



*Putting Our Energy Here. Naturally.*

**THE NATURAL GAS SALES &  
DISTRIBUTION SERVICE RULES  
(Effective February 12, 2009)**

**A Guide to These Rules**

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HERITAGE GAS LIMITED  
THE NATURAL GAS SALES AND DISTRIBUTION SERVICE RULES

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**What These Rules Are About**

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

All our customers help pay the costs of building, operating and maintaining *our system*—the things we install to supply natural gas and services 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 services 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 are approved by the Nova Scotia Utility and Review Board (which we refer to as the "*Board*") and can't 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.

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.

**Part I**

*We run the system that brings you natural gas*

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

*These Rules govern the relationship between us*

*These Rules are approved by the Utility and Review Board*

*Some special terms in these Rules are defined at the end*

**Part 2****Signing Up For Service**

*To get service, you have to apply*

1. If you want us to start supplying you with natural gas or services, you have to tell us. We may not be able to provide the service until you sign an application or give us written confirmation that you accept responsibility for an account with us.

*To provide good service, we need to know you*

2. For us to give you the right service and charge the right rates, you may need to give us some information when you apply. For example, you need to tell us the amount of gas you will need and how it will be used. You may also need to give us credit references and tell us how we can reach you, or someone who can act for you, in an emergency.

*Our agreement starts when we start providing service*

3. No matter how you apply, you have a *service agreement* with us as soon as you tell us to provide the service and we either begin delivering gas to you or start doing the things necessary to provide the service. We don't have a *service agreement*, or an obligation to serve you, simply because you have given us an application form or a cash deposit.

*Special agreements are possible*

4. If you are a large-usage customer, or have special service needs, we can also make a *service agreement* with you by signing a service contract. That contract will say when it takes effect.

*These Rules always apply*

5. In any case, however a *service agreement* is made, it includes these Rules as if they were in a paper contract we signed with you.

*You let us use your land to serve you*

6. To serve you, we need some rights to use the *service land*—the parcel of land on which the *service site* is located. The *service site* is the building or thing to which we deliver gas or supply services under the *service agreement*. For example, for typical gas service to a home, the *service site* would be the house and the *service land* would be the parcel of land on which the house is built. If the *service agreement* isn't clear, we can name anything as the *service site* that fits in with the general intent of our agreement.

*You don't charge us for using your land to serve you*

7. When you make a *service agreement* with us, you are granting us, at no charge, all reasonable land-related rights we need to provide service to your *service site* and to install and maintain our *lines and equipment* (as defined at the end of these Rules). Those rights may include easements and utility rights-of-way for *lines and equipment* required to serve your *service site*, on any of your land even if it isn't the *service land*. They also include the right to enter the land and dig it up to install, repair, replace, maintain and inspect the *lines and equipment*. 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 land when we are finished. Finally, if someone other than you has to give us the right to use the land, we may ask for your help in getting the land rights needed to serve you. If we cannot acquire these land rights, we may not be able to serve you.

## Part 3 Installing or Changing Your Service

### 3.1 Connecting You to Our System

1. You may be able to receive gas or services from *our system* without us needing to install any new *lines and equipment*. But, you will still 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. We will try to install a service line as soon as we can after you apply for it, but that may not be right away. For example, we have to schedule the installation for when employees are available to do the work. We may also need approvals or permits that take time to get. In short, we cannot start an installation until we have the approvals, permits, and conditions we believe are needed to do the work.

*We may not be able to provide service right away*
4. All 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 that we don't 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*

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|--|---|
| <i>We decide where to put the lines and equipment</i>                  | 1. We are very concerned about safety and efficiency. Before we supply the <i>service site</i> from <i>our system</i> , we have to decide what <i>lines and equipment</i> will be installed, where they will be placed, and how much clear space must be left around them. If you can't provide a suitable location, we can't provide the service.  |
| <i>If you want a different location, you pay the extra costs</i>       | 2. You may want the <i>lines and equipment</i> put somewhere other than the location we have selected. We can only do that if: <ul style="list-style-type: none"> <li>• we consider your proposed location safe and serviceable, and</li> <li>• you pay any extra installation costs that result.</li> </ul> Also, once the <i>lines and equipment</i> are in, if you want any part moved (like a meter), you will have to pay the cost of moving it. |
| <i>We will pick the best place for your gas meter</i>                  | 3. We decide where to put your meter. Normally, that will be on the outside of the <i>service site</i> . If we agree to put it inside, we will likely put it as close as possible to the point where the service line enters the building. You may be charged the extra cost of running the connecting pipe from there to the service line entrance.  |
| <i>To get service at more than one point takes a special agreement</i> | 4. Unless you make some other agreement with us, there is only <i>one delivery point</i> for your service and that is the outlet of the meter installed at the <i>service site</i> . If you want more connections at the <i>service site</i> , we can put them in provided you pay the extra cost.  |
| <i>You are responsible for getting permits</i>                         | 5. 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 gas 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.   |

### 3.3 *Charges for installing or changing service*

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|--|---|
| <i>Our installation charges are approved by the Board</i>  | 1. The <i>Board</i> approves the way we determine what to charge for installing a service line. The basic approach we take is described in the Special Charges Schedule attached to these 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.  |
| <i>You may have to pay in advance to build a gas main</i>  | 2. 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.  |
| <i>The amount of your advance we refund depends on the usage of other customers we serve from the new main</i> | 3. 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 our estimate of how much gas other customers that connect to the new main will use. As new customers are served from the new main during the first five years, we will determine their gas usage and repay you a proportionate amount of the refundable part of your advance. There will be no refunds after five years. A separate agreement will clearly state how much you need to pay in advance and how much is eligible for possible refund. |

## 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 put in but you must take reasonable steps to protect them. In particular:

  - You must notify Heritage Gas at least two working days before any excavation work is done on the service land. The phone number when these Rules were written was 1-800-866-3030. Whatever the phone number is you must call them and tell them your plans.
  - You can't 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 let us know immediately if you, or someone doing work for you, damages the *lines and equipment*.

*We will maintain our lines and equipment but you must help protect them*
3. As long as the *lines and equipment* are in service, you may not, without our written consent, do anything to the *service land* that will make it difficult for us to maintain the service lines or mains. That includes, for example, placing a building, planting a tree, or digging a dugout, 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 the *service land* that increase the costs of operating, maintaining or repairing the *lines and equipment*, you may have to pay those extra costs.

*You can't make changes to your land 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 gas on or off, examining and repairing the *lines and equipment*, and checking to see how you are using the gas. 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. 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. That applies even if the work is being done off the *service land*. You are not responsible for normal wear and tear or for any damage caused by our actions or negligence.

*You pay for any damage that's not our fault*
6. 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.

*We own the lines and equipment*

## Part 5 Measuring Use and Billing

*We will read the meter when necessary*

1. Once you start using gas, 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.

*Bills will be adjusted if the meter wasn't working properly*

2. If the meter stops working properly, we will determine, to the best of our ability, when that happened. If we can't come up with a reasonable estimate, we will correct the billing in compliance with the *Electricity and Gas Inspection Act*.

*If your meter isn't working we will estimate the amount used*

3. If your meter stops working properly we will estimate the amount of gas you used and adjust your account accordingly. Our estimate will be based on things like:
  - the amount you previously used in a similar period,
  - the weather,
  - the connected load, and
  - any other information that is available.

The estimate will only be for the time we think the meter was not working properly.

*Disputes over our billing can be taken to the federal government, but you may have to pay the cost*

4. You have the right, under the federal *Electricity and Gas Inspection Act*, to dispute our billing; for example, if you don't think our meter is accurate. We have the same right. If you register a dispute and our billing is found to be within the limits of error in the Act, you will have to pay us the cost of removing the meter for testing—the amount is shown in the Special Charges Schedule. You don't have to pay that cost if it turns out our billing is not within the limits of error in the Act, or if we take the dispute to the federal government. No matter who questions it, if it turns out the billing is not within the limits of error in the Act, your billing will be adjusted to comply with the Act.

*If you stop service you may have to read the meter for us*

5. If you tell us you no longer want service, we can ask you to take a final reading of the meter and report it to us. If we ask you to do that and you don't, we will read it—but we may charge you the special meter reading charge shown in the Special Charges Schedule.

**Service Charges**

1. The Board must approve our rates and charges, including those in the Special Charges Schedule.
2. Within three months after we have installed the *lines and equipment*, you must begin paying the minimum monthly charge, whether you use gas or not.
3. If you ask us to disconnect your gas delivery service, we will do it – but we will charge you a reconnection fee every time gas to the service site is turned back on. The reconnection fee is shown in the Special Charges Schedule. You will also be required to pay the minimum monthly charge for each month of disconnection. We are not required to reconnect the gas delivery service until we have received the reconnection fee, minimum monthly charge(s), and any other charges owing.

**Part 6**

*The Board approves our rates and charges*

*You must begin paying for service within three months*

*If you want, we can turn your gas off temporarily, but you will be charged for reconnections and the minimum charge*

**Part 7****Paying Your Bills**

- We bill regularly*
1. We will send you a bill every month. Payment is due on sending, but 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 may need to have a cash deposit from you*
2. We may require you to give us a cash deposit, or some other form of security that we think is equivalent to a cash deposit, before we deliver gas 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 natural gas usage. 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 can use your deposit to pay your unpaid bills*
3. If you don't 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 pay interest on deposits*
4. We will calculate the interest on our deposit each year and apply it to your account. The interest rate will be equal to that based on the previous year's average 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 stop paying interest on the deposit when certain things happen*
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.
- You must pay what you owe us before we start another service*
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.
- You pay if there are problems with your cheque*
7. If you pay us by cheque, and the bank doesn't honour the cheque, we will charge you a dishonoured payment charge. If your cheque needs to be certified, we will charge you a cheque certification charge. The amount of that charge is shown in the Special Charges Schedule attached to these Rules.
- We may not accept unusual forms of payment*
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.

## Stopping Service

## Part 8

1. If you decide you no longer want us to supply you with gas or services at a particular *service site*, you must tell us to stop providing service to that site. 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 gas or not. For example, if you move without telling us, you must continue to pay for any gas used at the *service site* even if you didn't 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 minimum monthly charge for each month the *service agreement* was terminated.  
*You have to tell us if you want to stop taking service*
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, but 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. 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 supplying gas 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 the supply of gas or terminate the service we provide you at any *service site* on 48 hours notice for any of the following reasons:
  - gas is not available, either temporarily or permanently;
  - we have to make repairs to *our system*;
  - you haven't paid your bills on time;
  - you haven't paid a cash deposit when asked to, or haven't 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 gas contrary to the terms of these Rules or to any contract we have with you;
  - you have misrepresented what you are using gas for, or how much you are using;
  - you move from the *service site*;
  - we can't 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 stop using gas at the *service site*;
  - 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;
  - you do not make a proper application for service; or
  - it is necessary to protect people or property.  
*We can stop service for a number of other reasons*

**Stopping Service (continued from Part 8)**

*Notice of supply interruption or termination*

5. When we notify you about stopping the supply of gas or services, 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*.

*Land use rights may outlive the service*

6. We can stop providing service at a *service site* without losing our rights to use the related *service land*—they continue until terminated under these Rules.

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

7. If we stop the delivery of gas or other services to you temporarily for any of the reasons set out in these Rules, we will continue to bill you for the minimum monthly charge until service to you ends permanently. If we stop the delivery of gas 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 and regulator are 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 and regulator. We will also charge the minimum monthly 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 or to supply gas or services.

**Liability, Responsibility and Other Legal Matters****Part 9**

1. These Rules are part of every *service agreement* and all our *service agreements* are governed by the laws of Nova Scotia. *Nova Scotia law governs this contract*
2. Unless you have our written consent, you cannot use, or allow anyone else to use, gas supplied to the *service site* in some other place and you can't resell the gas we supply to you. *The gas is only for use at the service site*
3. If we think you are not in the rate class that is best for you, we will let you know. We will change the rate class you are in only if you ask us to do so. If you ask us to help you decide on the best rate class for your service, we will do so and provide you with the information we think you need to help you decide. *To change your rate class, talk to us*
4. 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. *Verbal agreements don't apply*
5. Your *service agreement* is yours alone, including anyone the law says stands in your place, and it cannot be assigned to anyone else without our written consent. *You need our consent to transfer your agreement*
6. You are fully responsible for installing, maintaining and operating your property, as we are for ours. 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 operation of your property, so long as it is not caused by our negligence. *You are responsible for your property, and we are for ours*
7. You have no claim against us for damages if we can't supply gas to you because of an emergency or disruption beyond our control—for example: weather catastrophes, labour disputes, fires, accidents, pipeline or machinery breakdowns or repairs, shortages of gas supply, and orders of a legislative body or other authority. Similarly, in such circumstances we have no claim against you if you are unable to take gas. However, once the emergency or disruption ends, we will resume delivering gas to you, and you will resume taking it, as provided for in these Rules and our *service agreement*. *Neither you nor we have to pay for disruptions beyond our control*

**Part 10****List of Definitions**

In these Rules,

- *Board* means the Nova Scotia Utility and Review Board;
- *delivery point* means the outlet of the meter at your *service site*;
- *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;
- *lines and equipment* means all our facilities that come before the *delivery point*, including gas mains, transmission lines, service pipes, valves, meters, regulators, and anything else we own and install to provide you with natural gas services;
- *our system* means everything we install to supply natural gas or provide services to any of our customers;
- *service agreement* means the Sales and Distribution Service Agreement or other contract between us as the provider of natural gas and services and you as the customer, whether the agreement is made by signing a contract or simply by providing you with natural gas or services on the basis of these Rules;
- *service land* means the parcel of land where the *service site* is located;
- *service site* means the building or thing we deliver gas to, or provide services at, under the *service agreement*.

**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 payment charge
  - (NSF cheque, etc.) - each time \$ 20
- Late Payment Charge – 1.5% per Month on the outstanding balance
- Customers will be charged an Installation Deposit of \$500 which must be paid no later than 90 days before the requested installation. This amount will be credited to the customer’s account when the customer’s service is activated. The deposit will be forfeited if activation does not occur within 120 days after the service line is installed.
- 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.

**Non-Refundable Contributions:**

Applications for service may require a non-refundable customer contribution.

The calculation of non-refundable contributions will 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.