



BILL NO. 14

Government Bill

*2nd Session, 62nd General Assembly
Nova Scotia
63 Elizabeth II, 2014*

An Act to Amend Chapter 4 of the Acts of 1997, the Gas Distribution Act

CHAPTER 48
ACTS OF 2014

**AS ASSENTED TO BY THE LIEUTENANT GOVERNOR
NOVEMBER 20, 2014**

The Honourable Andrew Younger
Minister of Energy

*Halifax, Nova Scotia
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**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*, as amended by Chapter 18 of the Acts of 2002, is further amended by

- (a) adding “(1)” immediately after the Section number;**
- (b) adding immediately after clause (a) the following clauses:**
 - (aa) “exempt gas customer” means a person
 - (i) to whom gas for ultimate consumption is delivered
 - (A) outside a franchise area,
 - (B) within a franchise area, from a supplier who has delivered gas to that person on a continuous basis since immediately before the franchise was granted,
 - (C) within a franchise area, if the gas being delivered is liquefied petroleum gas and the gas delivered by the franchise holder is natural gas, or
 - (D) within a franchise area, if the gas being delivered is natural gas and the gas delivered by the franchise holder is liquefied petroleum gas,
 - (ii) who is declared by the Board under Section 23 to be an exempt gas customer, or
 - (iii) who is prescribed by the Governor in Council to be an exempt gas customer;
 - (ab) “exempt gas-delivery system” means any compressor station, decanting station, pipe, equipment, apparatus, mechanism, machinery, instrument or ancillary facility, or any building or structure that houses or protects any of the foregoing, used to deliver gas for ultimate consumption
 - (i) to an exempt gas customer at a single location, or
 - (ii) in such circumstances as may be prescribed by the Governor in Council, to an exempt gas customer, or two or more closely related exempt gas customers, at multiple locations;
- (c) striking out “or” at the end of subclause (c)(i);**
- (d) adding immediately after subclause (c)(i) the following subclause:**
 - (ia) liquefied petroleum gas, or
- (e) striking out clause (d) and substituting the following clause:**

(d) “gas delivery system” means any compressor station, decanting station, pipe, equipment, apparatus, mechanism, machinery, instrument or ancillary facility, or any building or structure that houses or protects any of the foregoing, used to deliver gas for ultimate consumption, but does not include an exempt gas-delivery system;

(f) striking out “responsible for the Petroleum Directorate” in the last line of clause (da) and substituting “of Energy”; and

(g) adding the following subsection:

(2) An exempt gas customer is closely related to another exempt gas customer if

(a) they are affiliates within the meaning of subsection 2(2) of the *Companies Act*; or

(b) the relationship between them is prescribed by the Governor in Council as being a close relationship.

2 Section 3A of Chapter 4, as enacted by Chapter 18 of the Acts of 2002, is amended by adding immediately after subsection (2) the following subsection:

(3) Within five years of the coming into force of this subsection, the Minister shall undertake a review of the legislative and regulatory framework for the distribution of gas in the Province.

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

4A Subject to subsection 4B(1), no franchise holder shall deliver gas for ultimate consumption to any person except pursuant to a franchise.

4B (1) A franchise holder who, immediately before the coming into force of this Section, is delivering gas by an exempt gas-delivery system may continue to deliver gas by the exempt gas-delivery system after the coming into force of this Section.

(2) Where a franchise holder continues to deliver gas by an exempt gas-delivery system as permitted pursuant to subsection (1), the franchise holder may, at any time, apply to the Board to amend its franchise to permit the franchise holder to operate the exempt gas-delivery system, or any portion of it, as part of the franchise holder’s gas delivery system.

(3) Where an application is made pursuant to subsection (2), the Board may amend the franchise to permit the franchise holder to operate the exempt gas-delivery system, or any portion of it, as part of the franchise holder’s gas delivery system, subject to such terms and conditions as the Board considers appropriate.

(4) For greater certainty, upon the Board amending a franchise to permit the franchise holder to operate an exempt gas-delivery system, or any portion of it, as part of the franchise holder’s gas delivery system, the exempt gas-delivery system or the portion of it, as the case may be, ceases to be an exempt gas-delivery system.

4 Chapter 4 is further amended by adding immediately after Section 22 the following heading and Section:

EXEMPT GAS CUSTOMER

23 (1) A person may apply to the Board to be declared to be an exempt gas customer.

(2) Where the Board determines that a franchise holder is unlikely, within a reasonable period, to be able to deliver gas, within its franchise area and from its gas delivery system, to an applicant under subsection (1), the Board may declare the applicant to be an exempt gas customer if the Board considers it to be in the public interest to do so, subject to such terms and conditions as the Board considers appropriate.

5 Section 24 of Chapter 4, as amended by Chapter 18 of the Acts of 2002, is further amended by

- (a) adding “(1)” immediately after the Section number;
- (b) adding “natural” immediately after “a” in the first line; and
- (c) adding the following subsection:

(2) Notwithstanding subsection (1), a person may market natural gas to a prospective exempt gas customer without a licence issued by the Board.

6 Subsection 42(1) of Chapter 4 is amended by relettering clause (a) as clause (ac) and adding immediately before that clause the following clauses:

- (a) prescribing persons to be exempt gas customers;
- (aa) prescribing the circumstances in which gas may be delivered to an exempt gas customer, or two or more closely related exempt gas customers, at multiple locations for the purpose of the definition of “exempt gas-delivery system”;
- (ab) prescribing relationships as being close relationships for the purpose of determining whether exempt gas customers are closely related;
