

# BILL NO. 112

(as passed, with amendments)



*2nd Session, 58th General Assembly  
Nova Scotia  
51 Elizabeth II, 2002*

Government Bill

## **Gas Distribution Act (amended)**

CHAPTER 18 OF THE ACTS OF 2002

The Honourable Gordon D. Balser  
Minister responsible for the Petroleum Directorate

[First Reading](#): April 8, 2002 (LINK TO BILL AS INTRODUCED)

Second Reading: April 18, 2002

[Third Reading](#): May 21, 2002 (WITH COMMITTEE AMENDMENTS)

Royal Assent: May 30, 2002



### **An Act to Amend Chapter 4**

## **of the Acts of 1997, the Gas Distribution Act**

Be it enacted by the Governor and Assembly as follows:

**1** Section 3 of Chapter 4 of the Acts of 1997, the *Gas Distribution Act*, is amended by

(a) adding immediately after clause (b) the following clause:

(ba) "franchise area" means the geographic area that is planned to be served within ten years by the franchise holder;

(b) striking out clause (c) and substituting the following clause:

(c) "gas" means

(i) odourized sales gas, or

(ii) any substance declared by the Board to be gas;

(c) striking out "storage facility incidental to the delivery of" in the second and third lines of subclause (d)(i) and substituting "ancillary facility used to deliver";

(d) adding "compressed natural gas or" immediately after "of" in the ninth line of clause (d); and

(e) adding immediately after clause (d) the following clause:

(da) "Minister" means the Minister responsible for the Petroleum Directorate;

**2** Chapter 4 is further amended by adding immediately after Section 3 the following Section:

3A (1) The Minister has the general supervision and management of this Act and the regulations.

(2) The Minister may establish and administer policies, programs, standards, guidelines, objectives and directives under this Act.

**3** Section 7 of Chapter 4 is amended by adding immediately after subsection (2) the following subsection:

(3) Notwithstanding subsection (2), no single end user licence outside of an existing franchise area shall be granted by the Board unless a socio-economic impact study, deemed in the opinion of the Board to be appropriate to the location and scale of the franchise applied for, has been completed.

**4** Subsections 8(4) and (5) of Chapter 4 are repealed.

**5** Clause 9(1)(a) of Chapter 4 is repealed and the following clause substituted:

(a) is for a term of twenty-five years and may be renewed in accordance with the regulations;

**6 (1)** Clause 10(1)(b) of Chapter 4 is repealed and the following clause substituted:

(b) alter the geographical boundaries of the franchise area;

**(2)** Subsection 10(3) of Chapter 4 is repealed.

**7 (1)** Subsection 14(1) of Chapter 4 is repealed and the following subsections substituted:

(1) In this Section,

(a) "producer class franchise" means a franchise granted to a company that produces onshore gas, or to a company that is wholly owned by the gas-producing company or that wholly owns the gas-producing company, for delivery to a single end user;

(b) "single end-user class franchise" means a franchise granted to a company where the gas is consumed solely by the franchise holder, a company that is wholly owned by the franchise holder or a company that wholly owns the franchise holder.

(1A) No person shall, before June 1, 2012, apply to the Board for a franchise within the boundaries of an existing franchise.

(1B) Notwithstanding subsection (1A), a person may at any time apply to the Board for the following types of franchise within an existing franchise:

(a) a producer class franchise;

(b) a single end-user class franchise whose gas supply comes solely from a producer class franchise;

(c) a single end-user class franchise that takes gas through facilities that are not interconnected to an interprovincial or international gas transmission pipeline.

(2) Subsection 14(2) of Chapter 4 is amended by striking out "subsection (1)" in the third line and substituting "this Section".

(3) Subsection 14(3) of Chapter 4 is repealed and the following subsection substituted:

(3) The Board shall not grant a franchise pursuant to this Section unless the Board is satisfied that the granting of the franchise

(a) is in the public interest; and

(b) complies with the requirements prescribed by the Governor in Council.

8 Section 20 of Chapter 4 is repealed and the following Section substituted:

20 The *Pipeline Act* applies to a gas delivery system.

9 Section 21 of Chapter 4 is amended by adding immediately after subsection (1) the following subsections:

(1A) When the holder of a franchise has submitted, for the approval of the Board, a schedule of rates, tolls and charges, or a proposed change in any existing schedule of rates, tolls and charges, that, in the opinion of the Board,

(a) constitutes a reduction in the existing schedule of rates, tolls and charges at the time being paid by the majority of the customers of such franchise affected by such change in the class of service to which such proposed change applies; or

(b) applies only in respect of a service for which no rates, tolls or charges have been previously approved,

the Board may, at any time before finally approving or disapproving the schedule or change, grant an interim approval with or without conditions.

(1B) The schedule of rates, tolls and charges of the franchise, as approved by the Board pursuant to subsection

(1A), shall be filed with the Board and are the only lawful rates, tolls and charges of the franchise until altered or modified in accordance with Section 22.

(1C) Notwithstanding anything contained in this Act, the interim approval granted pursuant to subsection (1A) may be given *ex parte* and without public hearing or notice.

(1D) Where the holder of a franchise has been granted an interim approval pursuant to subsection (1A), the holder of the franchise shall make an application to the Board within one hundred and eighty days for final approval.

**10** Subsection 22(2) of Chapter 4 is amended by adding "and subject to the authority of the Board pursuant to subsections 21(1A), (1B), (1C) and (1D)" immediately after "(1)" in the second line.

**11** Section 23 of Chapter 4 is repealed.

**12** Section 24 of Chapter 4 is amended by striking out "sell gas to a consumer" in the first line and substituting "act or purport to act as a gas marketer".

**13** Section 25 of Chapter 4 is amended by adding "(1)" immediately after the Section number and by adding the following subsection:

(2) A franchise applicant may apply for a licence at the same time as making the franchise application.

**14** Section 30 of Chapter 4 is repealed.

**15** Subsection 31(2) of Chapter 4 is repealed.

**16** Subsection 35(1) of Chapter 4 is amended by adding "notify the franchise holder and" immediately after "shall" in the eighth line.

**17** Section 41(1) of Chapter 4 is amended by

(a) adding "10 or" immediately after "Section" in the second line of clause (g);

(b) adding "and financial security" immediately after "fees" in the second line of clause (i); and

(c) striking out clause (l).

**18** Subsection 42(1) of Chapter 4 is amended by adding immediately after clause (f) the following clause:

(fa) respecting cost recovery for services provided by the Board;

