

1994 BILL 27

Second Session, 23rd Legislature, 43 Elizabeth II

THE LEGISLATIVE ASSEMBLY OF ALBERTA

BILL 27

RURAL GAS ACT

MS HALEY

First Reading

Second Reading

Committee of the Whole

Third Reading

Royal Assent

Bill 27
Ms Haley

BILL 27

1994

RURAL GAS ACT

(Assented to , 1994)

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

Definitions

1 In this Act,

- (a) "chief officer" means the Deputy Minister of the Department or an employee of the Department designated by the Minister as chief officer;
- (b) "Department" means the Department of Transportation and Utilities;
- (c) "distributor" means the owner of a rural gas utility;
- (d) "easement" means an instrument referred to in section 72 of the *Land Titles Act*;

- (e) “facility” means a highway, road, road allowance, railway, canal, watercourse, cable or pipeline that exists at the time a pipeline under this Act is being constructed;
- (f) “franchise area” means the area of land in Alberta that is described in a franchise area approval;
- (g) “franchise area approval” means a franchise area approval granted under Part 2;
- (h) “low pressure distribution pipeline” means a pipeline that
 - (i) is used for transmitting gas for domestic, commercial or industrial purposes,
 - (ii) is designed or intended to operate at a maximum pressure of 700 kilopascals or less,
 - (iii) is not part of a rural gas utility, and
 - (iv) is not located within the municipal boundary of a city, town, village or summer village;
- (i) “Minister” means the Minister of Transportation and Utilities;
- (j) “municipal franchise” means the right granted to a person by an urban municipality pursuant to an agreement entered into under the *Municipal Government Act* whereby a person provides natural gas service to an urban municipality or a portion of an urban municipality;
- (k) “municipal gas utility” means a municipal corporation that owns a gas utility that is subject to a franchise area approval;
- (l) “pipeline” includes any equipment, apparatus, mechanism, machinery or instrument incidental to the operation of a pipeline;
- (m) “plant” means a pipeline that
 - (i) is part of a rural gas utility, and
 - (ii) is dedicated to supplying gas to that portion of a franchise area that is annexed by an urban municipality;
- (n) “primary service line” means a pipeline that is used to deliver gas to a single consumer;

- (o) “rural gas co-operative association” means an association under the *Rural Utilities Act* that owns a rural gas utility;
- (p) “rural gas utility” means a system of pipelines used for the supply, transmission, distribution and delivery of gas to consumers in a franchise area;
- (q) “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;
- (r) “urban gas utility” means
 - (i) a person who holds a municipal franchise, or
 - (ii) an urban municipality that owns its gas utility;
- (s) “urban municipality” means
 - (i) a city, town, village or summer village, or
 - (ii) a hamlet that has a population of not less than 300 residents;
- (t) “utilities officer” means a person who assists a rural municipal authority in the organization, construction, operation and co-ordination, or any of them, of a rural gas utility or a public utility within the boundaries of that rural municipal authority.

PART 1

ADMINISTRATION

Co-ordination
of standards

2 The chief officer is responsible for the setting and enforcement of all standards related to the design, construction, operation, maintenance, quality assurance, plant records, surveys and as-built drawings for rural gas utilities and low pressure distribution pipelines.

Waiver of
compliance

3 The Minister may waive the compliance with any provision of this Act or any order or other document issued under this Act either absolutely, conditionally or for a stated period in any case when the

Minister considers it warranted by special circumstances or necessary for the administration of this Act.

Inspections

4(1) The chief officer or any other officer of the Department, or an employee of the Department authorized for that purpose by the chief officer, may at any reasonable time

- (a) enter on any land or premises to inspect a rural gas utility or a low pressure distribution pipeline, a consumer service installation or the offices of a distributor, and
- (b) examine any records of a distributor in connection with the operation of a rural gas utility if the distributor is a rural gas co-operative association or is a distributor who has received a grant under the regulations made pursuant to the *Department of Transportation and Utilities Act*.

(2) The Minister may, by agreement with an agency of the Government or a person, authorize that agency or person to conduct an inspection under subsection (1) on behalf of the Department.

(3) On an agreement being entered into under subsection (2), an individual carrying out an inspection under that agreement is authorized to exercise the same powers as those exercised by a person under subsection (1).

(4) A utilities officer employed by a rural municipal authority may enter on any land or premises located within the rural municipal authority for the purposes of inspecting a rural gas utility or any other public utility that is servicing the residents of that rural municipal authority.

Report of
contraventions

5 A person conducting an inspection under section 4 shall, with respect to the construction, operation, maintenance or administration of a rural gas utility, low pressure distribution pipeline or consumer service installation, report any contravention or suspected contravention of any law to the appropriate department or agency of the Government of Alberta or of the Government of Canada having law enforcement responsibilities in respect of the subject-matter of the report.

Cessation of
unsafe
practices

6(1) Where an inspection is conducted under section 4 and pursuant to that inspection it is determined that unsafe practices are being used or unsafe conditions exist with respect to

- (a) the construction or operation of a rural gas utility or a low pressure distribution pipeline, or

- (b) any work, activity or circumstance that could endanger persons or property,

the chief officer or other officer of the Department or a person authorized under section 4 may order that the unsafe practices be suspended or that remedial action be taken to remove the unsafe conditions.

(2) A person who receives an order under subsection (1) shall not resume construction, operation, work or activity until the unsafe practices or conditions have been withdrawn or otherwise stopped.

Offence

7 Any person who contravenes section 6(2), 12, 13, 15, 20, 30 or 31 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.

**Order re
contravention**

8 When a person is contravening or has contravened section 6(2) or 12, the Minister of Justice and 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 doing one or more of the following:

- (a) restraining that person from contravening section 6(2) or 12, as the case may be;
- (b) restraining that person from continuing the contravention of section 6(2) or 12, as the case may be;
- (c) requiring that person to do any act for the purpose of withdrawing or stopping an unsafe practice or condition carried on in contravention of section 6(2);
- (d) requiring that person to do any act for the purpose of removing any pipeline constructed or installed in contravention of section 12;
- (e) requiring that person to make restitution to any other person for any damage resulting from the contravention of section 6(2) or 12, as the case may be.

PART 2

RURAL GAS UTILITIES

Right of Way and Construction

Form of
easement

9 An easement in favour of a rural gas co-operative association or municipal gas utility must be in a form that is prescribed or approved by the Director of Natural Gas Co-operatives under the *Rural Utilities Act*.

Acquisition of
easement

10(1) Prior to the construction or installation of a rural gas utility or low pressure distribution pipeline, the distributor or the owner of the low pressure distribution pipeline must ensure that

- (a) for the purposes of the rural gas utility or low pressure distribution pipeline, an interest in land has been acquired for the whole of the rural gas utility or low pressure distribution pipeline by way of easements negotiated with the Crown or any other person who owns land on which the rural gas utility or the low pressure distribution pipeline is to be installed,
- (b) all easements referred to in clause (a) or caveats respecting an interest in land are registered under the *Land Titles Act* or the *Metis Settlements Act*, and
- (c) the owner of any facility over or under which a rural gas utility or low pressure distribution pipeline is to be installed has given consent in writing to the installation.

(2) Notwithstanding subsection (1)(a), an easement is not required for a primary service line that is installed on or under land in a hamlet, an urban municipality or a subdivision, as defined in the *Planning Act*, if

- (a) the owner of the land on or under which the primary service line is installed has given consent in writing for the distributor to enter the land to install, maintain and repair the primary service line, and
- (b) the chief officer has approved that the installation of the primary service line may be carried out without an easement being acquired.

Proceedings
under Surface
Rights Act

11 Notwithstanding section 10(1)(a), an interest in land for purposes of a rural gas utility may be acquired by proceedings under the *Surface Rights Act* instead of acquiring an easement in accordance with section 10(1)(a) if the chief officer, on application from the distributor, is satisfied that proceedings under the *Surface Rights Act* are in the public interest.

Conditions to
be met

12 A person shall not construct a rural gas utility or a low pressure distribution pipeline unless that person has first obtained

- (a) the approval of the chief officer or an employee of the Department authorized by the chief officer to give the approval, and
- (b) all easements and consents required under section 10 for the installation of the rural gas utility or low pressure distribution pipeline.

Ground
disturbance

13(1) A person proposing to undertake or undertaking a ground disturbance within the meaning of the *Pipeline Act* must, before commencing any work, operation or activity, take all precautions reasonably necessary to ensure that the ground disturbance will not cause damage to or adversely affect the operation of a rural gas utility or low pressure distribution pipeline.

(2) The owner or operator of a rural gas utility or a low pressure distribution pipeline must provide any information or assistance to a person proposing to undertake or undertaking a ground disturbance that the person may reasonably require to enable the person to comply with subsection (1).

(3) At the request of the Minister, the Energy Resources Conservation Board may inquire into, examine and investigate an incident respecting a rural gas utility or low pressure distribution pipeline where in its opinion it is in the public interest to do so.

Government
pipeline

14(1) The Minister may purchase, construct, operate and maintain a high pressure gas pipeline that is required to bring gas from a source to a rural gas utility.

(2) A pipeline purchased or constructed under this section shall be owned by the Crown in right of Alberta unless transferred by the Crown to another government, agency or person.

(3) The Minister may purchase, construct, operate and maintain a meter station.

(4) The Minister may enter into an agreement in respect of any or all of the construction, operation and maintenance of a pipeline or meter station purchased or constructed under this section.

Franchise Areas

Application for
franchise area
approval

15(1) A person who proposes to construct a rural gas utility must first apply for a franchise area approval in respect of the rural gas utility.

(2) An application for a franchise area approval must

- (a) be filed with the chief officer, and
- (b) include the information that the chief officer requires to determine whether the rural gas utility will be economically viable and whether the distributor will be able to comply with the standards referred to in section 2.

(3) When a franchise area approval is issued, it must exclude areas contained within the boundaries of an urban municipality unless the council of the urban municipality agrees to the provision of gas service to the residents of the urban municipality by the distributor to which the franchise area approval applies.

(4) Notwithstanding subsection (3), a franchise area approval must exclude the area contained within the boundaries of an urban municipality if the council wishes to confer a municipal franchise on the distributor.

Issue of
franchise area
approval

16(1) A franchise area approval must prescribe the franchise area for the rural gas utility of the distributor to whom it is issued.

(2) The boundaries of a franchise area must

- (a) coincide as nearly as possible with existing municipal boundaries, and
- (b) avoid conflict with the boundaries of existing gas utility systems.

(3) In determining the boundaries of a franchise area, the chief officer must

- (a) take into consideration natural boundaries or obstacles that may inhibit growth of the rural gas utility or cause economic hardship for the distributor, and
- (b) ensure that local conditions and the community of interest among potential consumers are recognized.

(4) The chief officer shall not issue a franchise area approval unless the chief officer is satisfied that it is in the public interest to do so, having regard to the availability of other sources of gas, the present and future need for the extension of gas service throughout rural Alberta and any other circumstances that in the chief officer's opinion are relevant to the public interest.

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

Franchise
gives
exclusive right

17(1) A distributor holding a franchise area approval has both the exclusive right and the duty to offer and provide gas service to all potential consumers within the distributor's franchise area.

(2) Notwithstanding subsection (1), a distributor does not have the exclusive right to provide gas service to the following consumers:

- (a) a consumer using gas as a feedstock;
- (b) a consumer who holds the royalty rights to gas and who uses that gas to serve the consumer's own requirements, notwithstanding that the consumer may already have obtained natural gas service from the distributor;
- (c) a consumer who obtained natural gas service from another person prior to the date that the distributor obtained its franchise area approval;
- (d) a consumer who will use natural gas service on an intermittent or standby basis, other than for grain drying or irrigation purposes;
- (e) a consumer whose estimated annual energy use from natural gas service for purposes other than farming operations is greater than 10 000 gigajoules.

(3) Nothing in subsection (2) shall be construed so as to prohibit a distributor from offering and, if the offer is accepted, from providing service to any of the consumers referred to in subsection (2) who are located within the distributor's franchise area.

(4) Notwithstanding subsection (1), the chief officer may waive a distributor's duty to provide gas service to a consumer who is located within the distributor's franchise area if the chief officer is satisfied that it is not economically feasible for the distributor to provide service to that consumer.

Amendment of
franchise area
approval

18(1) The chief officer may, on application or on the chief officer's own motion amend a franchise area approval if the chief officer is satisfied that the amendment

- (a) will improve the economic viability of the rural gas utility,
 - (b) will enhance the opportunity for potential consumers to obtain gas service,
 - (c) will not be unfair or discriminatory to the distributor affected by the amendment, or
 - (d) is in the public interest.
- (2)** The chief officer may, in lieu of making an amendment to a franchise area approval, issue a new franchise area approval incorporating the amendment and any previous amendments.

Revocation of
franchise area
approval

19(1) The chief officer may revoke a franchise area approval when the chief officer is satisfied that it is in the public interest to do so having regard

- (a) to the failure of the distributor to provide safe and adequate gas service to consumers, or
 - (b) to any other circumstances that the chief officer considers so prejudicial to consumers as to warrant the revocation.
- (2)** If a franchise area approval is revoked,
- (a) the distributor shall cease to operate the rural gas utility that is the subject of the approval, and
 - (b) the chief officer may, following consultation with the consumers of the rural gas utility, appoint another distributor to operate the rural gas utility.

Gas service
outside
franchise area

20(1) A distributor shall not offer gas service to a potential consumer outside the distributor's franchise area or within the franchise area of another distributor unless the distributor has received the consent of the chief officer to do so.

(2) Where

- (a) a potential consumer applies for gas service to a distributor who is the holder of a franchise area approval, and

- (b) the location to which the gas is to be supplied is not within the franchise area prescribed by that approval or within any other franchise area,

the distributor may apply to the chief officer for an amendment to the franchise area approval for the purpose of having the consumer's location brought within the distributor's franchise area.

(3) When a potential consumer within a franchise area of one distributor applies for gas service to another distributor who is the holder of a franchise area approval, that other distributor may apply to the chief officer for an amendment to the distributor's franchise area approval for the purpose of having the potential consumer's location brought within that other distributor's franchise area.

(4) An application under subsection (3) must be accompanied by the consent of the distributor first mentioned in that subsection, but the chief officer may dispense with the consent on any conditions that the chief officer considers just.

Appeals re
franchise
areas

21(1) When the chief officer

- (a) refuses an application for a franchise area approval or an amendment to a franchise area approval,
- (b) issues a franchise area approval or amends a franchise area approval, or
- (c) revokes a franchise area approval,

the refusal, approval, amendment or revocation, as the case may be, may be appealed to the Public Utilities Board.

(2) An appeal under this section may be made by any person having an interest in the decision of the chief officer.

(3) An appeal may be commenced by sending a notice of appeal by registered mail to the chairman of the Public Utilities Board within 30 days from the day that the chief officer's decision was issued unless leave extending that time is given by the Public Utilities Board.

(4) A notice of appeal must be in writing and must set out the grounds for the appeal.

(5) The Public Utilities Board may refuse to consider an appeal unless subsections (3) and (4) are complied with.

(6) In deciding an appeal under this section, the Public Utilities Board may modify or reverse the chief officer's decision only if the

Public Utilities Board is satisfied that the chief officer has erred in law or has improperly applied the provisions of this Act in making the decision.

- (7) The Public Utilities Board, on hearing an appeal, may
- (a) confirm the chief officer's decision, or
 - (b) subject to subsection (6), direct the chief officer to modify or reverse the chief officer's decision on the terms set out by the Board.

Annexations

Annexation

22(1) Notwithstanding section 17, when any part of a franchise area is annexed by an urban municipality, the right to provide service to the residents of the annexed area shall be vested with the urban gas utility as of the date of the order of the Lieutenant Governor in Council approving the annexation.

(2) If an urban municipality is served under a municipal franchise, subsection (1) does not apply unless the urban gas utility is authorized under that municipal franchise to serve the residents of any area annexed by the urban municipality during the term of the franchise.

(3) If a municipal franchise does not authorize an urban gas utility to serve any area annexed by an urban municipality, the council of the urban municipality must, within 6 months from the date of the order of the Lieutenant Governor in Council approving the annexation, decide if the urban gas utility or the distributor is to serve the annexed area.

(4) If the council of the urban municipality decides that the distributor may continue to serve the annexed area, it must enter into a municipal franchise with the distributor.

(5) If, pursuant to a municipal franchise or a decision made under subsection (3), an urban gas utility is authorized to serve an annexed area, the urban gas utility must within 3 months from the date of the order of the Lieutenant Governor in Council approving the annexation or the date of the decision made under subsection (3), as the case may be,

- (a) purchase the plant from the distributor,
- (b) assume responsibility for the provision of gas service to all existing consumers in the annexed area, and

- (c) pay compensation to the distributor in an amount determined in accordance with section 24.
- (6) If a pipeline owned by a distributor is located in an annexed area but is used to supply gas to consumers outside the annexed area, the distributor may
 - (a) with the approval of the chief officer, relocate the pipeline if, in the distributor's opinion, the operation of the pipeline may be adversely affected by future developments within the annexed area, or
 - (b) conduct a legal survey of the right of way for the pipeline and prepare and file legal survey plans in accordance with the *Land Surveys Act*.
- (7) An urban gas utility must reimburse a distributor for costs incurred under subsection (6) within 30 days from the date that the urban gas utility receives a statement of costs from the distributor.
- (8) An urban gas utility owned by a municipality is not obliged to pay compensation under subsection (7) or section 24(b).
- (9) The chief officer must amend a franchise area approval to exclude an area annexed by an urban municipality if the chief officer is satisfied that the area is subject to a municipal franchise.

Interim supply
of gas

23 Notwithstanding section 22(5), an urban gas utility may enter into an agreement with a distributor to allow the distributor to continue to supply gas on an interim basis to some or all of the residents of an annexed area.

Determination
of
compensation

24 The amount of compensation payable under section 22(5)(c) must include the following:

- (a) the value of the plant, which shall be calculated as 5 times the annual revenue that the urban gas utility will receive from the existing consumers in the annexed area based on
 - (i) the fixed monthly charge for each consumer multiplied by 12, and
 - (ii) the base energy charge multiplied by each consumer's estimated energy consumption for the previous 12 months;
- (b) severance damages based on the number of acres of land within the distributor's franchise area that have been annexed by the urban municipality multiplied by,

- (i) in the case of annexations that take place within the first 10 years from the date that this section comes into force, an amount of \$50 per acre, and
- (ii) in the case of annexations that take place within any 10-year period that is subsequent to the 10-year period referred to in subclause (i), an amount of \$50 per acre compounded by the Consumer Price Index for Alberta for each year that occurs in the interval between the date this section comes into force and the beginning of that subsequent 10-year period.

Characterization of compensation

25 An amount paid under section 22 by an urban gas utility that is subject to the *Gas Utilities Act* is deemed to be a prudent acquisition cost in the determination of the utility's rate base under that Act.

Appeals re compensation, etc.

26(1) The distributor, the urban gas utility or any other interested party may appeal to the Public Utilities Board by written notice for one or more of the following reasons:

- (a) where the council of an urban municipality is required to make a decision under section 22(3) and that decision has not been made within the time frame stipulated by that subsection;
- (b) where any of the provisions of section 22(5) have not been satisfied within 3 months from the date of the order of the Lieutenant Governor in Council approving an annexation or the date of a decision made under section 22(3);
- (c) where the distributor and the urban gas utility are unable to agree on the amount of compensation to be paid under section 22;
- (d) where the distributor has not been reimbursed under section 22(7) within 30 days from the date that the urban gas utility receives the distributor's statement of costs.

(2) On hearing an appeal, the Public Utilities Board may make an order doing one or more of the following:

- (a) setting the date by which the council of an urban municipality must make a decision under section 22(3);
- (b) setting the date by which any provision under subsection 22(5) must be satisfied;

- (c) prescribing the amount to be paid to the distributor under any provision of section 22;
- (d) setting the date by which the distributor shall be reimbursed under section 22(7).

PART 3

GAS ALBERTA

Gas Alberta **27** There shall be a section of the Department called "Gas Alberta".

Powers of Minister **28(1)** The Minister may

- (a) purchase, sell and exchange gas;
- (b) act as a broker with respect to the sale and purchase of gas;
- (c) operate and maintain all or any part of a rural gas utility operated at high pressure;
- (d) enter into an agreement or arrangement with a distributor to provide customer billing services for the distributor;
- (e) enter into an agreement with a distributor, agency or person for the operation and maintenance of all or part of a rural gas utility;
- (f) exercise and perform any powers or duties conferred or imposed on the Minister in respect of operations of, or the supply of gas to, rural gas utilities.

(2) The Minister may exercise the Minister's powers under subsection (1) in the name of "Gas Alberta" and any reference to "Gas Alberta" in any agreement or other instrument created in the course of exercising any powers under subsection (1) is deemed to be a reference to the Minister.

(3) The Minister may from time to time establish charges and prices for any of the services provided by Gas Alberta under subsection (1).

(4) The prices and charges established under subsection (3) must be established at levels that will be sufficient to provide for the full recovery of costs incurred in the operations and administration of Gas Alberta.

(5) The Minister must consult with the Federation of Alberta Gas Co-ops Ltd. on any matter that may significantly affect the operations of Gas Alberta or the cost of gas supplies to rural gas co-operative associations and municipal gas utilities.

Gas Alberta
Operating
Fund

29(1) There shall be a fund called the “Gas Alberta Operating Fund”.

(2) The Fund shall be held by the Provincial Treasurer, who shall maintain a separate accounting record of the Fund.

(3) The Provincial Treasurer shall from time to time on the direction of the Lieutenant Governor in Council advance to the Fund from the General Revenue Fund any sums that may be required for the purposes of the Fund.

(4) The following shall be paid into the Fund:

(a) money paid pursuant to subsection (3);

(b) all revenue received by the Minister under agreements or arrangements made pursuant to section 28(1).

(5) All expenditures made by the Minister pursuant to any agreement or arrangement made in the exercise of the Minister’s powers under section 28(1) shall be paid out of the Fund.

(6) The Lieutenant Governor in Council may order that any surplus amount in the Fund be paid into the General Revenue Fund.

(7) After the end of each fiscal year of the Government, the Minister must prepare a report respecting the operation of the Fund during the preceding fiscal year and lay a copy of it, together with an audited financial statement for the Fund as at the end of that fiscal year, before the Legislative Assembly if it is then sitting and, if not, within 15 days after the commencement of the next ensuing sitting.

(8) The report made to the Legislative Assembly under subsection (7) must include a statement describing the minimum contract standards used by Gas Alberta for its gas supply portfolio.

Purchase of
gas

30(1) In this section and section 31 “Gas Alberta” means the Minister acting in the name of Gas Alberta.

(2) Notwithstanding anything in any other Act,

- (a) a rural gas co-operative association that constructed a rural gas utility on or after May 1, 1973 shall purchase gas from Gas Alberta only;
 - (b) a rural gas co-operative association that owns a rural gas utility constructed prior to May 1, 1973 and that requires additional supplies of gas on or after May 1, 1973 shall purchase the additional supplies from Gas Alberta only;
 - (c) a municipal gas utility may purchase gas from Gas Alberta.
- (3) Nothing in this section shall be construed so as to restrict or prohibit Gas Alberta from selling gas to a person or to a gas utility not referred to in subsection (2).

Sale to Gas
Alberta

31 Notwithstanding anything in any other Act or in any permit issued under the *Gas Resources Preservation Act*, an owner of gas, whether or not it is the subject of a permit issued under that Act, shall supply gas at a reasonable price to Gas Alberta on request of Gas Alberta, if, in the opinion of the Energy Resources Conservation Board, the gas can be reasonably supplied by the owner.

PART 4

RURAL GAS CO-OPERATIVE ASSOCIATIONS AND MUNICIPAL GAS UTILITIES

Form of
contract

32 The chief officer may require changes to any form of contract used by a rural gas co-operative association or municipal gas utility if the chief officer considers the change necessary in the public interest.

Jurisdiction of
Public Utilities
Board

33(1) The *Gas Utilities Act* does not apply to a rural gas utility operated by a rural gas co-operative association or municipal gas utility, but

- (a) a rural gas co-operative association or municipal gas utility shall file a copy of its schedule of rates, tolls and charges with the Public Utilities Board, and
- (b) a consumer who is receiving gas service from a rural gas utility operated by a rural gas co-operative association or municipal gas utility and who has a grievance respecting terms of service, service charges, rates or tolls made to that consumer may, by application, appeal the matter to the Public Utilities Board.

(2) If, on hearing an application made under subsection (1), the Public Utilities Board is satisfied that the term, service charge, rate or toll

- (a) does not conform to the utility rate structure established by the rural gas co-operative association or municipal gas utility,
- (b) has been improperly imposed, or
- (c) is discriminatory,

the Public Utilities Board may make an order varying, adjusting or disallowing the whole or any part of that term, charge, rate or toll.

(3) Where a person

- (a) is not being provided with gas service by a rural gas co-operative association or municipal gas utility operating a rural gas utility, and
- (b) wishes to receive gas service from that rural gas co-operative association or municipal gas utility,

that person may make a complaint to the Public Utilities Board respecting the lack of gas service.

(4) On hearing a complaint made under subsection (3), the Public Utilities Board may, by order, require a rural gas co-operative association or municipal gas utility to supply and deliver gas to the person, for the purpose, at the rate, prices and charges, and on the terms and conditions that the Board from time to time directs, fixes and imposes.

(5) An application or complaint made under this section must

- (a) be in writing,
- (b) be sent by registered mail to the chairman of the Public Utilities Board and the chief officer, and
- (c) set out the grounds for the appeal.

(6) In conducting a hearing of an application or a complaint made under this section, the Public Utilities Board

- (a) shall give prior notice of the hearing to the persons who are the interested parties to the matter, and
- (b) shall give the interested parties an opportunity to be heard at the hearing.

Gas Utilities
Act applies

34(1) Notwithstanding section 33, if

- (a) an urban municipality grants to a rural gas co-operative association a municipal franchise for the whole of the municipality and, prior to granting that franchise, the municipality had been served by an urban gas utility, or
- (b) a rural gas co-operative association provides service in an area annexed by an urban municipality under the provisions of a municipal franchise and, at any time following the annexation, the number of consumers in the annexed area is 100 or greater,

the *Gas Utilities Act* applies to the utility operated by the rural gas co-operative association within the boundaries of the urban municipality or the boundaries of the annexed area.

(2) Subsection (1) does not apply to an urban municipality or annexed area served by a rural gas co-operative association at the date this section comes into force.

PART 5

CONSEQUENTIAL AND REPEAL PROVISIONS

Amends SA
1990 c21

35 *The Gas Utilities Statutes Amendment Act, 1990 is amended*

- (a) in section 4(1) by adding “, being chapter R-19.1 of the Statutes of Alberta, 1994,” after “Act”;
- (b) in section 4(2) as to section 25.1 of the *Rural Gas Act*
 - (i) by renumbering the section as section 17.1;
 - (ii) in subsection (1) by repealing clause (c);
 - (iii) in subsection (4) by striking out “member-owned co-operative association or rural municipal authority” wherever it occurs and substituting “rural gas co-operative association or municipal gas utility”;
 - (iv) in subsection (5) by striking out “the regulations” and substituting “section 17”.

Amends RSA
1980 cM-26

36 *The Municipal Government Act is amended by repealing section 281.1.*

Amends RSA
1980 cP-8

37(1) *The Pipeline Act is amended by this section.*

(2) Section 9 is repealed and the following is substituted:

Rural gas
utilities

9 The Board shall not grant a permit for a pipeline that will be part of a rural gas utility as defined in the *Rural Gas Act* without the consent of the Minister of Transportation and Utilities or a person authorized by him to give that consent.

(3) Section 20(2) is repealed and the following is substituted:

(2) The Board shall not grant a licence under this Act in respect of a pipeline that is part of a rural gas utility as defined in the *Rural Gas Act* without the consent of the Minister of Transportation and Utilities or a person authorized by him to give that consent.

Amends SA
1985 cR-21

38 *The Rural Utilities Act is amended in section 49.1(1)(a) by striking out "section 35 of".*

Repeals RSA
1980 cR-19

39 *The Rural Gas Act, RSA 1980 cR-19, is repealed.*

Coming into
force

41(1) *This Act comes into force on July 1, 1994.*

(2) Sections 1(q) and (t) and 4(4) may be repealed on Proclamation.