

Heritage Gas General Tariff Application
Summary of Rates Approved November 24, 2011

The rate increases do not apply to the cost of natural gas and, therefore, the effective increase on the total bill is actually much lower than the average increase to the distribution portion. The following table shows the average impact for all customers.

Year	Distribution Portion	Total Bill Increase
2012	8.25%	3.41%
2013	6.00%	2.62%
2014	3.00%	1.41%

Over the twelve months ended December 31, 2011, Heritage Gas estimates a typical residential customer has saved \$1,050 or 40%; a typical small commercial customer has saved \$6,400 or 43%; and a typical large commercial customer has saved \$152,300 or 61%, relative to the cost of using oil. The largest institutional customers have saved millions of dollars during the year.

While Heritage Gas understands the impact that rate increases have on its customers, natural gas prices are lower than they have been for many years, and the significant differential between natural gas and oil is anticipated to continue. Even with the approved increases in our delivery rates, it is expected that Heritage Gas customers to continue to benefit compared to their oil-burning neighbours. In addition, by choosing natural gas, Heritage Gas' customers are helping the environment by reducing CO₂ emissions.

The approved rate increases are different for each customer rate class. The impact on a typical residential customer consuming approximately 100 GJs of natural gas annually is expected to be as follows:

Typical Residential Customer		
Year	Distribution Portion	Total Bill Increase
2012	7.90%	4.90%
2013	5.60%	3.60%
2014	2.90%	1.90%

The impact on a typical small business customer consuming approximately 600 GJs of natural gas annually is expected to be as follows:

Typical Small Business Customer (600 GJs)		
Year	Distribution Portion	Total Bill Increase
2012	6.40%	3.70%
2013	7.10%	4.20%
2014	3.60%	2.20%

The impact on a typical large commercial customer consuming approximately 11,000 GJs of natural gas annually is expected to be as follows:

Typical Large Commercial Customer (11,000 GJs)		
Year	Distribution Portion	Total Bill Increase
2012	6.40%	2.10%
2013	4.20%	1.40%
2014	1.90%	0.70%

The impact on a large institutional customer consuming approximately 195,000 GJs of natural gas annually is expected to be as follows:

Large Institutional Customer (195,000 GJs)		
Year	Distribution Portion	Total Bill Increase
2012	19.50%	4.10%
2013	4.50%	1.10%
2014	2.90%	0.70%