

Section 2.—The National Energy Board

The National Energy Board was established by the National Energy Board Act, 1959 for the broad purpose of assuring the best use of energy resources in Canada. The Board is responsible for the regulation in the public interest of the construction and operation of oil and gas pipelines subject to the jurisdiction of the Parliament of Canada, the tolls charged for transmission by such pipelines, the export and import of gas, the export of electric power and the construction of those lines over which such power is exported. The Board is also required to study and keep under review all matters relating to energy within the jurisdiction of the Parliament of Canada and to recommend such measures as it considers necessary or advisable in the public interest with regard to such matters. The Act also authorizes the extension of the export and import provisions to oil upon proclamation by the Governor in Council. The Board, which reports to the Minister of Trade and Commerce, consists of a Chairman, a Vice-Chairman and three other members.

The Act was given Royal Assent on July 18, 1959, the members were appointed by Order in Council on Aug. 10, 1959 and the Act came into force by proclamation on Nov. 2, 1959. The Act supersedes the Pipe Lines Act, formerly administered by the Board of Transport Commissioners for Canada, and the Exportation of Power and Fluids and Importation of Gas Act, formerly administered by the Standards Branch of the Department of Trade and Commerce. Provision was made in the new Act for the continuation or re-definition of authorizations issued under the two previous Acts, and in 1960 the Act was amended to extend the duration of licences to export power issued under the Exportation of Power and Fluids and Importation of Gas Act to give the National Energy Board additional time to hear applications for replacement licences.

In the interval between passage of the Act and its coming into force, the Board commenced organizing its staff and facilities, prepared its rules of practice and procedure and drafted for submission to the Governor in Council regulations relating to the export of gas and electricity. Such regulations, and the rules of practice and procedure, came into force concurrently with the proclamation of the Act on Nov. 2, 1959.

At the time of coming into force of the Act, there existed a substantial backlog of projects for the export of gas and for the construction of pipeline facilities to export such gas, which had accumulated during the period in which the Royal Commission on Energy was conducting its investigations and the subsequent period prior to the proclamation of the National Energy Board Act. Consequently, as soon as the Act was proclaimed, six applications for licences to export gas and four applications for certificates of public convenience and necessity respecting related pipeline facilities were made to the Board. At its first hearings commencing Jan. 5, 1960, the Board heard jointly these applications, namely:—

- (1) Trans-Canada Pipe Lines Limited for certificates of public convenience and necessity under Part III and for licences under Part VI of the Act;
- (2) Alberta and Southern Gas Company Limited, for a licence under Part VI of the Act;
- (3) Alberta Natural Gas Company for a certificate of public convenience and necessity under Part III of the Act;
- (4) Canadian-Montana Pipe Line Company for a certificate of public convenience and necessity under Part III and a licence under Part VI of the Act;
- (5) Westcoast Transmission Company Limited for a licence under Part VI of the Act; and
- (6) Niagara Gas Transmission Limited for a certificate of public convenience and necessity under Part III and a licence under Part VI of the Act.

Following its first report, issued in March 1960, the Board with the approval of the Governor in Council issued the licences and certificates referred to in items (1) to (5) and denied the application of Niagara Gas Transmission Limited. This company subsequently made a new application, which was approved following a public hearing in May. Also in May the Board heard applications for new licences in respect of previously established gas exports from Canadian-Montana Pipe Line Company and Gordon M. Plotke;