

1998 BILL 7

Second Session, 24th Legislature, 46 Elizabeth II

THE LEGISLATIVE ASSEMBLY OF ALBERTA

BILL 7

RURAL GAS AMENDMENT ACT, 1998

MR. STRANG

First Reading

Second Reading

Committee of the Whole

Third Reading

Royal Assent

Bill 7
Mr. Strang

BILL 7

1998

RURAL GAS AMENDMENT ACT, 1998

(Assented to _____, 1998)

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

Amends SA
1994 cR-19.1

1 The *Rural Gas Act* is amended by this Act.

2 The title and chapter number are repealed and the following is substituted:

GAS DISTRIBUTION ACT

CHAPTER G-1.5

3 Section 1(h) is amended by adding “and” at the end of subclause (ii), by striking out “and” at the end of subclause (iii) and by repealing subclause (iv).

4 Section 2 is amended by renumbering it as section 2(1) and by adding the following after subsection (1):

Explanatory Notes

1 Amends chapter R-19.1 of the Statutes of Alberta, 1994.

2 New title and chapter number.

3 Section 1 presently reads in part:

1 In this Act,

(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;

4 Section 2 presently reads:

(2) The chief officer may, subject to any terms and conditions the chief officer considers appropriate, waive or vary a standard referred to in subsection (1) or accept an alternative to such a standard where the chief officer is of the opinion that the waiver, variance or alternative will not significantly compromise the safety, performance or quality assurance that the standard was designed to achieve.

5 The following is added after section 4:

Compliance
agreements

4.1 The chief officer may enter into agreements with distributors and with owners of low pressure distribution pipelines for the following purposes:

- (a) ensuring compliance with the standards referred to in section 2;
- (b) implementing quality management programs for the purposes of clause (a);
- (c) monitoring and auditing a distributor's or owner's operations in respect of the rural gas utility or the low pressure distribution pipeline.

6 Section 10 is amended by adding the following after subsection (1):

(1.1) The *Dower Act* does not apply with respect to the acquisition of an easement referred to in subsection (1).

7 Section 13(3) is amended by striking out "Energy Resources Conservation Board" and substituting "Alberta Energy and Utilities Board".

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.

5 Chief officer may enter into compliance agreements.

6 Section 10 presently reads in part:

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.

7 Update name.

8 Section 30 is amended

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

Purchase of
gas

30(1) In this section and section 31, “designated seller” means the person with whom the Minister has entered into an agreement referred to in section 31.1.

- (b) **in subsections (2)(a), (b) and (c) and (3) by striking out “Gas Alberta” and substituting “the designated seller”.**

9 Section 31 is amended

- (a) **by renumbering it as section 31(1);**

- (b) **in subsection (1) by striking out “Gas Alberta” wherever it occurs and substituting “the designated seller” and by striking out “Energy Resources Conservation Board” and substituting “Alberta Energy and Utilities Board”;**

- (c) **by adding the following after subsection (1):**

(2) The designated seller shall not make a request under subsection (1) without the prior written consent of the Minister.

10 The following is added after section 31:

Transfer of
Gas Alberta
functions

31.1 The Minister may enter into an agreement with a person providing for the transfer or assignment to that person and the assumption by that person of

- (a) any or all of the Minister’s rights, powers, duties and obligations acquired by virtue of the Minister’s exercising powers under section 28, together with related property and assets,

8 Section 30 presently reads:

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).

9 Section 31 presently reads:

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.

10 Transfer of Gas Alberta functions.

- (b) gas sales obligations entered into by the Minister under section 30, and
- (c) the balance or deficit in the Gas Alberta Operating Fund

that are subsisting on July 1, 1998.

11 In the following provisions “Public Utilities Board” is struck out wherever it occurs and “Alberta Energy and Utilities Board” is substituted:

- section 21(1), (3), (5), (6) and (7);
- section 26(1) and (2);
- section 33(1)(a), (b), (2), (3), (4), (5)(b) and (6).

12(1) Sections 27, 28 and 29 are repealed effective July 1, 1998.

(2) Sections 30 and 31 are repealed effective June 30, 2000 unless the Lieutenant Governor in Council orders that they be repealed by Proclamation on an earlier date.

13(1) The *Gas Utilities Statutes Amendment Act, 1990* is amended

- (a) in the heading preceding section 4 by striking out “*Rural Gas Act*” and substituting “*Gas Distribution Act*”;
- (b) by repealing section 4(1) and substituting the following:

4(1) The *Gas Distribution Act* is amended by this section.
- (c) in section 4(2) as to section 17.1(3) and (6) by striking out “Public Utilities Board” and substituting “Alberta Energy and Utilities Board”.

(2) The *Municipal Government Act* is amended

- (a) in sections 31(1)(c)(ii), 127.1(3) and 298(1)(r)(ii) by striking out “*Rural Gas Act*” and substituting “*Gas Distribution Act*”;
- (b) in section 264(1)(a) by adding “or (3)” after “subsection (2)”;

11 Update name of Board.

12 Sections 27 to 31 provide for the establishment and operation of Gas Alberta as part of the Department of Transportation and Utilities.

13 Consequential amendments.

(c) by adding the following after section 264(2):

(3) A municipality that intends to purchase gas from and become a shareholder of the designated seller within the meaning of section 30(1) of the *Gas Distribution Act* may make a loan to the designated seller as part of the capitalization of the designated seller by its shareholders.

(d) by repealing section 265(1) and substituting the following:

Loan bylaws

265(1) A municipality may only lend money to a non-profit organization, one of its controlled corporations or the designated seller within the meaning of section 30(1) of the *Gas Distribution Act* if the loan is authorized by bylaw.

(3) The *Natural Gas Rebates Act* is amended by repealing sections 1(f) and 4(j).

(4) The *Rural Utilities Act* is amended

(a) in section 15(2) by striking out “No” and substituting “Except as is otherwise permitted under the regulations, no”;

(b) in section 49.1(1)(a) by striking out “*Rural Gas Act*” and substituting “*Gas Distribution Act*”.

(5) In the following provisions “*Rural Gas Act*” is struck out and “*Gas Distribution Act*” is substituted:

(a) *Pipeline Act*, sections 9 and 20(2);

(b) *Surface Rights Act*, section 21(a).

14 Sections 8 and 9 come into force on July 1, 1998.

14 Coming into force.