

The SaskEnergy Regulations

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Chapter S-35.1 Reg 1 (effective November 1, 1992) as amended by Saskatchewan Regulations [97/96](#), [95/97](#), [69/98](#), [90/2000](#), [89/2004](#) and [90/2016](#).

NOTE:

This consolidation is not official. Amendments have been incorporated for convenience of reference and the original statutes and regulations should be consulted for all purposes of interpretation and application of the law. In order to preserve the integrity of the original statutes and regulations, errors that may have appeared are reproduced in this consolidation.

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CHAPTER S-35.1 REG 1

The SaskEnergy Act

PART I

Title and Interpretation

Title

1 These regulations may be cited as *The SaskEnergy Regulations*.

Interpretation

2(1) In these regulations:

- (a) **“Act”** means *The SaskEnergy Act*;
- (b) **“applicant”** means an applicant for service;
- (c) **“cultivation”** means tillage or preparation of soil by mechanical agitation;
- (d) **“farm cultivation”** means cultivation on lands dedicated to the production of crops for sale, of commercial livestock or of commercial livestock feed;
- (e) **“ground disturbance”** means any work, operation or activity that results in a disturbance of the earth, including excavating, digging, trenching, cultivating, drilling, tunnelling, augering, backfilling, blasting, topsoil stripping, land levelling, peat removing, quarrying, clearing and grading;
- (f) **“mechanical excavation”** means any ground disturbance that is undertaken other than by hand digging or other means approved by the corporation or a subsidiary, but does not include a ground disturbance undertaken for the purpose of cultivation;
- (g) **“service”** means any service provided by the corporation or any of its subsidiaries to a customer, including transmitting gas, providing and maintaining facilities and equipment to transmit gas and selling gas;

- (h) **“site disturbance”** includes:
- (i) any excavation, drilling, installing or erecting of any pit, well, foundation, pavement, building or other structure or installation;
 - (ii) any ground disturbance that reduces the depth of cover over the pipeline to a depth that is less than the cover provided when the pipeline was installed;
 - (iii) mechanical excavation below 0.30 metres in depth or over a pipeline;
 - (iv) cultivation below 0.30 metres in depth or farm cultivation below 0.45 metres in depth; and
 - (v) the tearing down, destroying, breaking up or razing of a structure or of the outer walls or principal supporting members of a structure;
- (i) **“subsidiary”** means any subsidiary of the corporation and includes TransGas.
- (2) For the purposes of section 36 of the Act, **“over”** or **“over or near”** a pipeline includes:
- (a) for pipelines used for the distribution of gas, as defined in section 23 of the Act, within the right of way of a pipeline or over or within 1.5 metres of the pipeline where no right of way exists;
 - (b) for pipelines used for the transportation of gas, as defined in section 60 of the Act, within the right of way of a pipeline or over or within five metres of the pipeline where no right of way exists.
- (3) For the purposes of the Act and these regulations, **“customer”** includes any person who:
- (a) accepts, uses or receives a service from the corporation or its subsidiary; or
 - (b) owns, controls or occupies land on which regulating equipment, as defined in section 6, is installed.

2 Dec 2016 SR 90/2016 s3.

PART II Conditions of Service

Conditions before providing service

- 3(1) The corporation or any of its subsidiaries may demand and obtain from an applicant all or any of the following before the corporation or its subsidiary provides a service:
- (a) a deposit or security interest in an amount and in a form which is acceptable to the corporation or its subsidiary;

- (b) a contribution, in an amount and paid in a manner that is directed by the corporation or its subsidiary, towards the construction costs of any facility and the costs of acquiring any equipment required to provide the service;
 - (c) a queue deposit, in an amount and in a form which is acceptable to the corporation or its subsidiary, to maintain the applicant's priority position for service in the queue.
- (2) The corporation and its subsidiaries are not liable to any applicant or customer for any interest on any deposit or security interest provided pursuant to subsection (1).

24 Dec 92 cS-35.1 Reg 1 s3; 2 Dec 2016 SR
90/2016 s4.

Rules governing discontinuation of service

4(1) In this section and in section 5, “**discontinue**” means to discontinue for any period of time and for any reason.

(2) For the purposes of clause 35(1)(b) of the Act, the following are prescribed circumstances under which the corporation or any of its subsidiaries may discontinue any service to any customer or remove its property from the customer's premises:

- (a) if the customer fails to comply with any terms and conditions set out in these regulations or set by the corporation or its subsidiary in any agreement;
- (b) if, in the opinion of the corporation or its subsidiary, modifications or improvements are required to its or its subsidiary's gas system or related facilities or equipment;
- (c) if, in the opinion of the corporation or its subsidiary, repairs or maintenance are required to its or its subsidiary's gas system or related facilities or equipment;
- (d) if the customer is not primarily a customer using gas solely for heating purposes and, in the opinion of the corporation or its subsidiary, service must be interrupted in order to maintain service to customers using gas solely for heating purposes;
- (e) if, in the opinion of the corporation or its subsidiary, service must be interrupted for safety reasons;
- (f) if, in the opinion of the corporation or its subsidiary, the customer is tampering or has tampered with equipment or facilities owned by the corporation or its subsidiaries;
- (g) if the contract relating to the supply of the service is terminated;
- (h) if the customer discontinues use of the service;
- (i) if the customer makes an assignment in bankruptcy or is insolvent; or
- (j) if the customer fails to provide any deposit or security interest requested by the corporation or its subsidiaries.

24 Dec 92 cS-35.1 Reg 1 s4; 2 Dec 2016 SR
90/2016 s5.

Reconnection fees and security deposits

5(1) If service to a customer is discontinued for a reason described in section 4 or at the request of the customer, the corporation or any of its subsidiaries may require the customer to do all or any of the following before restoring service:

- (a) pay a reconnection fee in an amount that the corporation or its subsidiary considers appropriate;
- (b) provide a deposit or security interest in an amount and in a form that the corporation or its subsidiary considers appropriate.

(2) A reconnection fee paid or deposit provided pursuant to subsection (1) is in addition to any other fees or deposits that the corporation or its subsidiary may require pursuant to the Act, these regulations or the terms of any contract between the customer and the corporation or its subsidiary.

24 Dec 92 cS-35.1 Reg 1 s5; 2 Dec 2016 SR
90/2016 s6.

Regulating equipment

6(1) In this section and in section 7, “**regulating equipment**” means any equipment and related facilities that the corporation or any of its subsidiaries requires to measure or regulate gas provided to a customer and includes pipes, service pipes, meters and regulators used for those purposes.

(2) The corporation and any of its subsidiaries may install on a customer’s premises any regulating equipment that the corporation or its subsidiary considers necessary to measure or regulate gas that is:

- (a) supplied by the corporation or its subsidiary; or
- (b) used by, delivered to or received on the behalf of the customer.

(3) All regulating equipment located on a customer’s premises is the property of the corporation or its subsidiary.

(4) The corporation or its subsidiary is responsible for damages to the regulating equipment that are caused by ordinary wear and tear or by the negligence of the corporation, its subsidiary or any of their officers, directors, employees or agents.

(5) The customer shall pay for damage to the regulating equipment that is caused by the negligence or by the deliberate action of the customer.

(6) The corporation and its subsidiary may enter on a customer’s premises at any reasonable time and may dig out, locate, install, repair, replace, maintain, remove and inspect the regulating equipment.

(7) Notwithstanding subsection (6), if, in the opinion of the corporation or its subsidiary, there is an immediate danger to the health or safety of any individual or the safety of any property, the corporation or its subsidiary may immediately enter on a customer’s premises and may dig out, locate, install, repair, replace, maintain, remove and inspect the regulating equipment.

(8) No customer shall allow any person, other than the corporation, its subsidiary or any of their employees and agents, to alter, modify, remove or interfere with any of the regulating equipment.

24 Dec 92 cS-35.1 Reg 1 s6.

Moving or altering regulating equipment

7(1) If a customer wishes to move or alter any regulating equipment installed by the corporation or any of its subsidiaries on the customer's premises, the customer shall apply in writing to the corporation or its subsidiary setting out details of the proposed move or alteration.

(2) On receipt of a written application pursuant to subsection (1), the corporation or its subsidiary may refuse the request or grant the request and impose any condition on the move or alteration that the corporation or its subsidiary considers necessary.

(3) If the corporation or its subsidiary agrees to perform the requested work related to moving or altering the regulating equipment, the corporation or its subsidiary may require the customer to pay all or any part of the costs of the move or alteration before the work has begun.

24 Dec 92 cS-35.1 Reg 1 s7.

Distribution site disturbance

7.1 In the case of pipelines used for the distribution of gas, as defined in section 23 of the Act, no person shall:

- (a) undertake a site disturbance within the right of way of the pipeline without the consent of the corporation or its subsidiary;
- (b) where no right of way exists, undertake a site disturbance over or within 1.5 metres of the pipeline without the consent of the corporation or its subsidiary.

2 Dec 2016 SR 90/2016 s7.

Transmission site disturbance

7.2 In the case of pipelines used for the transportation of gas, as defined in section 60 of the Act, no person shall:

- (a) undertake a site disturbance within the right of way of a pipeline without the consent of the corporation or its subsidiary;
- (b) undertake a site disturbance within 10 metres of the right of way of a pipeline or, where no right of way exists, over or within 15 metres of the pipeline without the consent of the corporation or its subsidiary;
- (c) operate a motor vehicle or equipment across a pipeline at a point that is not within the upgraded and travelled portion of a highway or public road without obtaining consent from the corporation or its subsidiary unless:
 - (i) the motor vehicle or equipment is used for farming operations;
 - (ii) the motor vehicle is a snowmobile, all-terrain vehicle, motorcycle miniature motor vehicle or other vehicle specifically designed for off-road use; or
 - (iii) the motor vehicle is used solely for personal transportation and has a nominal chassis rating of not greater than three-quarters of a ton.

2 Dec 2016 SR 90/2016 s7.

Hand exposure of pipeline, etc.

7.3(1) If an operation is to be undertaken by a person involving a ground disturbance within 0.60 metres of an existing pipeline, the person shall ensure that the pipeline is exposed by hand digging or other method approved by the corporation or its subsidiary before mechanical excavation is allowed to commence within that area.

(2) If an operation mentioned in subsection (1) exposes a pipeline, the person undertaking that operation shall ensure that the pipeline is supported in order to prevent any damage during backfilling and any subsequent settlement of the ground.

(3) If, during the operation mentioned in subsection (1), there is contact with or damage to an underground pipeline, the person undertaking the operation shall immediately notify the corporation or its subsidiary that the contact or damage has occurred.

2 Dec 2016 SR 90/2016 s7.

PART III
Payments in Lieu of Taxes

Interpretation of Part**8** In this Part:

(a) **“cost of gas”** means the cost of gas as determined pursuant to section 9;

(a.1) **“delivery service customer”** means a customer of the corporation, other than a full service customer, who has entered into a contract with the corporation for delivery service, including distribution, storage and transportation of gas by the corporation and its subsidiary, where the gas is not sold to the customer by the corporation;

(b) **“direct sale customer”** means a customer of a subsidiary who has entered into a contract with the subsidiary for the transportation of gas by the subsidiary, where the gas is not sold by the corporation;

(c) **“full service customer”** means a customer who has entered into a contract with the corporation for the sale and delivery of gas;

(d) **“payment in lieu of taxes base”**:

(i) means:

(A) with respect to a direct sale customer, the amount PB determined:

(I) in accordance with the following formula:

$$PB = (CG \times GJ) + TC$$

where:

CG is the cost of gas applicable to the direct sale customer, expressed in dollars per gigajoule;

GJ is the amount of gas, measured in gigajoules, delivered to the direct sale customer during the month for which the calculation is being made; and

TC is the amount paid by the direct sale customer to the corporation or its subsidiary for transporting the gas from the TransGas energy pool to the direct sale customer's point of delivery during the month for which the calculation is being made; or

(II) in accordance with a written agreement between the direct sale customer and the urban municipality in which the direct sale customer resides or carries on business that governs the determination of the amount PB, if a copy of the agreement is filed with the corporation or its subsidiary;

(B) with respect to a delivery service customer, the amount PB determined in accordance with the following formula:

$$PB = (CM \times G) + DC$$

where:

CM is the cost of gas applicable to the delivery service customer;

G is the amount of gas delivered to the delivery service customer during the period for which the calculation is being made; and

DC is the gross revenue to the corporation from deliveries of gas to the delivery service customer during the period for which the calculation is being made; and

(C) with respect to a full service customer, the gross revenue of all gas sales and deliveries by the corporation to the full service customer during the period for which the calculation is being made; and

(ii) does not include the goods and services tax collected on behalf of the Government of Canada or any other tax levied on goods or services that is lawfully imposed by, and collected on behalf of, the Government of Canada or the Government of Saskatchewan;

(e) **“TransGas energy pool”** means a notional hub that contains a collection of customer energy accounts that relate to the movement of gas from a point of receipt to a point of delivery on the TransGas transmission system through this notional hub.

Cost of gas

9(1) For a direct sale customer:

(a) where there is a written agreement that sets the cost of gas between the direct sale customer and the urban municipality in which the direct sale customer resides or carries on business and a copy of the written agreement is filed with the corporation or its subsidiary, the cost of gas is deemed to be the total of:

(i) the cost of gas as determined pursuant to the agreement; and

(ii) the average gross revenue received by the corporation or its subsidiary for transporting the gas from the point of receipt to the TransGas energy pool during the month for which the calculation is being made; and

(b) where there is no agreement described in clause (a), the cost of gas is deemed to be the total of:

(i) the provincial average gas price, as set by the Department of Energy and Mines for the month prior to the month for which the cost of gas will apply; and

(ii) the average gross revenue received by the corporation or its subsidiary for transporting the gas from the point of receipt to the TransGas energy pool during the month for which the calculation is being made.

(2) For delivery service customers:

(a) where there is a written agreement between the corporation and a commodity seller that the corporation shall provide billing services to the delivery service customer on behalf of the commodity seller, the cost of gas is the actual gas consumption charge billed to the delivery service customer during the period for which the calculation is being made; and

(b) where there is no agreement described in clause (a), the cost of gas is deemed to be the corporation's gas consumption charge applicable to full service customers during the period for which the calculation is being made.

2 Oct 98 SR 69/98 s4.

Further payment in lieu of taxes – agreement with municipality

10 Subject to section 10.1, the additional charge mentioned in subsection 59(2) of the Act for a customer of any category in an urban municipality with which the corporation has entered into an agreement respecting additional charges as payments in lieu of taxes is the amount AC calculated in accordance with the following formula:

$$AC = PB \times 5\%$$

where PB is the payment in lieu of taxes base for the customer in the municipality.

2 Oct 98 SR 69/98 s4.

Amounts excluded from calculations

10.1(1) In calculating amounts pursuant to section 10 or pursuant to an agreement mentioned in subsection 59(1) of the Act, the payment in lieu of taxes base shall exclude the following:

- (a) within the City of Regina:
 - (i) gas used by the Government of Saskatchewan or any of its departments, commissions, boards or agencies for the operation of the former City power plant or for the heating of the Legislative Building and associated administration buildings or other buildings located on the Legislative grounds; and
 - (ii) gas used by The University of Regina;
 - (b) within the City of Weyburn, gas used in relation to the operation of the premises of the former Saskatchewan Hospital;
 - (c) within the City of Saskatoon:
 - (i) gas used by the University of Saskatchewan; and
 - (ii) gas used by SaskPower for the operation of its power plant.
- (2) In calculating gross revenue from the sale of gas, the corporation shall also exclude the value of gas used by the corporation or any of its subsidiaries for:
- (a) the heating of buildings owned by the corporation or a subsidiary; or
 - (b) other purposes connected with or incidental to the operation of the corporation or a subsidiary.

24 Oct 97 SR 95/97 s3; 2 Oct 98 SR 69/98 s5.

Payment in lieu of taxes for full service customers in other municipalities

11(1) For the purposes of subsection 59(3) of the Act, the corporation shall make a payment in lieu of taxes in accordance with this section to the municipalities designated in Table 1 or Table 2 of the Appendix to these regulations respecting the full service customers in that municipality.

(2) Subject to section 12.1, the payment in lieu of taxes with respect to a full service customer in a municipality mentioned in subsection (1) is the amount PT calculated in accordance with the following formula:

$$PT = PR \times PB$$

where:

PR is 5% for municipalities mentioned in Table 1 and 3% for municipalities mentioned in Table 2; and

PB is the payment in lieu of taxes base for the full service customer.

24 Dec 92 cS-35.1 Reg 1 s11; 24 Oct 97 SR 95/97 s4; 2 Oct 98 SR 69/98 s6.

Payment in lieu of taxes – delivery service customers

11.1(1) For the purposes of subsection 59(3) of the Act, the corporation shall make a payment in lieu of taxes in accordance with this section to the municipalities designated in Table 1 or Table 2 of the Appendix respecting the delivery service customers in that municipality.

(2) Subject to section 12.1, the payment in lieu of taxes with respect to a delivery service customer in a municipality mentioned in subsection (1) is the amount PT calculated in accordance with the following formula:

$$PT = PR \times PB$$

where:

PR is 5% for municipalities mentioned in Table 1 and 3% for municipalities mentioned in Table 2; and

PB is the payment in lieu of taxes base for the delivery service customer.

2 Oct 98 SR 69/98 s7.

Payment in lieu of taxes for direct sale customers in other municipalities

12(1) Subject to section 12.1, for the purposes of subsection 59(3) of the Act, the corporation or any of its subsidiaries shall determine an additional charge with respect to each direct sale customer in a municipality designated in Table 1 or Table 2 of the Appendix to these regulations in accordance with the following formula:

$$AC = RA \times PB$$

where:

AC is the additional charge with respect to the direct sale customer;

RA is 5% for municipalities mentioned in Table 1 and 3% for municipalities mentioned in Table 2;

PB is the payment in lieu of taxes base for the direct sale customer.

(2) **Repealed.** 2 Oct 98 SR 69/98 s8.

(3) **Repealed.** 13 Dec 96 SR 97/96 s5.

24 Dec 92 cS-35.1 Reg 1 s12; 13 Dec 96 SR 97/96 s5; 24 Oct 97 SR 95/97 s5; 2 Oct 98 SR 69/98 s8.

Amounts excluded from calculations

12.1(1) Subject to subsection (2), in calculating amounts pursuant to section 11, 11.1 or 12, the payment in lieu of taxes base shall exclude the following:

(a) gas used by the corporation, its subsidiaries, the Crown, any agents of the Crown, Her Majesty in right of Canada, any agents of Her Majesty in right of Canada, the Government of Saskatchewan or the Government of Canada;

- (b) gas used by any customer who, in the estimation of the corporation or any of its subsidiaries, is using or will use more than 100,000 m³ of gas annually; or
 - (c) gas sold in a gas sale that the corporation or any of its subsidiaries designates as a special gas sale.
- (2) Clause (1)(b) does not apply to gas used by any customer who resides or carries on business in a municipality designated in Table 3 of the Appendix.

24 Oct 97 SR 95/97 s6; 2 Oct 98 SR 69/98 s9; 1
Oct 2004 SR 89/2004 s3.

Customers' accounts, etc.

12.2 For the purposes of sections 10, 11, 11.1 and 12, the corporation or its subsidiary:

- (a) shall cause the amount of the payment in lieu of taxes or the additional charge to be added to the account of the customer; and
- (b) if it collects all or any part of the amount of the payment in lieu of taxes or the additional charge from the customer, shall remit the amount collected to the municipality in accordance with section 13.

2 Oct 98 SR 69/98 s10.

Time of payments in lieu of taxes

13 The corporation or its subsidiary shall pay the amounts actually collected as payments in lieu of taxes or additional charges pursuant to section 59 of the Act, including amounts actually collected pursuant to agreements mentioned in subsection 59(1) of the Act, on a monthly basis unless otherwise agreed by the corporation or its subsidiary and the municipality receiving the payment.

24 Oct 97 SR 95/97 s7; 2 Oct 98 SR 69/98 s11.

Appendix

TABLE 1
[Sections 11 and 12]

| <i>Name of Municipality</i> | | |
|-----------------------------|-------------------------|----------------------|
| Town of Alameda | Town of Fort Qu'Appelle | Town of Norquay |
| Town of Arborfield | Town of Gravelbourg | Town of Oxbow |
| Town of Arcola | Town of Grenfell | Town of Preeceville |
| Town of Asquith | Town of Gull Lake | Town of Qu'Appelle |
| Town of Assiniboia | Town of Herbert | Town of Redvers |
| Town of Balcarres | City of Humboldt | Town of Rocanville |
| Town of Balgonie | Town of Indian Head | Town of Rose Valley |
| Town of Battleford | Town of Kamsack | Town of Rosetown |
| Town of Bienfait | Town of Kelvington | Town of Saltcoats |
| Town of Biggar | Town of Kerrobert | Town of Scott |
| Town of Birch Hills | Town of Kindersley | Town of Shaunavon |
| Town of Bredenbury | Town of Kinistino | Town of Sintaluta |
| Town of Broadview | Town of Kipling | Town of Star City |
| Town of Bruno | Town of Kyle | Town of Stoughton |
| Town of Burstall | Town of Lafleche | Town of Strasbourg |
| Town of Cabri | Town of Lampman | Town of Sturgis |
| Town of Canora | Town of Langenburg | Town of Tisdale |
| Town of Carlyle | Town of Leader | Town of Unity |
| Town of Carnduff | Town of Lemburg | Town of Wadena |
| Town of Carrot River | Town of Leroy | Town of Wakaw |
| Town of Churchbridge | Town of Lumsden | Town of Wapella |
| Town of Cudworth | City of Melfort | Town of Watson |
| Town of Cupar | City of Melville | Town of Whitewood |
| Town of Delisle | Town of Midale | Town of Wilkie |
| Town of Eastend | Town of Milestone | Town of Wolseley |
| Town of Elrose | Town of Moosomin | Town of Wynyard |
| Town of Esterhazy | Town of Morse | Town of Yellow Grass |
| Town of Eston | Town of Mossbank | Town of Zealandia |
| Town of Foam Lake | Town of Nipawin | |

TABLE 2
[Sections 11 and 12]

Name of Municipality
 Town of Allan
 Town of Colonsay
 Town of Duck Lake
 Town of Eatonia
 Town of Langham
 Town of Lanigan
 Town of Luseland
 Town of Macklin
 Town of Martensville
 Town of Meadow Lake
 Town of Rosthern
 Town of Warman
 Town of Watrous

24 Dec 92 cS-35.1 Reg 1.

TABLE 3
[Sections 12.1(1)]

Name of Municipality
 City of Humboldt
 City of Melfort
 City of Melville

1 Oct 2004 SR 89/2004 s4.

