

Bill No. 111 of 1941.

A BILL TO AUTHORIZE THE GRANTING OF FRANCHISES FOR PROVIDING PUBLIC SERVICES IN PETROLEUM AND NATURAL GAS AREAS.

NOTE.

This Bill provides for the making of orders by the Lieutenant Governor in Council granting exclusive franchises to corporations for the operation of public service utilities in oil and gas fields. In addition, such orders in council may provide for the granting of an exclusive franchise to a corporation to take and dispose of waste gas for the purpose of restoring and maintaining pressure in oil fields.

W. S. GRAY,
Acting Legislative Counsel.

(This note does not form any part of the Bill but is offered in explanation of its provisions.)

BILL

No. 111 of 1941.

An Act to Authorize the Granting of Franchises for
Providing Public Services in Petroleum and Natural
Gas Areas.

(Assented to _____, 1941.)

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

1. This Act may be cited as "*The Oil and Gas Fields
Public Service Utilities Act.*"

2. In this Act, unless the context otherwise requires,—

- (a) "Natural gas" shall mean and include natural gas in its natural state as and when produced from the earth either alone or in association with other petroleum products and shall include gas both before and after it has been subjected to any treatment or process by absorption or otherwise for the extraction therefrom of natural gasoline and both before and after it has been purified, scrubbed or otherwise treated for the extraction or removal therefrom of sulphuretted hydrogen or other deleterious substance;
- (b) "Works" shall mean and include,—
 - (i) pipe lines including any system, or arrangement of pipes whereby petroleum and/or natural gas is conveyed from any place at which it is produced to any other place, or from any place where it is processed to any other place, and includes all property of any kind used for the purpose of or in connection with or incidentally to the operation of a pipe line in the gathering, transporting and handling including delivery of petroleum and/or natural gas and also means and includes tanks, reservoirs, pumps, racks and storage and loading facilities incidental to delivery.
 - (ii) water mains, service lines, pumps and all property of any kind used for the purpose of or in connection with or incidentally to the obtaining, acquiring, transporting, delivering and supplying water.

- (iii) all property of any kind used for the purpose of or in connection with or incidentally to developing, producing, transmitting, delivering, supplying and furnishing electricity and electrical energy.

3. Notwithstanding the provisions of *The Pipe Line Act*, *The Pipe Line Regulation Act*, *The Water, Gas, Electric and Telephone Companies Act* or of any other statute, the Lieutenant Governor in Council is hereby authorized and empowered to make orders,—

- (a) granting, subject to such conditions and restrictions as to time and otherwise and to such exceptions and reservations as the Lieutenant Governor in Council deems proper, to any corporation the exclusive right, privilege and franchise to construct, maintain and operate, in any area or areas, to be specified in such Order in Council, where petroleum and/or natural gas is being produced or prospected for, works for:
 - (i) gathering, transporting and delivering natural gas whether produced within or without such area;
 - (ii) supplying natural gas as fuel to or for consumers or to or for industries including the industry of drilling for or producing petroleum and natural gas;
 - (iii) Obtaining, transporting, delivering and supplying water to and for consumers, domestic or industrial;
 - (iv) developing, producing, transmitting, delivering, supplying and furnishing electricity and electrical energy to or for consumers or to or for any and all industries in such area, including the industry of drilling for or the production of petroleum or natural gas.
- (b) authorizing and empowering the corporation to which any such right, privilege or franchise has been granted, notwithstanding the provisions of any other statute, to put down, take up, relay, connect, disconnect, construct, erect, repair, maintain and operate its works, along, through or under the roadways, streets, lanes, bridges and other public places within such area to the extent necessary or convenient for the construction, maintenance and operation of its works.
- (c) authorizing and empowering the corporation to which any such right, privilege or franchise has been granted to acquire rights-of-way over Crown lands and private property within the said area required for pipe lines, water lines, transmission lines and other works incidental thereto in accordance with the provisions of *The Pipe Lines Act*,

being chapter 62 of the Statutes of Alberta, 1925, and the provisions of the said Act shall apply *mutatis mutandis* to the acquiring of rights-of-way for pipe lines, water lines and transmission lines under the authority of an order of the Lieutenant Governor in Council made under this Act.

- (d) imposing such conditions, restrictions, exceptions and reservations upon the exercise and enjoyment of any such right, privilege and franchise as to the Lieutenant Governor in Council seems meet.

4. In the making of an order pursuant to the provisions of section 3 the Lieutenant Governor in Council may grant any one or more of the exclusive rights, privileges and franchises referred to to one or more corporations.

5. Upon the making of an order pursuant to the provisions of section 3, the corporation to which has been granted the right, privilege and franchise referred to in the said order shall be a public utility within the meaning of *The Public Utilities Act, 1923*, and the Board of Public Utility Commissioners shall have all the powers to make orders and regulations governing such corporation and its undertaking, works and operations as are conferred upon the Board by Part II of the said Act, and without restricting the generality of the foregoing, the Board shall have power by order to require such corporation to furnish or extend its facilities and/or to supply and furnish natural gas and/or water and/or electricity and electrical energy to such persons and for such purposes and at such rates and prices as the Board shall by order direct and fix.

6.—(1) The Lieutenant Governor in Council is authorized and empowered to make orders granting to any corporation to which has been granted the exclusive right, privilege and franchise provided for by section 3 or to any other corporation, the exclusive right,—

- (a) to take delivery of any and all natural gas which is being produced in any specified area and which is, either before or after being processed for extraction of gasoline therefrom, not being sold and incidentally thereto the order of the Lieutenant Governor in Council may provide that the producers and owners of such natural gas shall make delivery of such natural gas in accordance with the right of the corporation to take delivery thereof;
- (b) and the exclusive right, privilege and franchise to gather, transport, deal in, sell and dispose of such natural gas including the disposition or use of such gas for maintaining and restoring the pressure of the oil fields or gas fields situate in the area prescribed by the order of the Lieutenant Governor in Council.

(2) In the case of such natural gas which is not being processed for the extraction of gasoline, the Lieutenant Governor in Council may, in addition to any other right, privilege and franchise, granted, grant to any corporation referred to in subsection (1) the exclusive right to process such natural gas for the extraction of gasoline.

(3) The Board of Public Utility Commissioners shall have power to fix the rates and prices, including the method of payment at which any natural gas shall be dealt in by the corporation to which has been granted the right, privilege and franchise referred to in paragraphs (a) and (b) of subsection (1), as circumstances require for extracting gasoline therefrom, the rates, prices and charges to be levied or paid by or to such corporation with respect to the disposition or use of such gas in any repressuring operations and the Board generally shall have the right to make such regulations and orders as are necessarily incidental to the powers hereby conferred upon it.

7. In the event of any conflict between the provisions of this Act and of any other Act of the Legislature of the Province of Alberta, the provisions of this Act shall prevail.

8. This Act shall come into force on the day upon which it is assented to.

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5 GEORGE VI
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BILL

An Act to Authorize the Granting of
Franchises for Providing Public
Services in Petroleum and Natural
Gas Areas.

Received and read the

First time.....

Second time.....

Third time.....

HON. MR. TANNER.

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