

## **Appendix B – Rural Gas Utilities and Low Pressure Distribution Pipelines**

Rural gas distribution pipelines with a maximum operating pressure under 700 kPa (low pressure) are designed, constructed, operated, and maintained in accordance with the *Gas Distribution Act* and CSA Z662.

Under the *Gas Distribution Act*, the Rural Utilities Section of Alberta Agriculture and Forestry is responsible for setting and enforcing all standards related to rural utilities (including rural gas co-ops and investor-owned utilities) and low-pressure distribution pipelines, such as those in cities or towns. The standards may include requirements around safety, design, construction, operation, maintenance, quality assurance, plant records, and surveys. The provisions of the *Gas Distribution Act* apply to all rural gas co-operatives as well as regulated investor-owned utilities such as ATCO Gas and AltaGas Utilities (for equipment operating at 700 kPa or less).

Rural gas distributors have franchise areas issued under the *Gas Distribution Act* which give them exclusive rights to serve the community within a certain area. Rural franchise areas may be held by investor-owned utilities (ATCO Gas and AltaGas Utilities), member-owned gas cooperatives, municipalities, Metis settlements, or First Nations.

Alberta's rural gas distribution pipeline system originated as a community-led initiative in 1962, in an effort to make natural gas available to rural users. This was supported by the Government of Alberta under the *Rural Gas Act* in 1973. In this document, "gas co-ops" refer to members of the Federation of Alberta Gas Co-ops, which includes member-owned gas coops, county and town-owned gas distributors, some Metis settlements and First Nations.

Rural gas co-ops are member-owned and incorporated under the *Rural Utilities Act*. The Rural Utilities Section of Alberta Agriculture and Forestry provides oversight on co-op incorporations, amalgamations, bylaws, and board governance. A person authorized by Alberta Agriculture and Forestry may enter the land at any time to inspect a rural gas utility or low pressure distribution system. A co-op member is a person who, upon the approval of the gas co-op board, holds an interest in the land, signs a contract for service, pays the membership fee, and is over 18 years of age. The board for a rural gas co-op is elected by the membership, and they are responsible for setting rates, policies, and governance. The AUC has authority to investigate issues on rates, terms of service, service charges or tolls on rural gas coops upon a grievance being filed.

With all rural gas distributors, when a new pipeline is being installed, the process will begin with a pre-construction survey to help determine location. Ultimately, the location selected for the pipeline is determined by surface and subsurface conditions, landowner needs, the location of other facilities, access, and cost. A representative from the gas distributor will meet with the landowner to ask them to sign a utility right-of-way agreement, which is a type of easement. A licensed land agent is not required for the negotiation of an easement for a rural gas utility. Blanket easements are typically used for rural utilities, as the location is often uncertain at the time of signing and there are no defined rights-of-ways for gas distribution pipelines.

Landowners should be aware that having a blanket easement for a rural utility pipeline can enable the gas distributor to legally install surface equipment later on with no additional compensation for Loss of Use or Adverse Effect. This is becoming more common as a result of the new CSA standards. A landowner may ask that the utility right-of-way be limited to only the pipeline being built.

The easement will be registered as a utility right-of-way on the landowner's Certificate of Title. The form for the utility right-of-way must be approved by the Director of Rural Utilities with Alberta Agriculture and Forestry.

To make rural gas distribution available and affordable, rural gas distributors are not required to pay right of entry compensation. Customarily, rural landowners allow gas distribution pipelines on their property for a nominal \$1 fee and payment of crop damages. If landowner consent for a rural gas distribution pipeline cannot be obtained, the distributor can refer the matter to the Surface Rights Board (SRB) for a Right of Entry Order.

Landowners should contact Alberta One Call when they are planning any ground disturbance other than normal agricultural cultivation. The distributor will be responsible for coming out to mark the lines. If a landowner damages a rural gas distribution line, they must report it immediately to the gas distributor. The landowner is responsible for the costs incurred to repair damage they have caused.

Service lines and main lines must have a minimum depth of cover of 0.8 metres. Where the pipelines cross under highways, roads, railways, canals, watercourses, or other pipelines/cables, the depth of cover must be over 1.4 metres. The distributor is required to maintain and install warning signs where the right-of-way crosses under a road. The signs must be installed within 60 days of the completion of the pipeline.

Ongoing safety and operational concerns on low pressure pipelines can be brought to the Rural Utilities Section of Alberta Agriculture and Forestry. The Rural Utilities Section has the ability to conduct safety audits. A person authorized by the department may enter the land at any time to inspect a low-pressure gas distribution pipeline.

Gas co-op high pressure pipelines (>700 kPa) are licensed and regulated by the Alberta Energy Regulator (AER).

Safety concerns relating to investor-owned utilities (ATCO Gas or AltaGas Utilities) can be reported to the Alberta Utilities Commission (AUC). If a landowner has a concern about something occurring within their local gas co-op, they are encouraged to discuss the matter with their co-op office first. If a resolution cannot be found, they should then contact their local Board of Directors. Incorporated under the *Rural Utilities Act*, the Board has broad authority on matters related to the co-op. Most Boards meet on a monthly basis.

If the matter cannot be resolved directly with the co-op, the landowners may contact the Federation of Alberta Gas Coops and request assistance in dispute resolution. The Federation can act as a mediator if the landowner and local gas co-op are not able to come to a mutually agreed upon solution. If the landowner is not satisfied with the mediation, they may also forward the concern to the Rural Utilities Section. An additional option is to speak to the Utilities Consumer Advocate of Alberta. Grievances about terms of service, rates, or tolls may be brought to the AUC.

#### Contact

Rural Utilities Section, Alberta Agriculture and Forestry  
J.G. O'Donoghue Building  
7000-113 Street  
Edmonton, AB T6H 5T6  
Phone: 780-427-0125  
Fax: 780-422-1613

Federation of Alberta Gas Co-ops  
201, 115 Portage Close  
Sherwood Park, AB T8H 2R5  
Phone: 780-416-6543  
Toll Free: 888-616-6543  
Fax: 780-416-6544  
Email: [info@fedgas.com](mailto:info@fedgas.com)  
<http://www.fedgas.com>

Alberta Utilities Commission (AUC)  
10<sup>th</sup> Floor, 10055-106 Street  
Edmonton, AB T5J 2Y2  
Phone: 780-427-4903 (toll free by dialing 310-0000 first)  
Email: [consumer-relations@auc.ab.ca](mailto:consumer-relations@auc.ab.ca)  
<http://www.auc.ab.ca>

Utilities Consumer Advocate  
5th floor, John E. Brownlee Bldg.  
10365 - 97 Street  
Edmonton, AB T5J 3W7  
Phone: 310-4822 (In Alberta) Phone: 780-644-5130 (Outside Alberta)  
E-mail: [UCAhelps@gov.ab.ca](mailto:UCAhelps@gov.ab.ca)  
<https://ucahelps.alberta.ca>