


NOVA SCOTIA UTILITY AND REVIEW BOARD

IN THE MATTER OF THE GAS DISTRIBUTION ACT

- and -

IN THE MATTER OF an Application by **Heritage Gas Limited** for the approval of amendments to its Natural Gas Distribution Service Rules

BEFORE:  Kulvinder S. Dhillon, P.Eng. Member

ORDER

WHEREAS Heritage Gas Limited ("Heritage") applied to the Nova Scotia Utility and Review Board ("Board") on March 4, 2015 for approval of amendments to its Natural Gas Distribution Service Rules ("Rules");

AND WHEREAS the current Rules are based on the Board's Decision dated June 11, 2012;

AND WHEREAS the Board decided that the proposed amendments provide changes to the Special Charge Schedule among other items and a public input is required for the proposed amendments;

AND WHEREAS notice of amendments to the Rules was published in the Chronicle Herald on May 9, 2015 for comments to the Board no later than May 25, 2015;

AND WHEREAS only the Consumer Advocate ("CA") provided comments on May 25, 2015;

AND WHEREAS Heritage provided its Reply Submission on May 27, 2015 and amended the proposed Rules, accommodating all but one of the CA's comments;

AND WHEREAS the CA is of the view that the increase in the unit cost of additional service lines requires further justification before approval;

AND WHEREAS Heritage in its Reply Submission noted that the proposed increases to the unit cost of additional service lines more accurately reflects the actual cost incurred and is based on recent tender prices;

AND WHEREAS the Board considered the Application, the CA's comments and Heritage's Reply Submission;

IT IS HEREBY ORDERED that the Amended Proposed Rules, attached hereto as Schedule A, be approved effective on or after May 29, 2015.

DATED at Halifax, Nova Scotia, this 29th day of May, 2015.



Clerk of the Board

Useful How

SCHEDULE "A"



Putting Our Energy Here. Naturally.

THE NATURAL GAS DISTRIBUTION SERVICE RULES

May 29, 2015

A Guide to These Rules

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PART 1 – WHAT THE RULES ARE ABOUT

We are Heritage Gas Limited (“Heritage Gas”), a natural gas utility committed to providing our customers with safe, reliable, and economical natural gas services.

We run the system that brings you natural gas

Heritage Gas is regulated by the Nova Scotia Utility and Review Board (the “*Board*”) pursuant to the Gas Distribution Act of Nova Scotia (1997, c.4, s.1). Section 42 of the Gas Distribution Act provides that regulations may be made by the Government in Council. Regulations were made under Section 42 of the Act through an Order In Council in 1998. The regulations were amended in 2002. The regulations relate to the distribution of natural gas and cover such matters as tariffs, rates, construction, operations, financing and accounting.

We are regulated by the Board

At the present time most natural gas customers purchase the natural gas commodity from Heritage Gas. Some large-usage customers self-supply the natural gas commodity but use Heritage Gas’ distribution system to deliver the gas to their premises. The sale of the natural gas commodity is not regulated by the *Board*.

Everyone on our system helps pay for it, so we need rules

All our customers help pay the costs of building, operating and maintaining our system—the things we install to supply natural gas service to our customers, including you. The lower the costs are, the lower our rates can be. Keeping costs down, while maintaining safety and reliability, takes cooperation and rules.

These are the rules for *our system*. They govern how we serve you, and how you take service from us. They are part of every *service agreement*—the agreement between us as the provider of natural gas service and you as our customer. We have that agreement with you whether you sign a contract or we simply begin providing you with gas on the basis of these Rules.

These Rules govern the relationship between us

These Rules are approved by the *Board* and cannot be changed without its approval. Once the *Board* approves the Rules, they are legally binding on you and us. If a dispute should arise concerning the application of these Rules, you have the right to complain to the *Board* and have the *Board* determine how that dispute should be resolved.

These Rules are approved by the Board

In these Rules some words are in italics and have special meanings. The meaning is usually given the first time the word is used. All the special terms and their definitions are collected together in a List of Definitions at the end of these Rules, for easy reference.

Some special terms in these Rules are defined at the end

PART 2 – SIGNING UP FOR SERVICE

- | | |
|---|---|
| 1. If you want us to start supplying you with natural gas service you have to tell us. We cannot provide you service at a new service site until you sign a Natural Gas Distribution Service Agreement (<i>service agreement</i>). If you want to accept responsibility for an account with us at a service site currently receiving service (e.g. with an ownership or tenancy change), notice can be provided through a telephone call, electronic mail (email), regular mail or by facsimile (fax). | <i>To get service, you have to apply</i> |
| 2. No matter how you apply, you have a <i>service agreement</i> with us as soon as you tell us to provide the service and we either begin service to you or start doing the things necessary to provide service. We do not have a <i>service agreement</i> , or an obligation to serve you, simply because you have given us an application form or have asked us to do so. | <i>Our agreement starts when we start providing service</i> |
| 3. For us to give you the right service and charge the right rates, you will need to give us some information when you apply. For example, you need to tell us what natural gas service you will require. You may also need to give us a security deposit, provide credit references, contact information and tell us how we can reach you, or someone who can act for you, in an emergency. | <i>To provide good service, we need to know you</i> |
| 4. If you are a large-usage customer, or have special service needs, we will establish a <i>service agreement</i> with you by signing a service contract. That contract will say when it takes effect and, notwithstanding any other provision of these Rules, such a service contract will supersede these Rules in the event of any inconsistency between it and these Rules. | <i>Special agreements are possible</i> |
| 5. Subject to the immediately preceding section, however a <i>service agreement</i> is made; it includes these Rules as if they were in a paper contract we signed with you. | <i>These Rules always apply</i> |
| 6. When you make a <i>service agreement</i> with us, you are granting us, at no charge, all reasonable property-related rights we need to provide service to you and the adjacent property, if required, and to install and maintain our <i>lines and equipment</i> (as defined at the end of these Rules). Those rights may include easements and utility rights- of-way for <i>lines and equipment</i> required to serve your <i>service site</i> and the adjacent property, if required. We will seek your consent in advance if we expect to require access to provide service to the adjacent property. They also include the right to access your property and dig it up to install, repair, replace, maintain and inspect the <i>lines and equipment</i> . We will try our best to minimize the inconvenience to you and the damage to your property when we do this work and we will reasonably restore your property when we are finished. We are not responsible for damage caused, or contributed to, by any pre-existing condition on your property, such as poor drainage or an inadequately waterproofed basement. Finally, if someone other than you has to give us the right to use their property, we may ask for your help in getting the property-related rights needed to serve you. If we cannot acquire these property-related rights, we may not be able to serve you. | <i>You grant us access to your property, without charge, to serve you</i> |

PART 3 – INSTALLING OR CHANGING YOUR SERVICE

3.1 Connecting You to Our System

1. You may be able to receive service from *our system* without us needing to install any new *lines and equipment* (e.g. tenancy change). You will have to pay a fee to cover the cost of a special meter reading and other things we have to do to set up your account. There is a Special Charges Schedule at the end of the rules.
There is a fee to assume a service
2. When it comes to *our system*, we have a basic rule—only our employees or our agents can work on it. That includes installing, maintaining or removing your *service line* as well as doing extensions, replacements, changes, connections to, or disconnections from, *our system*. No one else can do any of this kind of work unless we have given them specific permission in writing. We have to have that rule because we are very concerned about safety.
We do all work on our system
3. A *service line* is the line running from the natural gas main in front of your property to the building for which you have requested service. We will install a *service line* as soon as we can after you apply for it in accordance with your requested in-service date. We will schedule the installation for when employees are available to do the work. We may need approvals or permits that take time to get. We cannot start an installation until we have the approvals, permits, and conditions we believe are needed to do the work. We will notify you when the installation is available for activation.
We will install a service line as soon as we can
4. All of our customers share in the cost of building and operating *our system*. To be fair to all our customers, we will only provide you with a *service line* if economic or other benefits to *our system* justify the costs. If we decide it does not make sense to serve you and you disagree, you can apply to the *Board* for an order that we provide the service.
We don't have to connect a service line if doing so would be unreasonable
5. If you want us to install a *service line* that we do not think will be permanent, you will have to pay all installation and removal costs.
You pay to install and remove temporary service

3.2 Placing the lines and equipment

1. We are very concerned about safety and efficiency. Before we supply the *service site* from *our system*, we have to decide what *lines and equipment* will be installed, where they will be placed, and how much clear space must be left around them. If you cannot provide a suitable location, we cannot provide the service.
We decide where to put the lines and equipment
2. We decide where to put your *meter set assembly*. Normally, we will locate the *meter set assembly* on the front of the building or on the side of the building as close as practical to the front corner (as close to the gas main as possible).
We will pick the best place for your meter set assembly

We acknowledge that due to safety, clearance, vehicle traffic concerns and/or landscaping limitations, it may not be possible to place the *meter set assembly* in this location (i.e. front of the building). In these situations, the *meter set assembly* will be placed in the closest suitable location (to the gas main) at Heritage Gas' discretion.

3. The length of the *service line* that will be installed at no cost to you will be limited based on the economics of providing you with service. The *service line* length installed at no cost will be limited to the closest suitable location to the gas main, as determined by Heritage Gas, up to a maximum of 20 metres in length (per natural gas meter), measured from your property line to the building.
4. You may want the *lines and equipment* put somewhere other than the location we have selected. We can only do that if we consider your proposed location safe and serviceable and you pay any extra installation costs that result. The same applies for moving any part of the service line and equipment.
5. Unless you make some other agreement with us, there is only *one delivery point* for your service and that is the outlet of the meter installed at the *service site*.
6. Provincial law requires that whoever installs your natural gas equipment and appliances must obtain and provide to us any permits required for installation of natural gas equipment before we can provide you with delivery service at a new *delivery point* or continue supplying you at a *delivery point* where there have been changes to your piping or appliances.

There will be a limit to the length of your service line

If you want a different location, you pay the extra costs

To get service at more than one point takes a special agreement

You are responsible for getting permits for the natural gas equipment inside your building

3.3 Charges for installing or changing service

1. The way we determine what to charge for installing a *service line* is subject to *Board* approval. The basic approach we take is described in this section of the service rules. You will be charged based on the costs in effect at the time of installation, not what was in effect at the time you applied for service. Charges incurred during installation due to unique property obstacles such as retaining walls, ornamental driveways and contaminated soil may be charged to you. We will notify you in advance of the costs in effect at the time of installation.
2. You will be required to pay incremental installation costs for service lines that exceed the prescribed limit described above (refer to Part 3.2). Similarly, if we agree to install the *lines and equipment* in a location different than what we have selected, you will have to agree to pay any incremental installation costs incurred by us.

Our installation charges are subject to Board approval

There may be installation charges associated with the location of your service line and meter set assembly

After the *lines and equipment* have been installed, if you would like any part moved (such as the meter) and we agree, you will have to pay the cost of moving it.

The incremental charges will be based on a cost per metre (refer to the Special Charges Schedule).

3. A contribution to the construction or installation costs may be required for service installations which do not relate to a complete heating system. A complete heating system refers to a furnace/boiler combined with a water heater.

A contribution to the construction costs may be required for certain service

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| 4. We will inform you if we require a contribution to support the cost of installing the <i>service line</i> that you request. If a contribution is required, we will provide an estimate and advise you in writing and we will not commence working on the installation until after you have agreed to pay the contribution. In the event that the future utilization of the service line includes a complete heating system (within the first 36 months of initial activation), we may refund the contribution. | <i>We will inform you of any required contributions and the contribution may be refunded to you</i> |
| 5. In some cases, we may have to build a gas main to provide you with service. To be fair to the other customers sharing system costs, we may require you to make an advance contribution to cover the cost of the new gas main if the economic benefits to our system do not justify the costs. | <i>You may have to pay in advance to build a gas main</i> |
| 6. If a contribution is required, the contribution will be calculated as described in the Special Charges Schedule. The advance contribution may be fully or partially refundable. We will forecast the long term financial benefits and costs of the new main. If the costs are more than the benefits, we will keep part or all of your advance as a non-refundable contribution to make up the difference. The amount that is refundable will depend on new customers connecting to the new main and our estimate of annual usage. As new customers are served from the new main during the first five years, we will determine their usage and repay you a proportionate amount of the refundable part of your advance. There will be no refunds after five years. | <i>The amount of the advance that we refund depends on the usage of other customers we serve from the new main</i> |
| 7. We will provide to you, in writing, clear information about the required refundable and/or non-refundable contributions and any other conditions which apply before we proceed with construction. Unless we specify otherwise, the cost information we provide is applicable for the current construction season and under frost-free conditions. You will have to agree to pay the advance contribution prior to the installation of the main. | <i>We will notify you in writing of any contributions or other conditions that apply</i> |
| 8. Should costs change for reasons that were unforeseen or beyond our control, we will advise you in writing before we proceed and give you the option of cancelling or proceeding with your service request. | <i>Should costs change, you will be advised</i> |
| 9. <i>Service line</i> installations that are requested outside of the normal construction season may result in additional charges due to the increased cost of construction. We will advise you in writing before we proceed and give you the option of cancelling or proceeding with the service request. You will have to agree to pay the incremental charges prior to installation of the <i>service line</i> . | <i>Out-of-season installation requests</i> |
| 10. If you have not activated the service site within 12 months of the installation, you will be required to pay for the cost of the <i>service line</i> that would otherwise have been provided to you at no cost. The cost of the service line will be based on the linear length of your service line multiplied by the incremental charges for service lines shown in the Special Charges Schedule. If you activate at some point in time thereafter, you will be reimbursed the amount you have paid (subject to Section 3.3 of the Rules). | <i>Not activated within 12 months of service installation</i> |
| 11. Within ninety (90) days after we have installed the <i>lines and equipment</i> , unless Heritage Gas authorizes otherwise, you must begin paying the fixed monthly customer charge, whether you have activated your service or not. | <i>You must begin paying the fixed monthly customer charge within 90 days</i> |

PART 4 – RIGHTS AND RESPONSIBILITIES ONCE SERVICE BEGINS

1. Once service begins, you have a responsibility to make sure gas is used properly and to help prevent waste. You must notify us immediately if you notice a gas leak on any of our *lines and equipment* or if you have other problems with the service. Heritage Gas adds a distinctive “rotten egg” odor to make it readily detectable.

You are responsible for reporting problems and preventing waste

2. We will maintain the *lines and equipment* we install but you must take reasonable steps to protect them and allow Heritage Gas access to them. In particular:

We will maintain our lines and equipment but you must help protect them and provide us access to them

- You must notify Heritage Gas at least two working days before any excavation work is done on the property and advise us of your plans. The phone number when these Rules were written was 1-866-313-3030.
- You cannot start digging until we have had a chance to mark the approximate location of natural gas mains and service lines in the area to be excavated. We will make reasonable efforts to have the lines marked within the time you have requested, provided the minimum notification period is met.
- You must allow Heritage Gas to access the lines and equipment once service begins. You must ensure there are no gates, fences, or impediments which would impact the ability to access the lines and equipment. During winter months, you must ensure the meter set is free from snow and ice buildup.
- You must let us know immediately if you, or someone doing work for you, damage the *lines and equipment*. Our emergency response personnel are available to respond to gas leaks 24 hours a day.
- If one of our *lines or equipment* is damaged, call us immediately from a safe location using our emergency phone number (1-866-313-3030). Alternatively, call the fire department. Do not return to the location of the gas leak or allow any non-emergency personnel to do so.

3. As long as the *lines and equipment* are in service, you may not, without our written consent, do anything to your property that will make it difficult for us to maintain the service lines or mains. That includes, for example, placing a building or planting a tree over or near the mains or service lines. If you put anything in the way, and we damage it trying to work on the lines, we are not responsible for the damage. If you make changes to your property that increases the cost of operating, maintaining or repairing the *lines and equipment*, you may have to pay those extra costs or cover the cost to relocate the service line.

You can't make changes to your property that interfere with the gas line

4. We can enter the *service site* at any reasonable time to do anything necessary to maintain, repair, and operate *our system* safely and efficiently. That includes reading meters, turning the service on or off, examining and repairing the *lines and equipment*, and checking to see that you are not using the service in a manner which may damage our system. We can also dig and do any other work necessary to fix *our system*. If we think there is an emergency, we can use reasonable force, if we have to, to enter the *service site*.

We can enter when necessary, and use force in an emergency

5. When we can, we will notify you in advance that we will be performing work

on the *service site*.

Depending on the type of work we will be performing, we may contact you directly or in writing, or we may inform you by other means such as newspaper ads or messages with your bill. However, in situations such as emergencies where we must act immediately, we normally will not provide advance notice. Similarly, for routine activities such as meter reading, we normally will not provide notice.

***We will try to provide you
with advance notice***

6. As long as the Heritage Gas *lines and equipment* are in place, you must pay for any damage done to them through your negligence or actions. You are not responsible for normal wear and tear or for any damage caused by our actions or negligence.
7. Our ownership of all the *lines and equipment* continues until we give it up. We can remove any part at any time. When our *service agreement* with you ends, we do not need to remove the pipe, provided we leave it in a safe condition.

***You pay for any damage
that's not our fault***

***We own the lines and
equipment***

PART 5 – MEASURING USE AND BILLING

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| 1. Once delivery service has begun, we will bill you for your actual or estimated usage. We will determine usage by reading your meter as often as we think is necessary. | <i>We will read the meter when necessary</i> |
| 2. Our rates and charges, including those in the Special Charges Schedule, are subject to <i>Board</i> approval. | <i>Our rates are subject to Board approval</i> |
| 3. If the meter stops working properly, we will determine, to the best of our ability, when that happened. If we cannot determine a reasonable estimate, we will correct the billing in compliance with the <i>Electricity and Gas Inspection Act</i> . | <i>Bills will be adjusted if the meter wasn't working properly</i> |
| 4. If your meter stops working properly we will estimate your usage and adjust your account accordingly. The estimate will only be for the time we think the meter was not working properly and will be based on information available to us, such as your average monthly past usage, local weather history, or other means as considered appropriate under the <u><i>Electricity and Gas Inspection Act</i></u> . | <i>If your meter isn't working we will estimate the amount used</i> |
| 5. The <i>Electricity and Gas Inspection Act</i> requires Heritage Gas to remove and test some of its meters on a defined frequency. This test is conducted at no cost to you. If your meter is tested, there may be a slight disruption of your gas service as we are required to remove your meter. While the meter is being tested, a replacement meter will be installed. Upon request, we will tell you the date when your meter will be tested or replaced. | <i>Your meter may be tested for accuracy</i> |
| 6. You have the right, under the federal <i>Electricity and Gas Inspection Act</i> , to dispute our meter measurements and billing. If you dispute the meter measurements on your meter, you may request to have the meter tested. We will remove the meter and test it for accuracy. While the meter is being tested, a replacement meter will be installed. If the billing is found to be accurate, you will have to pay the cost of removing the meter for testing—the amount is shown in the Special Charges Schedule. You do not have to pay that cost if it turns out our billing is incorrect. We will adjust your account accordingly. | <i>You have the right to dispute our billing</i> |

PART 6 – PAYING YOUR BILLS

1. We will send you a bill every month. Payment is due on the billing date and there is no penalty as long as you pay within 21 days. However, if the bill has not been fully paid within 21 days, a *late payment charge* will be added to the outstanding balance. ***We bill regularly***

2. We may require you to give us a security deposit, or some other form of security that we think is equivalent to a deposit, before we provide service to you at a *service site*. We may also ask for a deposit at any time after delivery service has started if you do not have a *good payment history*, or if we have had to disconnect you for not paying your bill on time. What we mean by “*good payment history*” is explained in the definitions at the end of these Rules. The amount of the deposit we may ask for will be 30% of expected annual bill. This deposit is to cover any amount you may owe us after we begin serving you. Unless your deposit has been used for a reason noted below, it will be returned to you, with interest, when you have a *good payment history*. ***We may need to have a cash deposit from you***

3. If you do not pay your bill on time, we can use your deposit to pay it. If we do, you must immediately pay us enough to restore the deposit to its full amount. If you stop taking delivery service, we will deduct any charges you owe us from the deposit and return the rest with interest as described below. ***We can use your deposit to pay your unpaid bills***

4. We will calculate the interest on your deposit each year and apply it to your account. The interest rate will be equal to that based on the previous year’s average Royal Bank of Canada prime interest rate minus 1% rounded up to the nearest one-quarter percent. This rate will be adjusted on January 1 of each year. We pay the interest earned as an annual credit on your bill or, if service to you terminates, as a credit on your final bill. ***We pay interest on deposits***

5. We will stop paying interest on the deposit as soon as one of the following things happen:
 - the deposit is returned;
 - the deposit is applied to your account;
 - we send notice to your last known address that the deposit is no longer required; or
 - you stop being our customer.***We stop paying interest on the deposit when certain things happen***

6. If you owe us money, you will have to pay that debt before we provide service to you at a new *service site* or reconnect you to your existing *service site*. ***You must pay what you owe us before we start another service***

7. Regardless of how you pay us, if the bank does not honour your method of payment, we will charge you a dishonoured payment charge. The amount of that charge is shown in the Special Charges Schedule attached to these Rules. ***You pay if there are problems with your cheque***

8. We follow the Bank of Canada rules limiting the kinds of currency we accept. Also we may refuse to accept payment by a cheque drawn on a form other than a normal bank cheque. If we accept payment by a cheque drawn on some other form, you must pay any extra costs we incur in processing the cheque. ***We may not accept unusual forms of payment***

9. We have a budget payment plan that is available to residential customers. You must tell us you want to be on the plan before we can put you on it. The budget payment plan process begins with estimating your annual costs for the plan year. The plan year starts with July and ends with June of the following year. The estimate is based on our Board approved rates, historic weather information historic consumption at the *service site*, or a similar *service site* if it is a new *service site*. The monthly payment is calculated by dividing the estimated annual costs by eleven (11). We divide by eleven because the twelfth (12) month of the plan is used to true up your account.

Our budget payment plan allows equal monthly payments

10. It may be necessary to adjust your monthly payment to reduce the likelihood of a large over or under-paid balance in June. The review involves first calculating the difference between actual costs you incurred and payments you made since the start of the plan year. The second step involves re-estimating your costs for the remainder of the plan year. Factors such as changes in the weather could affect our estimate of your costs. We then combine the difference we calculated in the first step with the re-estimate of costs for the remainder of the current plan year. Dividing the result by the number of months remaining in the plan year less one, equals your adjusted monthly budget payment plan amount. We divide the number of months remaining in the plan year less one because the final month of the plan is used to true up your account.

We may re-estimate your costs and subsequently adjust your monthly budget payment plan amount

11. In June, the twelfth (12) and final month of the plan year, we calculate the difference between the actual costs you incurred and payments during the plan year. We will either charge or credit your June bill for the difference. Generally, we will refund credit balances if they are large.

We true up the budget payment plan accounts once a year

12. Even though the budget payment plan starts in July, customers can join the plan anytime. Your plan amount will depend on when you join. No matter when you join, you will need to pay any balance owing before starting on the plan. If you want to be on the plan, you must tell us.

Customers can join the budget payment plan at any time

13. Your participation in the budget payment plan can be ended if you:

- Notify us at least five (5) full working days before you want out of the plan;
- Stop taking service; or
- Do not make your full monthly payments on time.

Your participation in the plan can end on certain conditions

PART 7 – STOPPING SERVICE

1. If you decide you no longer want us to provide you with service at a particular *service site*, you must inform us of your request. Notice can be provided through a telephone call, electronic mail (email), regular mail or by facsimile (fax). Your disconnection request will be confirmed with a closing bill within five business days. Until you give us that notice, you have all the responsibilities set out in these Rules, or in any contract we have with you, whether you are actually taking service or not. For example, if you move without telling us, you must continue to pay for any usage at the *service site* even if you did not use it. If you terminate a *service agreement* and ask for a new one at the same *service site* within two years, you will have to pay the fixed monthly customer charge for each month the *service agreement* was terminated.

You have to tell us if you want to stop taking service.

Your responsibilities continue until we receive proper notice

2. To terminate service at a *service site*, you must tell us when and where you want the service agreement terminated. We need at least 5 working days notice before ending the service and we will do our best to terminate service on the day you request. However, depending on the location of the *service site*, we may need to set another date suitable to both you and us if we cannot be available on the day you request. We will take a final reading of the meter to establish your final bill. Also, if you have a contract with us containing other termination provisions, both of us must follow the terms of the contract.

To end a service you must tell us when and where

3. If we think that it will be hazardous to continue providing service to the *service site*, we can immediately, without notice, stop the supply. We can also do this if we think it is necessary to protect people or property in a fire, flood, or any other situation we consider an emergency.

We can stop service in emergencies

4. We can temporarily or permanently stop providing service at any *service site* on 48 hours notice for any of the following reasons:

We can stop service for a number of other reasons

- Supply is not available, either temporarily or permanently;
- we have to make repairs to *our system*;
- you have not paid your bills on time;
- you have not paid a cash deposit when asked to, or have not made a payment necessary to restore the deposit when some or all of it has been applied to your account;
- you are insolvent, or have assigned essentially all your assets;
- you have used defective pipe, appliances, or gas fittings, or have insisted on a form of service we think is unsafe;
- the natural gas lines and equipment you own have not been installed and maintained according to federal, provincial, or municipal laws;
- you are using service contrary to the terms of these Rules or to any contract we have with you;
- you have misrepresented what you are using the service for;
- you move from the *service site*;
- we cannot get to our meter at the *service site* for six or more consecutive months;
- supply has been terminated according to some other provision of these Rules;
- you threaten or harass any of our employees or agents as they carry out their duties;

- You prevent us from doing anything we are entitled or obligated to do;
- It is necessary to protect people or property.

5. When we notify you about stopping service, or terminating your *service agreement*, it can be by mail, by facsimile (fax), by electronic mail (e-mail), in person, by telephone, on your bill, or by a notice left at the *service site*.

***Notice of supply interruption
or termination***

6. We can stop providing service at a *service site* without losing our rights to your property for the requirements of our system—these rights continue until terminated under these Rules.

***Property rights may outlive
the service***

7. If we stop providing service to you temporarily for any of the reasons set out in these Rules, we will continue to bill you for the fixed monthly customer charge until service to you ends permanently. If we stop the supply of service to a *service site* because you ask us to, or because you have not followed these Rules, you will have to pay a reconnect fee and any outstanding charges before we will resume service to that site. If the *meter set assembly* is removed, and then reinstalled at the same *service site* within two years of removal, we will charge a reinstallation of meter/regulator fee for reinstalling the *meter set assembly*. We will also charge the fixed monthly customer charge for each month of disconnection to a maximum of 24 months. The amount of the reconnect fee and reinstallation meter/regulator fee are shown in the Special Charges Schedule. Until those charges and other debts you owe us are paid, we may refuse to connect the service.

***You may have to pay a fee
and minimum charges to
have service restored***

PART 8 - LIABILITY, RESPONSIBILITY AND OTHER LEGAL MATTERS

- | | |
|---|---|
| 1. Subject to Part 2, Section 4, these Rules are part of every <i>service agreement</i> and all our <i>service agreements</i> are governed by the laws of Nova Scotia. | <i>Nova Scotia law governs this contract</i> |
| 2. Unless you have our written consent, you cannot use, or allow anyone else to use, natural gas that has been delivered to the <i>service site</i> in some other place. | <i>The gas is only for use at the service site</i> |
| 3. Upon your request we will assist you with deciding on the best rate class for your service, by providing you with the information we think you need to help you decide. After 12 consecutive months of consumption, we will conduct a review and assess if we think you are not in the rate class that is best for you. If a rate class change is recommended, we will make the change and let you know in writing of the change. There will be no retroactive adjustment as a result of this change. We will review the rate class you are in at any time upon your request. | <i>To change your rate class, talk to us and we will review your usage</i> |
| 4. For new construction, if it becomes evident within the first 12 consecutive months of consumption that you are not in the right rate class, we will change your rate class and will advise you in writing. If the change results in a positive adjustment to your account billing, we will make a retroactive adjustment to your account back to your activation date. | <i>For new construction, after 12 months of usage we may adjust your rate class</i> |
| 5. No one claiming to represent us can promise or agree to do anything that is inconsistent with these Rules and, if they do, the promise or agreement has no effect. | <i>Verbal agreements don't apply</i> |
| 6. Your <i>service agreement</i> is yours alone, including anyone the law says stands in your place, and it cannot be assigned to anyone else without our written consent. | <i>You need our consent to transfer your agreement</i> |
| 7. You must pay any costs we incur from a claim or demand for injury, death or damage that results from the installation, presence, maintenance and/or operation of all natural gas equipment and/or appliances installed on your real property, so long as such claims or demands are not caused by our negligence. | <i>You are responsible for your real and personal property</i> |
| 8. You have no claim against us for damages, including disruptions in natural gas service, caused by events beyond our reasonable control, for example: severe weather, natural disasters, road closures, labour disputes, civil unrest, fires, accidents, pipeline or machinery breakdowns or repairs, supply disruptions, or orders of a legislative or regulatory body or other authority. Similarly, in such circumstances we have no claim against you if you are unable to take service. However, once the emergency or disruption ends, we will resume delivery service to you, and you will resume taking it, as provided for in these Rules and our <i>service agreement</i> . | <i>Neither you nor we have to pay for disruptions beyond our control</i> |

PART 9 – LIST OF DEFINITIONS

In these Rules,

- *Board* means the Nova Scotia Utility and Review Board. **Board**
- *Delivery point* means the outlet of the meter at your *service site*. **Delivery Point**
- *Electricity and Gas Inspection Act* means the Electricity and Gas Inspection Act (R.S., 1985, c.E-4) as amended from time to time. **Electricity and Gas Inspection Act**
- *Gigajoule (GJ)* is a metric term used for measuring energy use. One GJ of natural gas is approximately equivalent to: 26.1 litres of fuel oil, 39.2 litres of propane, and 277.79 kw/h of electricity. **Gigajoule (GJ)**
- *Good payment history* means, at a particular time, your account has not been in 60-days arrears more than once, or 30-days arrears more than twice, in the previous 12 months. **Good Payment History**
- *Lines and equipment* means all our facilities that come before the *delivery point*, including gas mains, service laterals, *meter set assembly*, and anything else we own and install to provide you with service. **Lines & Equipment**
- *Meter Set Assembly* means the natural gas meter, regulator, riser shut off valve and riser that are physically attached to the *service site*. **Meter Set Assembly**
- *Our system* means everything Heritage Gas installs to provide service to any of our customers. **Our System**
- *Service agreement* means the Distribution Service Agreement or other contract between us as the provider of natural gas services and you as the customer, whether the agreement is made by signing a contract or simply by providing you with natural gas services on the basis of these Rules. **Service Agreement**
- *Service line* means the line running from the main in front of a customer's property to the *meter set assembly* attached to the building for which service has been requested. **Service line**
- *Service site* means the building, structure or single property parcel we provide service to, under the *service agreement*. **Service Site**

SPECIAL CHARGES SCHEDULE:

In a number of places the Service Rules refer to special charges for some services. Here is a list of those charges, as approved by the Nova Scotia Utility and Review Board:

- Remove and test meter - per meter:
 - Residential \$ 75
 - Other Actual Cost
- Special meter readings - each time \$ 35
- Reconnect Fee:
 - Residential \$ 50
 - Other Actual Cost
- Reinstallation of Meter/Regulator:
 - Residential \$ 75
 - Other Actual Cost
- Service reactivation:
 - Residential \$75
 - Other Actual Cost
- Dishonoured or stopped payment charge
 - (NSF cheque, etc.) - each time \$20
- Late Payment Charge – 1.5% per Month on the outstanding balance
- Verification of meter to determine accuracy:
 - Residential \$50 if no error
 - Commercial Actual cost of per hour rate for Heritage Gas employee if no error
- Any other service at Customer's Request Actual Cost

Note: "Actual Cost", where referenced, means Heritage Gas costs for labour, materials, services and equipment plus applicable overheads.

SERVICE LINES:

Incremental charges will be on a cost per metre basis as follows:

- Additional length in sod - \$180/metre
- Additional length in asphalt - \$270/metre

NON-REFUNDABLE CONTRIBUTIONS:

As outlined in Part 3.3 certain applications may require a non-refundable customer contribution for service line or main extension.

The calculation of non-refundable contributions may be based on a net present value analysis that includes the following criteria:

- a) an estimate of the total capital costs of providing service;
- b) an estimate of the total annual operating and maintenance costs of providing service;
- c) the Board-approved return on common equity, interest rates, depreciation rates, income taxes and capital structure;
- d) an estimate of the expected net revenue that will result from the service.