

*The Committee of Council submit for the consideration of
His Honour the Lieutenant-Governor a Bill intituled*

"Energy Amendment Act, 1976"

*and advise that the same be transmitted by Message to the
Legislative Assembly.*

Victoria, 1st day of June, A.D. 1976

W. R. Bennett.

Presiding Member of the Executive Council.

Approved this 1st day of June, A.D. 1976

W. S. Owen

Lieutenant-Governor.

WRS.

W. S. Queen
Lieutenant-Governor

First Session, Thirty-first Parliament
25 Elizabeth II, 1976
Legislative Assembly of British Columbia

BILL 54

ENERGY AMENDMENT ACT, 1976

Honourable Minister of Transport
and Communications

EXPLANATORY NOTES

SECTION 1: The definition of "energy utility" in section 1 is amended to include facilities for transmission of petroleum products e.g. oil pipe-lines. The present definition reads as follows:

"energy utility" means a person, including the lessee, trustee, receiver, or liquidator of such person, who owns or operates in the Province equipment or facilities for the production, generation, storage, transmission, sale, delivery, or furnishing of gas, electricity, steam, or any other agency for the production of light, heat, cold, or power to or for the public or any corporation for compensation; but "energy utility" does not include

- (i) a municipality in respect of services furnished by the municipality within its own boundaries;
- (ii) a person not otherwise an energy utility who furnishes the service or commodity only to himself, his employees, or tenants, when such service or commodity is not resold to, or used by, others;
- (iii) any person not otherwise an energy utility who is engaged in the petroleum industry as hereinafter defined or in the wellhead production of oil, natural gas, or other natural petroleum substances; .

SECTION 2: Section 64 is amended to insert new definitions of "price", "retail seller", "sale", "seller", "service station premises" and "user" required for the amendments to sections 68 and 71 and for new section 86.

BILL

No. 54]

[1976

Energy Amendment Act, 1976

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

S.B.C.
1973
c. 29
s. 1.

1. Section 1 of the *Energy Act* is amended in the definition of "energy utility",
 - (a) by inserting "petroleum products," after "electricity," and
 - (b) by repealing subparagraph (iii) and substituting the following:
 - (iii) any person who is engaged in
 - (A) the wellhead production of oil, natural gas, or other natural petroleum substances, or
 - (B) any other aspect of the petroleum industry as defined in this section except the common transportation, transmission, or carriage of petroleum products by pipe-line as defined in the *Pipe-lines Act*;

S. 64.
Interpre-
tation.

2. Section 64 is repealed and the following substituted:

64. In this Part

"price" means

- (i) any form of consideration, reward, or benefit promised, demanded, paid, payable, received, or expected, or
- (ii) any form of obligation undertaken or assumed in respect of
- (iii) a sale of petroleum products, including any cost to the user resulting from the refining, transporting, or marketing of petroleum products that the commission declares to be part of the price, or
- (iv) an agreement for the refining, transporting, or marketing of petroleum products;

"retail seller" means a seller who deals directly with the public and makes, or offers to make, delivery of petroleum products to or into a motor-vehicle, as defined in the *Motor-vehicle Act*, for consumption or use by or in that motor-vehicle;

"sale" includes a barter, exchange, or trade in petroleum products;

"seller" means a person who sells or trades in, or offers to sell or trade in, petroleum products, whether on his own behalf or as the agent of another person;

SECTION 3: Section 68 is amended to authorize the commission to inquire into not only prices of petroleum products but also the price of refining, transporting, or marketing those products.

SECTION 4: Section 71 is amended to authorize the commission not only to approve of price increases, but to make orders suspending or reducing a price increase. Subsection (2) makes every agreement made for the purpose of contravening the order or avoiding compliance with it void.

SECTION 5: Section 80 is amended to correspond with the amendment to section 71.

SECTION 6: Section 84 is amended to correspond with the amendment to section 68.

SECTION 7: Section 86 is new. It prevents dealing in service station premises after the date stated in the Bill, unless the permission of the commission is obtained. Every lease is extended for 1 year from that date or later. Subsection (4) makes every agreement to the contrary void, similar to section 71 (2).

"service station premises" means premises used, or suitable for use, by a retail seller;

"user" includes, in addition to a consumer, a person who acquires petroleum products for the purpose of refining, transporting, or marketing those products.

- s. 68. 3. Section 68 is amended by inserting "in respect of a sale of petroleum products or the refining, transporting, or marketing" after "price increase".
- s. 71. 4. Section 71 is amended
- (a) by inserting "has suspended a price increase, has ordered a reduction of a price, or" after "commission" in the first line,
 - (b) by inserting "or ordered" after "approved", and
 - (c) by renumbering it as subsection (1) and by adding the following:
 - (2) Every covenant, condition, agreement, or understanding made, act done, or proceeding taken in respect of petroleum products to the extent that it provides for, or purports to provide for, or has the effect of
 - (a) terminating the covenant, condition, agreement, or understanding, or
 - (b) increasing prices under the covenant, condition, agreement, or understanding, or
 - (c) authorizing the renegotiation of the prices provided in the covenant, condition, agreement, or understanding, or
 - (d) waiving or avoiding compliance with or contravening an order of the commission
 in the event that or by reason that the commission exercises all or any of its powers under this Part, is void and of no effect.
- s. 80. 5. Section 80 is amended by inserting "or ordered" after "approved" in each case.
- s. 84. 6. Section 84 is amended by inserting " , refiners, transporters, or marketers" after "sellers".
- s. 86. 7. The Act is further amended by inserting, after section 85, the following:
- 86. (1)** Unless otherwise ordered by the commission, and subject to such conditions, if any, as the commission may impose in granting the order, no person shall, on or after June 1, 1976,
- (a) assign, convey, transfer or otherwise dispose of, or mortgage, charge or otherwise encumber any right, title, or interest in respect of service station premises, or land upon which the service station premises are situated, or

**Service
station
trans-
actions.**

SECTION 8: Amends the *Pipe-lines Act* in view of the inclusion of oil pipe-lines in the definition of "energy utility" (section 1). The amendments repeal the sections giving the Minister of Transport and Communications jurisdiction over rates, tolls and tariffs. They will now be determined by the Energy Commission.

- (b) grant, transfer, or assign a lease, licence, or right of possession, occupation, or use in respect of service station premises, or land upon which the service station premises are situated, or
- (c) terminate, whether for cause or otherwise, a lease, licence, or right of possession, occupation, or use in respect of service station premises, or land upon which the service station premises are situated;

notwithstanding any provision to the contrary in an agreement, whether entered into before or after the coming into force of this section; and every provision that is contrary to this section or the conditions imposed by an order of the commission is, to the extent of the inconsistency, suspended and of no effect for the period prescribed in subsection (2).

(2) Unless otherwise ordered by the commission, and subject to such conditions, if any, as the commission may impose in granting the order, every lease, licence, or right of possession, occupation, or use in effect on June 1, 1976, granting, renewing, or continuing a right to possession, occupation, or use of service station premises, or land upon which the service station premises are situated, shall, notwithstanding any provision to the contrary in an agreement whether entered into before or after the coming into force of this section, continue in full force and effect until the termination or expiry date in the agreement or until May 31, 1977, whichever is the later, and every provision to the contrary in an agreement shall be deemed to be varied and amended accordingly.

(3) An order by the commission under this section

- (a) shall be in writing and signed by the chairman or a commissioner, and
- (b) may be made to apply
 - (i) generally, or
 - (ii) to particular service station premises, or
 - (iii) to a class of service station premises related to ownership, character, location, or any other criteria.

(4) Every covenant, condition, agreement, or understanding made, act done, or proceeding taken

- (a) in contravention of, or
- (b) contrary to, or
- (c) for the purpose of waiving or avoiding compliance with

this section or the conditions imposed by an order of the commission is void and of no effect unless otherwise suspended or varied pursuant to this section.

R.S.B.C.
1960
c. 284.

8. The *Pipe-lines Act* is amended

- (a) by repealing sections 42, 44, 45, 46 and 47, and

(b) in section 43 (1), by striking out "Subject to such exceptions, conditions, or regulations as the Minister may prescribe or approve," and substituting "Subject to the regulations and orders made under the *Energy Act*,".

Commence-
ment.

9. Section 7 is retroactive to June 1, 1976, to the extent necessary to give it full force and effect on and after that date.