

jurisdiction. All of these matters require increased attention on the part of government because of the growing importance of energy in Canada's economic development and international relations.

The Sector is divided into two operating components. One of these consists of the Resource Management and Conservation Branch which has as its principal function the administration and management of federal interests in mineral resources off Canada's east and west coasts and in Hudson Bay and Hudson Strait.

The second operating component, made up of eight sections, is responsible for the energy policy functions of the Department. Six of these sections are responsible for formulating policy advice on individual energy resources and are headed by senior energy advisers. The other two sections have responsibilities relating to energy in its total context: the first with reference to financial and corporate aspects and the second, for co-ordinating energy information and policy recommendations from the specialist sections into an integrated total energy policy assessment.

### **13.1.2 National Energy Board**

Since its establishment in 1959 the National Energy Board, which reports to Parliament through the Minister of Energy, Mines and Resources, has pursued its two main functions, regulatory and advisory, for the broad purpose of ensuring that the best interests of Canada are served in the use of its energy resources. Its regulatory functions are quasi-judicial or administrative in nature. The quasi-judicial functions pertain to the granting of certificates authorizing the construction of interprovincial and international pipelines and international power lines, the issuance of licences to export gas or power or to import gas or motor gasoline as well as the regulation of rates, tolls and tariffs of oil and gas pipelines under the Board's jurisdiction. Regulatory functions of an administrative character include safety orders in respect of pipelines, and approval of pipeline utility crossings.

The Board consists of seven full-time members appointed by the Governor in Council to hold office for a term of seven years, with provision for reappointment until a member reaches the age of 70.

Part II of the Act confers broad advisory functions on the Board including the requirement that it study, report on and recommend to the Minister "such measures within the jurisdiction of the Parliament of Canada as it considers necessary or advisable in the public interest for the control, supervision, conservation, use, marketing and development of energy and sources of energy". The Minister may also require the Board to prepare energy studies and reports.

The Board maintains a continuous review of the price of all gas licensed for export and where, in the Board's opinion, there has been a significant increase in prices for competing gas supplies or for alternative energy sources, the Governor in Council may, on the recommendation of the Board, order the establishment of a new price.

The Board is also charged with administration of the National Oil Policy established to foster the development and use of oil resources within Canada. Attaining this objective involves protecting indigenous crude oil products in domestic markets, to which the Board's motor gasoline import licensing is related, and encouraging the export of surplus oil when an adequate determination has been made of Canadian requirements.

The National Power Policy, announced in 1963, encourages the development of large-scale power sources at lowest possible cost, the distribution of the benefits thereof as widely as possible through interconnections between power systems within Canada, and the long-term export of large blocks of power where such exports will induce early development of Canadian power resources. This policy also encourages the export of various classes of power under suitable interconnection agreements to provide for mutual assistance in emergencies and for other economic benefits that can be derived by both parties through co-ordinated operation and development. To further these aims, the Board co-operates with other agencies in the consideration of interprovincial and international interconnections of electric power systems. It is worth noting that most of the major electrical utilities in Canada and the United States are now interconnected with neighbouring systems and operate as part of one vast power grid.

In February 1971 the Board convened its first public hearing under Part IV of the Act for the determination of just and reasonable tolls for a major gas pipeline company. The hearing,