

1950

c 251 Natural Gas Conservation Act

Ontario

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Bibliographic Citation

Natural Gas Conservation Act, RSO 1950, c 251

Repository Citation

Ontario (1950) "c 251 Natural Gas Conservation Act," *Ontario: Revised Statutes*: Vol. 1950: Iss. 3, Article 36.

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CHAPTER 251

The Natural Gas Conservation Act

1. In this Act,Interpre-
tation.

- (a) "Assistant Commissioner" means Assistant Natural Gas Commissioner appointed under this Act;
- (b) "Commissioner" means Natural Gas Commissioner appointed under this Act;
- (c) "Minister" means Minister of Mines;
- (d) "natural gas" includes any mixture of natural gas and artificial gas;
- (e) "Referee" means Natural Gas Referee appointed under this Act. R.S.O. 1937, c. 49, s. 1; 1941, c. 37, s. 1; 1942, c. 34, s. 24 (1).

2. The Minister shall control and regulate the production, transmission, distribution, sale, disposal and consumption of all natural gas produced in Ontario, and for that purpose shall have and may exercise the powers and duties hereinafter set forth. R.S.O. 1937, c. 49, s. 2.

Powers and
duties of
Minister.

3. The Minister shall make such orders or regulations and give such directions from time to time as he may deem proper for the due conservation of the supply of natural gas in Ontario and its transmission to and distribution in such localities and to such consumers, for such periods and at such times as, in the opinion of the Minister, may best serve the general public and particularly the users and consumers of natural gas for domestic purposes. R.S.O. 1937, c. 49, s. 3.

General
powers of
Minister as
to orders and
regulations.**4.** The Minister may make orders or regulations for,Orders and
regulations.

- (a) the closing and cutting off of the supply of natural gas to any corporation, company or individual;
- (b) the construction, alteration or use of any works, machinery, plant, or appliance in and for the development, production, transmission, supply, distribution, measurement, or consumption of natural gas;
- (c) the cutting off of the supply to consumers generally, or to any consumer or consumers in any locality for such periods or at such times as he may deem proper;

- (d) the limiting or restricting or taking away any right conferred upon any person to the use and consumption of natural gas without charge, and for the payment of such compensation to such person as he may deem proper in respect of such limitation, restriction or taking away;
- (e) the allotting or supplying of natural gas to consumers or persons generally or to any consumer or consumers, person or persons in any locality for such periods or at such times as he may deem proper;
- (f) the closing down and stopping up of any natural gas well or any works for the production, transmission, distribution or supply of natural gas; R.S.O. 1937, c. 49, s. 4; cls. (a-f).
- (g) the designation of any area as a gas storage area and the prohibition therein of the drilling or operating of natural gas wells without his written consent; 1948, c. 60, s. 1.
- (h) requiring returns to be made by any person producing, transmitting or distributing natural gas and for prescribing the form of any such return, the particulars to be included therein and the intervals at which such returns shall be made;
- (i) the appointment of such officers, agents, servants or workmen as may be necessary to carry out and enforce any order made by him under this Act;
- (j) compelling the installation of such appliances by consumers of natural gas, as he may deem requisite for preventing waste;
- (k) respecting any other matter necessary or advisable to carry out effectively the intent and purpose of this Act. R.S.O. 1937, c. 49, s. 4, cls. (g-j).

Directions
for conserva-
tion of rare
gases.

5. Where the Minister is of the opinion that helium, argon or any other rare gas is found or is capable of production in commercial quantities in any part of the Province, the Minister may give such directions and may make such orders as he may deem proper compelling any owner, lessee or proprietor in such territory to close and keep closed for such time as the Minister may deem necessary any natural gas wells in such territory in such a manner that no gas may escape therefrom until such steps may have been taken as the Minister may deem necessary for the extraction and conservation of any such rare gas. R.S.O. 1937, c. 49, s. 5.

6. The Lieutenant-Governor in Council may appoint an officer to be known as the "Natural Gas Referee" who shall hold office during the pleasure of the Lieutenant-Governor in Council. R.S.O. 1937, c. 49, s. 6.

Office of
Natural Gas
Referee.

7.—(1) The Referee may make orders for,

Powers
of Referee.

- (a) fixing rates to be charged for natural gas;
- (b) compelling the owner, lessee or licensee of a pipeline to take gas produced by any person or corporation at such price, in such quantities, and on such terms as may be fixed by the Referee;
- (c) the disallowance of any rate charged for natural gas which he considers to be unjust or unreasonable or not conducive to the due conservation of the supply of natural gas in Ontario.

(2) No new rates and no alteration in existing rates for natural gas shall be put into effect until they have been approved by the Referee.

Referee to
approve new
or altered
rates.

(3) In fixing or approving rates for natural gas the Referee shall make no allowance for expenditures or losses caused by or resulting from the adoption of competitive methods which in the opinion of the Referee were unreasonable or improvident or were inconsistent with the due conservation of the supply of natural gas in Ontario.

Exclusion
of certain
losses in
fixing rates.

(4) The Referee may make any order under this section on a reference for such purpose by the Minister, without it being necessary that an application therefor be made by any person, or that any person be heard. R.S.O. 1937, c. 49, s. 7

Referee may
proceed
without
application.

8. The Referee, with the approval of the Lieutenant-Governor in Council, may make regulations prescribing the procedure to be followed upon applications to him. R.S.O. 1937, c. 49, s. 8.

Regulations
as to pro-
cedure.

9. The Minister and the Referee shall have regard to the provisions of any general or special Act or letters patent, or any agreement, franchise, bargain or arrangement whatsoever and by and between whomsoever made, but shall have power to depart from or vary such provisions where it is found upon inquiry that such action is necessary for conserving the supply or prolonging the service to consumers or furthering the search for or development of new sources of supply of natural gas. R.S.O. 1937, c. 49, s. 9.

How far
regard to
be had to
existing
provisions.

10.—(1) An order or decision of the Minister or of the Referee shall be a good and sufficient defence to any action

Obedience
to orders of
Minister or
Referee to
be a good
defence.

or other proceeding brought or taken against any person producing, transmitting, distributing or selling natural gas in so far as the act or omission which is the subject of such action or other proceeding is in accordance with the order or direction of the Minister or Referee.

Contractual rights, notice to persons claiming.

(2) No order shall be made which shall have the effect of destroying or suspending or limiting the contractual rights of any person or persons, company or corporation without such notice as the Minister or Referee may deem proper, having first been given to such person or persons, company or corporation, and without their being given a reasonable opportunity to present their claims to the Minister or Referee, and any order made by the Minister or the Referee may be reconsidered and varied if it is deemed proper upon the application of any person who deems himself aggrieved thereby. R.S.O. 1937, c. 49, s. 10.

Certain orders of Referee not affected or limited.

11. Nothing in section 9 or 10 shall in any way prevent, affect or limit the Referee from making any order under clause *c* of subsection 1 of section 7. R.S.O. 1937, c. 49, s. 11.

Commissioner, Assistant Commissioner.

12. The Lieutenant-Governor in Council may appoint officers to be known as the Natural Gas Commissioner and the Assistant Natural Gas Commissioner. R.S.O. 1937, c. 49, s. 12; 1941, c. 37, s. 2.

Remuneration and expenses.

13. The Lieutenant-Governor in Council may make orders providing for the remuneration and expenses of the Referee, Commissioner, officers, agents, servants or workmen in the administration of this Act. R.S.O. 1937, c. 49, s. 13.

Delegation of powers of Minister.

14. The Minister may delegate to the Commissioner any of the powers and duties which are exercisable by or conferred upon him by this Act. R.S.O. 1937, c. 49, s. 14.

Power of Assistant Commissioner.

15. The Assistant Commissioner shall exercise and perform the powers and duties delegated, conferred or assigned to him by the Minister and shall, during any period which the Minister may designate, exercise all the powers and perform all the duties of the Commissioner. 1941, c. 37, s. 3.

Actions not to lie for things done under Act.

16. No action or other proceeding shall lie against the Referee, Commissioner or any officer, agent, servant or workman for anything done, or purporting to be done under or in pursuance of the provisions of this Act. R.S.O. 1937, c. 49, s. 15.

17. In the exercise of the powers conferred by this Act, the Minister or the Commissioner by himself, or the officers, agents, servants, or workmen of the Department of Mines, or any other person authorized by the Minister or Commissioner, may at any time, Power as to lands and works.

- (a) enter upon, pass over, take up or use any private property or the property of any municipal corporation or of the Crown, or any public place or highway;
- (b) construct, install, lay down and set up or remove, take up, take down, alter or repair any works, plant, machinery or appliance used in the development, production, transmission, supply, distribution or consumption of natural gas,

and where any person has refused or neglected to do anything prescribed by the order of the Minister or by the regulations, the Minister may cause such thing to be done, and the expenses so incurred shall, when certified by the Minister in writing, signed by him, be a debt due from such person to the Crown and shall be recoverable with costs by action in any court of competent jurisdiction. R.S.O. 1937, c. 49, s. 16.

18. The Referee may review, rescind, change, alter or vary any decision or order made by himself or by the Referee under *The Natural Gas Conservation Act, 1921*, or by the Board appointed under *The Natural Gas Conservation Act, 1922*. R.S.O. 1937, c. 49, s. 17. Powers of Referee. 1921, c. 17; 1922, c. 23.

19. An appeal shall lie from the decision of the Referee to the Court of Appeal upon any question of law or fact. R.S.O. 1937, c. 49, s. 18. Appeal from Referee to Court of Appeal.

20. Save as herein provided, every decision or order of the Minister or of the Referee shall be final and shall not be questioned or reviewed in any court. R.S.O. 1937, c. 49, s. 19. Finality of decision of Referee.

21. Any order or regulation made or direction given by the Minister and any order made by the Referee under this Act may be made a judgment or order of the Supreme Court enforceable in the same manner as a judgment or order of such court to the like effect. R.S.O. 1937, c. 49, s. 20. Enforcement of orders, etc.

22.—(1) The costs of and incidental to any proceeding before the Referee shall be in his discretion and may be fixed in any case at a sum certain or may be taxed. Costs.

(2) The Referee may order by whom and to whom any costs are to be paid and by whom the same are to be taxed and allowed. Order for payment of costs.

Scale of costs.

(3) The Referee may prescribe a scale under which such costs shall be taxed. R.S.O. 1937, c. 49, s. 21.

Offences and penalties.

23.—(1) Every person who,

- (a) refuses or neglects to obey any order or direction made or purporting to be made under the authority of this Act after notice of such order or direction; or
- (b) hinders, delays or obstructs any person in carrying out the provisions of this Act; or
- (c) wastes or causes to be wasted any natural gas; or
- (d) tampers or interferes with any meter, stop-cock, cut-off or any other matter or thing placed or used or installed by or under the authority of this Act,

shall be guilty of an offence and on summary conviction shall be liable to a penalty of not less than \$10 and not more than \$2,000, and shall in default of the payment thereof be imprisoned for a term of not more than six months.

Penalty for supplying gas without a permit.

(2) Every person who supplies gas for industrial purposes without a permit so to do issued under the regulations, or supplies an amount of gas in excess of that permitted by any such permit held by him, shall be guilty of an offence and on summary conviction shall be liable to a penalty of not less than \$100 and not more than \$2,000 for every month or portion of a month during which such supply continues, or to imprisonment for a term of not more than six months. R.S.O. 1937, c. 49, s. 22.

Jurisdiction of Municipal Board excluded.

24. Works for the production, transmission and supply of natural gas shall not be deemed to be public utilities so as to give the Ontario Municipal Board any jurisdiction respecting the same. R.S.O. 1937, c. 49, s. 23.

Power to administer oaths.

25. In any matter arising under this Act, the Referee or Commissioner or any commissioner authorized to administer an oath may take an affidavit, or statutory declaration in any part of Ontario. R.S.O. 1937, c. 49, s. 24.

Powers of Referee as to hearing.

26. The Referee may hear any application at any place in Ontario that he may appoint and shall have the same power to compel the attendance of witnesses and to compel them to give evidence and produce documents as is vested in the Supreme Court in civil cases. R.S.O. 1937, c. 49, s. 25.

Application of Act to certain contracts.

27.—(1) Nothing in this Act shall affect any existing contract or agreement between the owner of the land on

which a producing gas well is situate and the person operating the same; provided nevertheless, that no such owner of land shall at any time consume more than a reasonable quantity of gas under the right given to him by any such contract or agreement, and the Referee at the request of either party or any other person interested may fix and determine from time to time what is a reasonable quantity in any case.

(2) After notice in writing naming such quantity has been given to any owner or left at his usual place of abode, any refusal or neglect to comply with the terms thereof shall be an offence punishable in the manner provided by subsection 1 of section 23. R.S.O. 1937, c. 49, s. 26. Penalty for failure to comply with order.

28. This Act shall not apply to any person who on the 13th day of June, 1922, owned and transmitted through his own pipe lines a supply of natural gas for the purposes of his own industry. R.S.O. 1937, c. 49, s. 27. Act not to apply to owner using gas for his own purposes.

29.—(1) In the event of a dispute between a company and a municipal corporation or person with respect to any matter or thing arising out of any letters patent, deed, grant, contract, franchise, lease, agreement, bargain or arrangement whatsoever, the Minister, on the application of any party, may make an order prohibiting the company from cutting off, diminishing or otherwise interfering with the supply of natural gas to any or all of the inhabitants of a municipality, or to any person, pending the final determination of the rights in dispute between the parties in a court of competent jurisdiction. Order of Minister pending determination of rights.

(2) Any company which cuts off, diminishes or otherwise interferes with the supply of natural gas in contravention of any order made by the Minister shall be guilty of an offence punishable in the manner provided by subsection 1 of section 23. R.S.O. 1937, c. 49, s. 28. Penalty.

30.—(1) Licences may be issued by the Minister upon such terms, and subject to such conditions, and upon the payment of such fees as the Minister may prescribe, to persons for boring, prospecting for, transmitting or distributing natural gas, and no person shall bore or prospect for, produce, transmit or distribute natural gas in Ontario, who is not the holder of a licence from the Minister permitting him so to do. Licences.

(2) Every person who violates any provision of this section shall be guilty of an offence punishable as provided by subsection 1 of section 23. R.S.O. 1937, c. 49, s. 29. Penalty.

31. The provisions of this Act, including the power to make orders and regulations, shall apply to the transmission, Application of Act to artificial gas.

distribution, use and rates chargeable for any artificial gas which may be produced at any plant designated by the Lieutenant-Governor in Council. 1942, c. 34, s. 24 (2).
