


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 Approval of its **Customer Retention Program** pursuant to Section 22 of the *Gas Distribution Act* and interim approval of a portion of the Application pursuant to Section 21(1A) of the *Gas Distribution Act*

BEFORE:


Peter W. Gurnham, Q.C., Chair
Roland A. Deveau, Q.C., Vice-Chair

ORDER

WHEREAS Heritage Gas Limited (“Heritage”) made Application to the Nova Scotia Utility and Review Board (“Board”) for approval of its Customer Retention Program pursuant to Section 22 of the *Gas Distribution Act* (“GDA”) including:

- a reduction in the existing Base Energy Charge (“BEC”) for Rate Class 1 (“RC1”) commercial customers whose annual consumption is at, or above, 500 GJs/year;
- full suspension of depreciation of its plant-in-service while the reduced BEC is in place; and
- permission to capitalize 50% of its Operating, Maintenance and Administrative Expenses while the reduced BEC is in place;

AND WHEREAS Heritage also sought interim approval of the above-noted pursuant to Section 21(1A) of the *GDA* and the Board heard the interim Application on March 21, 2016;

AND WHEREAS the Board is satisfied that interim approval, in part, is warranted under Section 21(1A) of the *GDA*, and it is in the public interest to approve the interim Application on the terms noted herein;

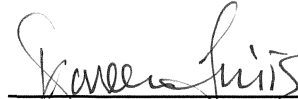
AND WHEREAS the Board issued an oral Decision at the conclusion of the hearing;

IT IS ORDERED that:

1. Heritage is permitted to reduce the existing BEC for RC1 commercial customers whose annual consumption is at, or above, 500 GJs/year from the current rate of \$8.685/GJ to \$3.10/GJ until further Order of the Board;

2. The request for a full suspension of depreciation of plant-in-service and the request to capitalize 50% of the Operating, Maintenance and Administrative Expenses is deferred to the main hearing on the matter commencing July 4, 2016;
3. The revised Heritage Tariff, attached as Schedule "A", is approved effective the date of this Order.

DATED at Halifax, Nova Scotia, this 22nd day of March, 2016.


Clerk of the Board

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Tariffs
(Public Version)

March 22, 2016

Schedule 1
Heritage Gas Limited
Small General Service
Rate 1

ELIGIBILITY

Any Customer who is an end-user and whose total gas requirements at that location are equal to or less than 5,000 GJ per year.

Services Available

The following services are available under this rate schedule:

(a) Distribution Service A

For continuous delivery of natural gas by Heritage Gas on its Distribution System. For this service, the Delivery Charge, consisting of a Fixed Monthly Customer Charge and a Base Energy Charge shall apply.

(b) Distribution Service B

For continuous delivery on the Heritage Gas distribution system from the point of receipt on the system to the point of delivery on the Customer's premises of natural gas owned by the Customer. For this service, the Delivery Charge consisting of the Fixed Monthly Customer Charge and the Base Energy Charge shall apply. Unless otherwise authorized by Heritage Gas, customers who initiate a movement to Distribution Service B from Distribution Service A must accept an assignment from Heritage Gas of transportation capacity on upstream pipeline systems, if applicable.

MONTHLY RATES AND CHARGES

- Delivery Charge – Effective for consumption on and after March 22, 2016:

Fixed Monthly Customer Charge: \$ 21.87 per month

Base Energy Charge – Rate Class 1 customers with annual consumption less than 500 GJs/year: \$ 8.685 per GJ

Base Energy Charge – Rate Class 1 commercial customers with annual consumption at or above 500 GJs/year: \$ 3.10 per GJ

MONTHLY BILL

The monthly bill will equal the sum of the monthly charges for all services selected, plus the rates multiplied by the applicable gas quantities delivered for each service chosen, plus applicable rate riders plus all applicable taxes.

MINIMUM MONTHLY BILL

The Minimum Monthly Bill shall be the Fixed Monthly Customer Charge.

LATE PAYMENT CHARGE

When payment of the monthly bill has not been made in full 21 days after the bill has been issued, the unpaid balance including previous arrears shall be increased by 1.5%.

HERITAGE GAS DISTRIBUTION SERVICE AGREEMENT

Customers (or their Agents) providing their own gas supply in whole or in part, for delivery by Heritage Gas must enter into a Distribution Service Agreement with Heritage Gas.

TERMS AND CONDITIONS OF SERVICE

1. If multiple Customers are receiving service from a Licensed Gas Marketer other than Heritage Gas under this rate, for billing purposes, the Fixed Monthly Customer Charge, the Base Energy Charge, and any other charge that is specific to the location of each Customer shall be used to develop a monthly bill for each Customer at each location. Heritage Gas will not combine the quantities or demands of several Customer locations so that eligibility to a different rate class will result. Further, Heritage Gas will not combine the monthly billing data of individual Customers to generate a single bill that is less than the sum of the monthly bills of the individual Customers involved at each location.
2. Customers must enter into a Distribution Service Agreement with Heritage Gas prior to the commencement of service.

Schedule 2
Heritage Gas Limited
Medium General Service
Rate 2

ELIGIBILITY

Any Customer who is an end-user and whose total gas requirements at that location are greater than 5,000 GJ but not more than 50,000 GJ per year.

Services Available

The following services are available under this rate schedule:

(a) Distribution Service A

For continuous delivery of natural gas by Heritage Gas on its Distribution System. For this service, the Delivery Charge, consisting of a Fixed Monthly Customer Charge and a Base Energy Charge shall apply.

(b) Distribution Service B

For continuous delivery on the Heritage Gas distribution system from the point of receipt on the system to the point of delivery on the Customer's premises of natural gas owned by the Customer. For this service, the Delivery Charge consisting of the Fixed Monthly Customer Charge and the Base Energy Charge shall apply. Unless otherwise authorized by Heritage Gas, customers who initiate a movement to Distribution Service B from Distribution Service A must accept an assignment from Heritage Gas of transportation capacity on upstream pipeline systems, if applicable.

MONTHLY RATES AND CHARGES

- Delivery Charge – Effective for consumption on and after January 1, 2015:

Fixed Monthly Customer Charge:	\$ 562.83 per month
Base Energy Charge:	\$ 2.606 per GJ

MONTHLY BILL

The monthly bill will equal the sum of the monthly charges for all services selected, plus the rates multiplied by the applicable gas quantities delivered for each service chosen, plus applicable rate riders plus all applicable taxes.

MINIMUM MONTHLY BILL

The Minimum Monthly Bill shall be the Fixed Monthly Customer Charge.

LATE PAYMENT CHARGE

When payment of the monthly bill has not been made in full 21 days after the bill has been issued, the unpaid balance including previous arrears shall be increased by 1.5%.

HERITAGE GAS DISTRIBUTION SERVICE AGREEMENT

Customers (or their Agents) providing their own gas supply in whole or in part, for delivery by Heritage Gas must enter into a Distribution Service Agreement with Heritage Gas.

TERMS AND CONDITIONS OF SERVICE

1. If multiple Customers are receiving service from a Licenced Gas Marketer other than Heritage Gas under this rate, for billing purposes, the Fixed Monthly Customer Charge, the Base Energy Charge, and any other charge that is specific to the location of each Customer shall be used to develop a monthly bill for each Customer at each location. Heritage Gas will not combine the quantities or demands of several Customer locations so that eligibility to a different rate class will result. Further, Heritage Gas will not combine the monthly billing data of individual Customers to generate a single bill, which is less than the sum of the monthly bills of the individual Customers involved at each location.
2. Customers must enter into a Distribution Service Agreement with Heritage Gas prior to the commencement of service.

Schedule 3
Heritage Gas Limited
Large General Service
Rate 3

ELIGIBILITY

Any Customer who is an end-user and whose total gas requirements at that location are greater than 50,000 GJ per year.

Services Available

The following services are available under this rate schedule:

(a) **Distribution Service A**

For continuous delivery of natural gas by Heritage Gas on its Distribution System. For this service, the Delivery Charge, consisting of a Fixed Monthly Customer Charge, a Base Energy Charge, and a Demand Charge shall apply.

(b) **Distribution Service B**

For continuous delivery on the Heritage Gas distribution system from the point of receipt on the system to the point of delivery on the Customer's premises of natural gas owned by the Customer. For this service, the Delivery Charge consisting of the Fixed Monthly Customer Charge, the Base Energy Charge and the Demand Charge shall apply. Unless otherwise authorized by Heritage Gas, customers who initiate a movement to Distribution Service B from Distribution Service A must accept an assignment from Heritage Gas of transportation capacity on upstream pipeline systems, if applicable.

MONTHLY RATES AND CHARGES

- Delivery Charge – Effective for consumption on and after January 1, 2015:

Fixed Monthly Customer Charge:	\$ 1995.54 per month
Base Energy Charge:	\$ 0.158 per GJ
Demand Charge *	\$ 30.850 per GJ of Billing Demand per month

* The Billing Demand will be the greater of:

1. 225 GJ per month
2. The Contract Demand
3. The greatest amount of gas in GJ in any consecutive 24-hour period during the current and preceding eleven billing periods.

MONTHLY BILL

The monthly bill will equal the sum of the monthly charges for all services selected, plus the rates multiplied by the applicable gas quantities delivered for each service chosen, plus applicable rate riders plus all applicable taxes.

MINIMUM MONTHLY BILL

The Minimum Monthly Bill shall be the sum of the Fixed Monthly Customer Charge plus the Demand Charge.

LATE PAYMENT CHARGE

When payment of the monthly bill has not been made in full 21 days after the bill has been issued, the unpaid balance including previous arrears shall be increased by 1.5%.

HERITAGE GAS DISTRIBUTION SERVICE AGREEMENT

Customers (or their Agents) providing their own gas supply in whole or in part, for delivery by Heritage Gas must enter into a Distribution Service Agreement with Heritage Gas.

TERMS AND CONDITIONS OF SERVICE

1. If multiple Customers are receiving service from a Licensed Gas Marketer other than Heritage Gas under this rate, for billing purposes, the Fixed Monthly Customer Charge, the Base Energy Charge, the Demand Charge and any other charge that is specific to the location of each Customer shall be used to develop a monthly bill for each Customer at each location. Heritage Gas will not combine the quantities or demands of several Customer locations so that eligibility to a different rate class will result. Further, Heritage Gas will not combine the monthly billing data of individual Customers to generate a single bill that is less than the sum of the monthly bills of the individual Customers involved at each location.
2. Customers must enter into a Distribution Service Agreement with Heritage Gas prior to the commencement of service.

Schedule 4
Heritage Gas Limited
Extra Large User Rate Class (“ELRC”)
Rate 4

ELIGIBILITY

Any Customer who is an end-user and whose contract demand is a minimum of 7,000 GJ per day per site. The operation of Rate Class 4 is such that the specific customer rate in this rate class is ultimately driven from the revenue requirement. Specific rates in this rate class will be negotiated, due to the uniqueness of the customers qualifying and the facilities required to serve them. As a result, each specific customer site eligible in this rate class will have a different rate, based on the specific circumstances of that customer. Notwithstanding the negotiated element of the actual rate, cost of service principles govern the negotiation and establishment of service.

Schedule 4.1
Heritage Gas Limited
Extra Large User Rate Class
Rate 4.1

ELIGIBILITY

This rate is available for natural gas distribution service from the Heritage Gas Pipeline System to the Northern Pulp Nova Scotia Corporation pulp mill located at Abercrombie Point, Pictou County, Nova Scotia.

Services Available

The following services are available under this rate schedule:

(a) **Distribution Service A**

For continuous delivery of natural gas by Heritage Gas on its Distribution System. For this service, the Delivery Charge, consisting of a Fixed Monthly Customer Charge, a Base Energy Charge, and a Demand Charge shall apply.

(b) **Distribution Service B**

For continuous delivery on the Heritage Gas distribution system from the point of receipt on the system to the point of delivery on the Customer's premises of natural gas owned by the Customer. For this service, the Delivery Charge consisting of the Fixed Monthly Customer Charge, the Base Energy Charge and the Demand Charge shall apply. Unless otherwise authorized by Heritage Gas, customers who initiate a movement to Distribution Service B from Distribution Service A must accept an assignment from Heritage Gas of transportation capacity on upstream pipeline systems, if applicable.

MONTHLY RATES AND CHARGES

- Delivery Charge – Effective for consumption on and after the Date of Initial Delivery:

Fixed Monthly Customer Charge: \$ 1995.54 per month

Base Energy Charge: \$ 0.146 per GJ

Demand Charge: [REDACTED]

The Billing Demand will be the greater of:

1. 7,000 GJ per day
2. The Contract Demand then in effect
3. The greatest amount of gas in GJ in any consecutive 24 hour period during the current monthly billing period.

MONTHLY BILL

The monthly bill will equal the sum of the monthly charges for all services selected plus the rates multiplied by the applicable gas quantities delivered for each service chosen plus all applicable taxes.

MINIMUM MONTHLY BILL

The Minimum Monthly Bill shall be the Fixed Monthly Customer Charge plus the Demand Charge.

LATE PAYMENT CHARGE

When payment of the monthly bill has not been made in full 21 days after the bill has been issued, the unpaid balance including previous arrears shall be increased by 1.5%.

Schedule 5
Heritage Gas Limited
Emergency Service
Rate 5

ELIGIBILITY

Any Customer who is an end-user in Rate Class 1, 2, 3 or 4.1 or a Licenced Gas Marketer providing natural gas to customers in Rate Class 1, 2, 3 or 4.1.

Services Available

In the event of a failure of Customer's supply at the Point of Receipt, as evidenced by Customer, upon notice by Heritage Gas to Customer, not supplying at the Point of Receipt a quantity of Gas, net of Unaccounted For Gas, equal to the Gas being delivered to Customer by Heritage Gas at the Point of Delivery, and further that Customer does not reduce Customer's takes at the Point of Delivery to balance deliveries at the Point of Receipt, net of Unaccounted For Gas, then Customer shall be charged Heritage Gas' Emergency Delivery Service Rate or such other rate as approved by the Board in replacement thereof, for all Gas delivered by Heritage Gas to Customer in excess of the Gas delivered by Customer to Heritage Gas, net of Unaccounted For Gas. The obligation of Heritage Gas to supply gas pursuant to Rate 5 shall be subject to the availability of gas supply for Heritage Gas's commitment to its Delivery Service A Customers.

Gas Cost:

Heritage Gas will charge customers a rate equivalent to the actual price of the gas plus the actual administrative charges incurred as a result of being called upon to be the supplier of last resort. The transportation costs may include detailed conditions and obligations related to load balancing and imbalances as set forth in the M&NP General Terms & Conditions (Section 11). In addition, fees and charges related to imbalances incurred by Nova Scotia Licensed Gas Marketers, may apply, if applicable.

LATE PAYMENT CHARGE

When payment of the monthly bill has not been made in full 21 days after the bill has been issued, the unpaid balance including previous arrears shall be increased by 1.5%.

**Heritage Gas Limited
Other Fees and Charges**

1. Charges for Leaving Delivery Service A

The customer who leaves Delivery Service A will be charged a pro rata share of the Gas Cost Variance Account (“GCVA”) balance at the point of exit relative to the gas sales for the period to date.

2. Fees for 3rd Party Natural Gas Suppliers and License Gas Marketers

There are currently no active third-party natural gas marketers in Nova Scotia. Fees for services to support gas marketers will be subject to discussion with the working group to be formed in accordance with the direction of the Board in NSUARB-NG-HG-02, (2003 NSUARB 8) at page 95-06).