INFORMATION BULLETIN 94-05

October 26, 1994

To: PART 2 APPLICANTS

Re: Natural Gas Marketing Act
Part 2 – Producer Support for the Resale of Netback Gas

In recent discussions, Industry and the Alberta Department of Energy, concluded that Part 2 requirements should remain in place. Part 2 of the Act requires a Finding of Producer Support for netback gas contracts. The Part 2 process will continue, following the planned merger of the Alberta Petroleum Marketing Commission with the Department.

The Alberta government is examining services to industry where a direct benefit results, and implementing fees for those services. Accordingly, a new fee structure will be instituted for Part 2 services. A standard fee of $550 plus GST will commence November 1, 1994 for applications received on and after that date, with payment to accompany the application. The fee is consistent with similar Ministry charges such as the ERCB short term export permit fee. We are preparing a “Fee for Service Regulation” as authorized under Section 25 of the Act.

Each of the following situations is considered “an application” and requires the fee payment whether approved or declined by the Department of Energy:

1. Quantity vote Method Approval (Section 10(2)(a) of the Regulations) for the approval of a method for determining the quantities of gas attributed to the contracts. This is required prior to a vote (by Balloting) being conducted.

2. Finding of Producer Support plus a Determination for Arbitration Methodology (Sections 9, 10 and 11 of the Regulations) – Balloting.

3. Finding of Producer Support - Balloting
4. Determination for Arbitration Methodology (related to #3 but applied for in a separate application) – Balloting.

5. Finding of Producer Support based on a Resale Authorization Provision and a Determination for Arbitration Methodology based on an Arbitration Authorization Provision in the Contract (Section 14 of the Regulations) – Pro-forma Contract provided.


7. Determination for Arbitration Methodology based on an Arbitration Authorization Provision in the Contract (related to #6 but applied for in a separate application) - Pro-forma Contract provided.

If an aggregator or marketer (or any shipper utilizing netback pricing to producers) applies for two or more Findings in one application, using 1 or more different ballots (i.e. 1 ballot with 2 questions or ballots with separate questions), then each Finding will be assessed the fee.

Should you have any questions regarding what constitutes an application, or the implementation of the fee, please contact Bill Zanewick at 297-5465.

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