



PO Box 1749  
Halifax, Nova Scotia  
B3J 3A5 Canada

**Item No. 11.1.6**  
**Halifax Regional Council**  
**April 21, 2009**

**TO:** Mayor Kelly and Members of Halifax Regional Council

**SUBMITTED BY:**

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Dan English, Chief Administrative Officer

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Wayne Anstey, Deputy Chief Administrative Officer - Operations

**DATE:** April 9, 2009

**SUBJECT:** *Public Utilities Act Amendment*

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**ORIGIN**

Potential Expansion of Alderney 5 Project.

**RECOMMENDATION**

It is recommended that HRM seek from the Province an amendment to the *Public Utilities Act* as set out in Appendix "A".

## **BACKGROUND**

It is anticipated that the Alderney 5 project will have some additional cooling capacity that can be sold to other building owners which will improve the payback period for the Alderney 5 project. To facilitate provision of such capacity to other property owners, Legal Services is recommending that the *Public Utilities Act* be amended removing any regulatory oversight by the Utility and Review Board.

## **DISCUSSION**

There is some question whether the sale of cooling capacity generated by the Alderney 5 project is subject to regulatory oversight by the UARB pursuant to the *Public Utilities Act*. Staff are of the opinion that it is important that the legislation be clarified by an exemption for small projects for the following reasons:

- Customers in small projects are in a strong bargaining position re cost of service and are not in need of UARB oversight.
- The relative cost of UARB oversight is burdensome for small projects.
- An exemption would reduce project delays that might otherwise be occasioned by an UARB oversight process.

Therefore, it is recommended that the Province be requested to amend the *Public Utilities Act* as set out in Appendix "A".

## **BUDGET IMPLICATIONS**

None.

## **FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN**

This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating, Capital and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Capital and Operating reserves, as well as any relevant legislation.

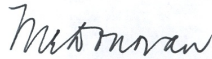
**ALTERNATIVES**

HRM can proceed on the assumption that no amendment is required, which is not recommended as it imposes an unnecessary project risk.

**ATTACHMENTS**

Appendix "A".

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.html> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.



Report Prepared & Approved by:

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M.E. Donovan, Director, Legal Services & Risk Management

## APPENDIX “A”

The *Public Utilities Act* is amended by adding the following section:

3. This Act does not apply to the production, transmission, delivery or furnishing to or for the public by a public utility for compensation of either thermal or geothermal energy or heat if it is provided to 10 or fewer customers.