c 122 Energy Act
CHAPTER 122

The Energy Act

INTERPRETATION

1. In this Act and in The Ontario Energy Board Act,

   1. "appliance" means a device using only gas or fuel oil as fuel, and includes all gas or fuel oil piping, vents, tanks and controls attached or to be attached thereto, but excludes boilers and pressure vessels as defined by The Boilers and Pressure Vessels Act;

   2. "associate" means a person, whether directly or indirectly through one or more intermediaries,

      i. who has the power to direct or to cause to be directed the management and policies of any gas transmitter, distributor or storage company,

      ii. whose management and policies any gas transmitter, distributor or storage company has the power to direct or to cause to be directed,

      iii. whose management and policies any other person has the power to direct or to cause to be directed, provided that such other person has such power to direct or to cause to be directed the management and policies of any gas transmitter, distributor or storage company;

   3. "Board" means the Ontario Energy Board;

   4. "contractor" means a person,

      i. who carries on the business of installing, repairing or servicing appliances, or

      ii. who sells and agrees to install appliances;

   5. "corporation" means a person who has the authority or seeks authority to drill for or produce gas or oil or to store, distribute or manufacture gas or to transmit any hydrocarbon;
6. “Department” means the Department of Energy Resources;

7. “distributor” means a person who supplies gas to a consumer, and “distribute” and “distribution” have corresponding meanings;

8. “fuel oil” means a hydrocarbon within the meaning of Specification 3-GP. 2C of the Canadian Government Specification Board that has a flash-point of not less than 110°F.;

9. “gas” means natural gas, manufactured gas or liquefied petroleum gas or any mixture of any of them;

10. “hydrocarbon” means a chemical compound of carbon and hydrogen, and includes any gaseous substance that may be used as fuel;

11. “inspector” means an inspector appointed under this Act;

12. “land” includes any interest in land;

13. “licence” means a licence issued under this Act;

14. “manufactured gas” means manufactured gas distributed by a public utility;

15. “Minister” means the Minister of Energy Resources;

16. “oil” means crude oil, and includes any hydrocarbon that can be recovered in liquid form from a pool through a well;

17. “owner” includes a mortgagee, lessee, tenant and occupant of land and a guardian, committee, executor, administrator or trustee in whom land is vested;

18. “permit” means a permit issued under this Act;

19. “person”, in addition to its meaning in The Interpretation Act, includes a municipality;

20. “pipe line”, except in Part II, means a pipe that carries a hydrocarbon;

21. “pressure vessel” means pressure vessel as defined by The Boilers and Pressure Vessels Act;
22. "producer" means a person who has the right to remove gas or oil from a well, and "produce" and "production" have corresponding meanings except when referring to documents or records;

23. "registered" means registered under this Act, and "registration" has a corresponding meaning;

24. "regulations" means the regulations made under this Act and The Ontario Energy Board Act; R.S.O. 1960, c. 271

25. "storage company" means a person engaged in the business of storing gas;

26. "transmitter" means a person who carries a hydrocarbon by line as defined in Part II other than as a producer or as a distributor, and "transmit" and "transmission" have corresponding meanings;

27. "utility line" means a telephone, telegraph, electric power, gas or water line or any other line that supplies a service or commodity to the public;

28. "well" means a well drilled or bored for gas or oil, and includes a hole drilled or bored for testing the sub-surface structure, an injection well, a well for the disposal of waste substances and any other type of service well and a well for the storage of a hydrocarbon, but does not include a well for the extraction of salt or brine or a well for the supply of water, except that, where gas or oil is encountered during any drilling or boring operation, the operation thereupon becomes a well;

29. "work" means every well, equipment or pipe line and every part thereof and adjunct thereto that is used in the drilling for or production of gas or oil or the storage or distribution of gas or the transmission of a hydrocarbon or the manufacture of manufactured gas. 1960, c. 30, s. 1.

PART I

REGULATION AND INSPECTION

2.—(1) The Lieutenant Governor in Council may appoint inspectors.
Powers of Inspectors

(2) An inspector may, for the purposes of this Act and the regulations and for the purposes of any other Act or regulation that confers any function on an inspector,

(a) enter in or upon, take up or use any property, real or personal, at any time;

(b) require the production of any licence, permit or registration certificate, notice, document or record required by this Act or the regulations and examine and copy the same;

(c) make such examinations, tests and inquiries as are necessary to ascertain whether this Act and the regulations are being complied with; and

(d) exercise such other powers and do such other acts and things as are necessary for the carrying out of this Act and the regulations.

Idem

(3) The owner of any property and his servants, agents and employees shall furnish all means in his or their power required by the inspector for entry, inspection, testing and inquiry in the exercise of his powers and duties.

Inspector's instructions

(4) An inspector may give instructions orally or in writing to any person with respect to any matter or thing regulated, controlled or required by this Act or the regulations or by any order of the Board and may require that his instructions be carried out within such time as he specifies.

Written instructions

(5) If a person to whom an inspector gives oral instructions under subsection 4 requests that the instructions be put in writing, the inspector shall put the instructions in writing.

Not required to testify

(6) No inspector shall be required to give testimony in any civil suit with regard to information obtained by him in the discharge of his official duty except with the written permission of the Minister.

No personal liability

(7) No inspector is personally liable for anything done by him under the authority of this Act or the regulations. 1960, c. 30, s. 2.

Inspectors may tag works

(3)—(1) An inspector may tag a work or appliance in relation to which he has reason to believe that an offence against this Act or the regulations has been, is being or is about to be committed by attaching a tag in the prescribed form to some part of the work or appliance.
(2) An inspector who has tagged a work or appliance shall forthwith notify in writing the person who appears to have the care or custody of the work or appliance of such tagging.

(3) No person, other than an inspector, shall alter, deface or destroy such a tag and no person, other than an inspector or a registered contractor who has remedied or repaired the work or appliance in accordance with requirements of the inspector, shall remove such a tag.

(4) Where such a tag is removed by a registered contractor, he shall endorse his name and address thereon and forward the tag by registered mail to the inspector who attached the tag.

(5) Except when authorized by an inspector, no person shall operate, or remove hydrocarbons from, or knowingly supply hydrocarbons to, or use in any manner whatsoever, a work or appliance that has been tagged. 1960, c. 30, s. 3.

4.—(1) The Lieutenant Governor in Council may appoint chief inspectors.

(2) A person who has just cause to believe that to comply with,

(a) an instruction given under subsection 4 of section 2;
   or

(b) a tag attached under section 3,

would cause physical injury to any person or would cause an unreasonable interference with the property or services of any person may appeal therefrom by giving forthwith oral notice thereof to a chief inspector.

(3) Such oral notice may be given by telephone.

(4) The chief inspector so notified may vary, rescind or confirm the instruction or instruct the removal of or compliance with the tag. 1960, c. 30, s. 4.

5.—(1) No person shall,

(a) lease gas or oil rights from an owner other than the Crown; or

(b) produce gas or oil; or

(c) transmit or distribute gas; or
(d) transmit a hydrocarbon other than gas; or

(e) conduct a geophysical or geochemical exploration for gas or oil; or

(f) transfer liquefied petroleum gas to a pressure vessel,

unless he is the holder of a licence for such purpose, but the failure on the part of a person to comply with this subsection does not affect the validity of any contract.

(2) No person shall operate a machine for boring or drilling wells unless the machine is licensed.

(3) No person shall bore or drill a well, other than for exploring the sub-surface structure, unless he is the holder of a permit for such purpose.

(4) Subject to the regulations, no industrial consumer shall use gas unless he is the holder of a permit for such purpose.

(5) Subject to the regulations, no person shall buy, sell or install an appliance or have or use a portable appliance or an appliance in a trailer or any other vehicle that does not bear,

(a) the seal of approval of an organization designated in the regulations; or

(b) a label issued by the Minister.

(6) Subject to the regulations, no person, other than a registered contractor, his employee or agent, shall install, repair, service or remove an appliance or any class or classes thereof.

(7) No person shall install or have installed an appliance that is to be supplied with gas by a distributor without first giving notice to the distributor of the address of the premises at which the installation is to be made and the type of appliance to be installed.

(8) Where the supply of gas to a meter is turned on, no person shall use an appliance connected thereto until the distributor that supplies gas to the meter has inspected all such appliances.

(9) Every distributor shall inspect at least once every three years all appliances to which it supplies gas.
A distributor shall have free access, at all reasonable times and upon reasonable notice given and request made, to all parts of every building or other premises to which gas is supplied for the purpose of inspecting or repairing or of altering or disconnecting any appliance in or outside the building, or for placing meters upon any pipe or connection in or outside the building as he deems expedient, and for that purpose or for the purpose of protecting or regulating the use of a meter, may set it or alter the position of it, or any pipe, and may alter or disconnect any pipe.

No person who produces natural gas in Ontario or who purchases or otherwise acquires or has entered into a contract to purchase or otherwise acquire property in such natural gas in Ontario may remove any part of such natural gas, or cause it to be removed, from Ontario unless he is the holder of a permit for such purpose. 1960, c. 30, s. 5.

6. Where the Lieutenant Governor in Council has declared that an emergency exists, the Minister may, notwithstanding anything in this or any other Act, make such orders as the Minister considers necessary to maintain the supply of gas to the public or any class or classes thereof. 1960, c. 30, s. 6.

7.—(1) Every person who,

(a) contravenes any provision of this Act or the regulations or any order of the Board; or

(b) unduly wastes or causes to be unduly wasted any gas or oil; or

(c) tampers or interferes with any work or appliance without authority to do so; or

(d) knowingly makes a false statement in an application, return or statement or other material required under this Act or the regulations; or

(e) wilfully delays or obstructs an inspector in the execution of his duties under this Act or the regulations,

is guilty of an offence and on summary conviction is liable to a fine of not less than $100 and not more than $1,000 for each day over which the offence continues, or to imprisonment for a term of not more than one year, or to both.

(2) No information may be laid under this section without the written permission of the Minister in the form prescribed by the regulations. 1960, c. 30, s. 7.
Powers of Minister as to licences, etc.

8.—(1) The Minister may grant or refuse to grant a licence or permit to any person and he may, in granting a licence or permit, impose such terms and conditions as he deems proper.

Registration

(2) The Minister may register or refuse to register any person under this Act or the regulations and he may, in granting registration, impose such terms and conditions as he deems proper.

Revocation, suspension, etc.

(3) Upon the order of the Board, the Minister shall revoke, suspend or reinstate a licence, permit or registration or grant or refuse to grant a permit to bore or drill a well in a designated gas storage area.

Notice re revocation or suspension

(4) Where a licence, permit or registration is revoked or suspended, the Minister shall notify the holder in writing at his last known address by registered mail of the revocation or suspension and the holder shall forthwith forward to the Minister his licence, permit or registration certificate.

Appeal

(5) In an appeal from an order of the Board under this section, the Court of Appeal may consider any question of law, jurisdiction or fact. 1960, c. 30, s. 8.

Regulations

9.—(1) The Lieutenant Governor in Council may make regulations,

1. for the conservation of gas or oil;

2. prescribing areas where drilling for gas or oil is prohibited;

3. prescribing classes of hydrocarbons and classes of works and classes of corporations and classes of associates;

4. prescribing statutory conditions of gas or oil leases and requiring and providing for the making of statements or reports thereon;

5. regulating the construction, erection, alteration, installation, removal, operation or maintenance of any work or appliance or any class thereof;

6. regulating the location and spacing of wells;

7. prescribing the methods, equipment and materials to be used in boring, drilling, completing or operating wells;

8. requiring the keeping of drilling and production samples;
9. requiring persons who drill wells to furnish reports, returns, geological and other information and samples;

10. requiring dry or abandoned wells to be plugged or replugged and prescribing the methods, equipment and materials to be used in plugging or replugging wells;

11. prescribing the methods, equipment and materials to be used in shutting in wells;

12. regulating the repressuring, the maintenance of pressure in, or the injection of gas, oil, water or any other substance into gas or oil horizons;

13. regulating the allocation of a just and equitable share of the market demand for gas or oil to the several sources thereof and the several interests within a field or pool;

14. to provide for the designation of drainage units and requiring and regulating the joining of the various interests within a drainage unit for the purpose of drilling or operating a well and the apportioning of the costs and the benefits of such drilling or operation;

15. requiring and regulating the joining of the various interests within a field or pool for the purpose of drilling or operating wells, the designation of management and the apportioning of the costs and the benefits of such drilling or operation;

16. regulating the use of wells for the disposal of waste substances;

17. subject to The Boilers and Pressure Vessels Act and The Gasoline Handling Act, regulating the installation, use, removal, storage, handling and filling of pressure vessels for liquefied petroleum gas, and piping and attachments thereto;

18. regulating the conditions of agreements between distributors and consumers;

19. prescribing classes of appliances and regulating the types, construction, installation, repair, maintenance, replacement, inspection, use or removal of them, or any class of them;
20. prohibiting the sale, installation or use of appliances, or any class of them;

21. designating organizations to test appliances to specifications approved by the Minister, and to indicate their approval of any such appliances by placing a seal of approval thereon;

22. subject to The Boilers and Pressure Vessels Act and The Gasoline Handling Act, regulating safety standards and requiring and providing for the keeping of safety records and the making of safety returns, statements or reports in the drilling for, production, manufacture, processing, refining, storage, transmission, distribution, measurement, carriage by pipeline and consumption of any hydrocarbon, or any class of them;

23. requiring and providing for the inspection of appliances by distributors and prescribing the frequency with which and the manner in which such inspection shall be made;

24. providing for the issue of licences, permits and labels;

25. prescribing classes of contractors and requiring and providing for the registration of them, or any class of them;

26. prescribing classes of meters and requiring and providing for the registration of meters, or any class of them;

27. prescribing classes of licences, permits and labels and prescribing the terms and conditions upon which licences, permits or labels may be issued or registrations made;

28. prescribing the fee payable for any licence, permit, label or registration;

29. prescribing fees to be paid by corporations, or any class of them, for the inspection of works and appliances;

30. requiring and providing for the bonding or insuring of holders of licences, permits or registration certificates;
31. requiring and providing for guarantees or other security by bond or other means that works commenced under permit will be completed in accordance with this Act, the regulations or any order of the Board;

32. creating a fund to be known as the Abandoned Works Fund for the completion or removal of works and prescribing the procedures for payment of money into and out of the fund;

33. permitting the sale by the Crown of abandoned works and permitting the application of the proceeds of sale to expenses incurred in the doing of anything required to be done to or with such works;

34. permitting the Crown to cause anything to be done that the Board has ordered any person to do and permitting the Crown to recover expenses from such person;

35. prescribing forms and tags and providing for their use;

36. requiring and providing for the keeping of records and the making of returns, statements or reports on the drilling for or production of gas or oil or the storage, distribution or transmission of gas or the manufacture of manufactured gas;

37. regulating the acquisition, preparation, transportation, distribution and use of coal, coke, lignite or wood to be used as fuel;

38. regulating the acquisition, storing, transportation, distribution, sale, processing, preparation and use of uranium;

39. exempting any person or any class of persons from the operation of or compliance with this Act or the regulations, or of any of the provisions thereof;

40. exempting any appliances, or any class of them, from the operation of or compliance with this Act or the regulations, or of any of the provisions thereof;

41. respecting any matter necessary or advisable to carry out effectively the intent and purpose of this Act.
(2) Any regulation may adopt by reference, in whole or in part with such changes as the Lieutenant Governor in Council considers necessary, any code, and may require compliance with any code that is so adopted.

(3) Any regulation may designate any organization to authorize the use of its seal of approval on any work or appliance that complies with its code.

(4) Any regulation may be general or particular in its application. 1960, c. 30, s. 9.

PART II

PIPE LINES

10. In this Part, "line" or "pipe line" means a pipe line for the transmission of hydrocarbons, and includes any work appurtenant thereto and a branch line, but does not include gathering lines, flow lines or distribution lines and does not include other lines within or contiguous to an oil refinery, oil or petroleum storage depot, chemical processing plant or pipe line terminal. 1960, c. 30, s. 10.

11. No corporation shall construct a pipe line without first obtaining from the Board an order granting leave to construct the line under section 12. 1960, c. 30, s. 11.

12.—(1) An applicant for leave to construct a pipe line shall file with its application a map showing the general location of the proposed line and the municipalities, highways, railways, utility lines and navigable waters through, under, over, upon or across which the line is to pass.

(2) Notice of an application under this section shall be given by the applicant in such manner as the Board directs and shall be given to the Department of Agriculture, the Department of Municipal Affairs, the Department of Highways and such persons as the Board directs.

(3) Where an interested person desires to make objection to the application, such objection shall be given in writing to the applicant and filed with the Board within fourteen days after the giving of notice of the application and shall set forth the grounds upon which such objection is based.

(4) A reply to an objection may be given to the objector in writing and filed with the Board within fourteen days after the giving of the objection.
(5) An application under this section shall not be disposed of by the Board until after a public hearing has been held, and the hearing shall not be held until a period of at least sixty days has elapsed after the application has been filed with the Board, except that, where no objection is filed, the Board may abridge such period.

(6) Notice of the time and place fixed by the Board for the hearing shall be given in accordance with subsection 2.

(7) Where after the hearing the Board is of the opinion that the construction of the line is in the public interest, it may make an order granting leave to construct the line.

(8) Leave to construct the line shall not be granted until the applicant satisfies the Board that it will offer to each land owner an agreement in a form approved by the Board.

(9) In granting leave to construct a line, the Board may impose such terms and conditions as it considers proper.

(10) When the Board has granted leave to construct a line, the corporation, through its officers, employees and agents, may enter into or upon any land lying in the intended route of the line and may make such surveys and examinations as are necessary for fixing the site of the line, and, failing agreement, any damages resulting therefrom shall be determined in the manner provided in section 14. 1960, c. 30, s. 12.

13.—(1) Where a corporation has leave to construct a pipeline under this Part or under The Pipe Lines Act, 1958 or where a certificate has been granted under The Gas Pipe Lines Act, 1951, it may apply to the Board for authority to expropriate land for the purposes of the line and the Board shall thereupon set a date for the hearing of such application and such date shall be not less than fourteen days after the date of the application, and upon such application the applicant shall file with the Board a plan and description of the land required, together with the names of all persons having an apparent interest in the land.

(2) The applicant shall serve notice of the application and notice of the hearing on such persons and in such manner as the Board directs.

(3) Where after the hearing the Board is of the opinion that the expropriation of the land is in the public interest, it may make an order authorizing the applicant to expropriate the land.
Method of expropriation

(4) Where a corporation that has been authorized to expropriate land desires so to do, it shall register in the proper registry or land titles office,

(a) a copy of the order of the Board made under subsection 3 certified by the secretary of the Board; and

(b) a plan and description of the land attested by the seal of the corporation under the hands of its proper officers in that behalf and signed by an Ontario land surveyor,

and thereupon the land vests in the corporation.

Where interest limited

(5) Where the land is required for a limited time only, or only a limited estate, right or interest therein is required, the plan and description so registered shall indicate, by appropriate words written or printed thereon, that the land is taken for such limited time only, or that only such limited estate, right or interest therein is taken, and, when so registered, the right of possession for such limited time, or such limited estate, right or interest, thereupon vests in the corporation.

Correction of errors

(6) In the case of any omission, misstatement or erroneous description in any plan or description, a correct plan and description may be registered with the same effect as if the original plan and description had been correct. 1960, c. 30, s. 13.

Compensation

1958, c. 78; 1951, c. 30

14.—(1) The corporation shall make to the owner of land acquired by expropriation under this Part, or under The Pipe Lines Act, 1958, or under The Gas Pipe Lines Act, 1951, due compensation for the land and for any damages resulting from the exercise of such power.

Determination of amount

R.S.O. 1960, c. 18

(2) No action or other proceeding lies in respect of such compensation and, failing agreement between the corporation and the owner, the amount thereof shall be determined in the manner provided in this section, and The Arbitrations Act does not apply.

Board of arbitration

(3) The Minister shall appoint one or more persons as a board of arbitration to determine in a summary manner the amount of such compensation.

Chairman

(4) Where the board of arbitration is composed of more than one person, the Minister shall designate one of them as chairman.
(5) The Lieutenant Governor in Council may make regulations governing the practice and procedure of the board of arbitration and, until such regulations are made, the practice and procedure of the Ontario Municipal Board apply to any arbitration under this section.

(6) Where the board of arbitration is composed of more than one person, the decision of the majority of the members is the decision of the board, and, if a majority of the members fail to agree upon any matter, the decision of the chairman upon such matter is the decision of the board.

(7) An appeal lies to the Ontario Municipal Board from the award of the board of arbitration.

(8) Notice of an appeal under this section shall set forth the grounds of appeal and shall be sent by registered mail by the party appealing to the secretary of the Ontario Municipal Board and to the other party within fourteen days after the making of the award or within such further time as the Ontario Municipal Board, under the special circumstances of the case, allows.

(9) The hearing of an appeal under this section shall be a hearing de novo, and The Ontario Municipal Board Act of 1960, c. 30, s. 14 applies thereto.

(10) An appeal within the meaning of section 95 of The Ontario Municipal Board Act lies from the Ontario Municipal Board to the Court of Appeal, in which case that section applies. 1960, c. 30, s. 14.

15.—(1) Where a corporation has leave to construct a pipe line, it may apply to the Board for authority to construct the line upon, under or over a highway, utility line or ditch.

(2) The procedure set forth in subsections 1 and 2 of section 13 applies mutatis mutandis to an application under this section.

(3) Without any other leave and notwithstanding any other Act, where after the hearing the Board is of the opinion that the construction of the line upon, under or over a highway, utility line or ditch, as the case may be, is in the public interest, it may make an order authorizing the corporation so to do upon such terms and conditions as it considers proper. 1960, c. 30, s. 15.
16. Where a corporation has acquired land for the purposes of its pipe line by agreement with the owner of the land, the corporation shall make to the owner of the land due compensation for any damages resulting from the exercise of its rights under the agreement, and, if the compensation is not agreed upon by the corporation and the owner, it shall be determined in the manner prescribed by section 14. 1960, c. 30, s. 16.

17. Where a corporation requires at any time to enter upon any land to gain access to the right of way established under this Part, The Pipe Lines Act, 1958 or The Gas Pipe Lines Act, 1951, for the purpose of maintaining, repairing, renewing or removing the line or part of it, the corporation has the right to do so without the consent of the owner of the land so entered, and compensation for any damages resulting from the exercise of such right, if not agreed upon by the corporation and the owner, shall be determined in the manner prescribed by section 14. 1960, c. 30, s. 17.

18. The decision of the Board on any application to it under this Part is final and conclusive. 1960, c. 30, s. 18.

19.—(1) The powers that may be conferred upon a corporation under this Part are not in derogation of but are in addition to the powers it may otherwise possess.

(2) Where leave to construct a line has been granted under this Part, section 58 of The Public Utilities Act does not apply to such line. 1960, c. 30, s. 19.

20.—(1) One or more inspectors may be appointed under The Public Service Act for the purposes of this Part.

(2) The Minister may, with the approval of the Lieutenant Governor in Council, make regulations prescribing the duties of such inspectors. 1960, c. 30, s. 20.

PART III

MISCELLANEOUS

21.—(1) In the event of conflict between this Act and any other general or special Act, this Act prevails.

(2) This Act and the regulations prevail over any by-law passed by a municipality. 1960, c. 30, s. 21.