

Natural Gas Transmission Pipeline Assessment Regulations

made under Section 179 of the
Assessment Act
R.S.N.S. 1989, c. 23

O.I.C. 2002-356 (August 1, 2002), N.S. Reg. 103/2002

Citation

1 These regulations may be cited as the Natural Gas Transmission Pipeline Assessment Regulations.

Definitions

2 In these regulations,

(a) “Act” means the Assessment Act;

(b) “actual cost” means the actual cost of a pipeline or part thereof accepted by the NEB as the cost of the pipeline;

(c) “NEB” means National Energy Board (Canada);

(d) “pipeline means a natural gas transmission pipeline under the jurisdiction of the NEB and includes the natural gas liquids pipeline between Goldboro, Guysborough County, and Richmond County; and

(e) “total accumulated depreciation” means an amount calculated pursuant to subsection 6(4) and allowed as a deduction in the determination of the assessed value of a pipeline in accordance with these regulations.

Assessed value of pipeline

3 (1) The assessed value of a pipeline, including the value of any associated easements or other rights in real property, constructed and installed prior to January 1, 2000, is

(a) the base cost per metre for each class of pipe in the pipeline as set out in Schedule A, multiplied by the length of the pipe;

less

(b) total accumulated depreciation,

provided that the assessed value shall never be less than one half of the value determined pursuant to clause (a).

(2) The assessed value of a pipeline, including the value of any associated easements or other rights in real property, constructed and installed after January 1, 2000, is

(a) the base cost per metre of each class of pipe in the pipeline as set out in Schedule A, multiplied by the length of the pipe, increased or decreased by the percentage change in the Nelson-Farrar Index of pipeline construction costs between January 1, 2000, and the date the construction and installation of the pipeline is complete;

less

(b) total accumulated depreciation,

provided that the assessed value shall never be less than one half of the value determined pursuant to clause (a).

(3) Where a pipeline is constructed and installed after January 1, 2000, in the same right of way as a pre-existing pipeline, the assessed value of the pipeline, including the value of any associated easements or other rights in real property, is

(a) 75% of the base cost per metre of each class of pipe in the pipeline as set out in Schedule A, multiplied by the length of the pipe, increased or decreased by the percentage change in the Nelson-Farrar Index of pipeline construction costs between January 1, 2000, and the date the construction and installation of the pipeline is complete;

less

(b) total accumulated depreciation,

provided that the assessed value shall never be less than one half of the value determined pursuant to clause (a).

Calculation of base cost for pipe of different size

4 If the size of a pipe does not match a class of pipe set out in Schedule A, the base cost per metre for purposes of Section 3 for that pipe shall be obtained by interpolation or extrapolation, if possible, and if interpolation or extrapolation is not possible, the base cost is the actual cost of constructing and installing the pipeline, exclusive of Harmonized Sales Tax.

Assessed value of compression stations, custody transfer stations and other appurtenances

5 (1) The assessed value of that portion of a pipeline made up of compression stations is

(a) 75% of the actual cost of the compression stations;

less

(b) total accumulated depreciation,

provided that the assessed value shall never be less than one half of the value determined pursuant to clause (a).

(2) The assessed value of that portion of a pipeline made up of custody transfer stations and all other assessable appurtenances of the pipeline is

(a) the actual cost of the custody transfer stations and other appurtenances;

less

(b) total accumulated depreciation,

provided that the assessed value shall never be less than one half of the value determined pursuant to clause (a).

Calculation of total accumulated depreciation

6 (1) The depreciation of a pipeline shall be calculated annually as of December 1.

(2) Only a pipeline that has been in service for at least 1 full year as of the depreciation calculation date referred to in subsection (1) shall be allowed a deduction for depreciation.

(3) "In service" in subsection (2) means in operation for purposes of the NEB, regardless of when natural gas was first transmitted through the pipeline for commercial purposes.

(4) Total accumulated depreciation shall be calculated as

(a) the depreciation for the previous year, if any;

plus

(b) the amount obtained by multiplying the assessed value of the pipeline determined pursuant to these regulations as of December 1 of the current year by a depreciation rate of 4% or such other depreciation rate as may be stipulated by the NEB for the applicable pipeline pursuant to toll orders issued by the NEB.

Taxation years to which assessments apply

7 The assessments determined pursuant to these regulations apply for the municipal taxation year commencing April 1, 1999, and subsequent municipal taxation years.

Business occupancy assessment extra

8 (1) A business occupancy assessment as required by Section 11 of the Act with respect to a pipeline is additional to the pipeline assessment required by Section 32A of the Act and these regulations, and the business occupancy assessment shall be calculated by reference to the pipeline assessment.

(2) For greater certainty, business occupancy assessment does not apply to compression stations and custody transfer stations.

Schedule A - Pipeline Base Cost by Class

Class Size* Base Cost Per Metre

1

2

3

4

5

6

7

8 152 mm

203 mm

304 mm

406 mm

508 mm

609 mm

762 mm

914 mm \$390.00

\$431.00

\$634.00

\$714.00

\$789.00

\$863.00

\$976.00

\$1088.00

*"Size" means the nominal outside diameter of each class of pipe.

Last updated: 17-03-2009