



Changes to Gas Distribution Regulations Concern Canadian Propane Association

OTTAWA, March 19, 2016 – The Canadian Propane Association is expressing concern that changes to the Gas Distribution Regulations announced Friday by the Province of Nova Scotia could negatively affect the marketplace regarding the delivery of energy to Nova Scotia consumers.

Heritage Gas has applied to the Nova Scotia Utility and Review Board (NSUARB) to allow for the reduction of the rate for some of its commercial customers. Until Friday, reductions within a rate class were not permitted. The new amendments will allow for the NSUARB to consider the reduction as an option.

The application by Heritage Gas could set a dangerous precedent whereby the amortization of the discounted price would eventually have to be recovered from ratepayers, including residential customers who would not benefit from any discounts in pricing. Since there is no foreseeable end to the current pricing scenario, those customers could be exposed to future rate shock.

“All too often the natural gas companies get approvals for distribution projects based on rosy assumptions that fall short and end up picking the pockets of consumers,” said Andrea Labelle, Executive Director of the Canadian Propane Association. “The Heritage Gas proposal is a continuation of a flawed business model that in fact proposes to subsidize some of its customers at the risk and expense of others. In this case, it’s the residential ratepayers.”

"The Canadian Propane Association's propane retail members compete in free and open markets with the suppliers of other forms of energy and, indeed, with each other," said Labelle. "The CPA supports unfettered competition among energy sources and energy retailers and we do not believe that the NSUARB should permit any interference in the competitive marketplace."

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About the Canadian Propane Association

With over 400 members, the Canadian Propane Association (CPA) is the national association for a growing, multi-billion dollar industry that impacts the livelihood of tens of thousands of Canadians. The CPA develops and produces industry training materials, offers an emergency response assistance plan to its members and provides advocacy services for the propane industry.