the consumer to pay a capital surcharge in respect of the additional cost involved in installing the over-size transmission lines.

(2) When an extension of a rural electrical utility is constructed with the approval of the Minister pursuant to Section 5, the distributor may require the consumer concerned to pay for the extra capital cost involved in constructing the extension.

**PART III
RURAL ELECTRIFICATION ASSOCIATIONS**

Minimum standards

17 The Lieutenant Governor in Council may make regulations prescribing minimum standards for the operation and maintenance of, and utility business practices to be used in connection with, any rural electrical utility operated by an Association.

18 The Minister may make regulations prescribing the form of any contract or other document to be used by an Association or rural municipal authority in the conduct of its business.

Deposit Reserve Account

19(1) An Association may maintain a reserve account for the maintenance, replacement, extension and capacity increase of its rural electrical utility.

(2) The reserve account under this section shall be derived from the sources specified in the regulations.

(3) The Minister shall prescribe the minimum amount required to be maintained in the reserve account.

Operation and Maintenance Account

20(1) An Association may maintain an operation and maintenance account for the maintenance, replacement, extension and capacity increase of its rural electrical utility.

(2) The operation and maintenance under this section shall be derived from the sources specified in the regulations.

(3) The Minister shall prescribe the minimum amount required to be maintained in the operation and maintenance account.

Disposal of system

21 An Association may, by extraordinary resolution, authorize the sale of all its works to a utility company, a municipality, an Association or other purchaser approved by the Lieutenant Governor in Council.