

GENERAL INFORMATION

3. EXTENSION OF COMPANY FACILITIES TO SERVE CUSTOMER

A. PROVISION OF GAS SERVICE

(1) Utility Obligation to Provide Gas Service

When an application for gas service is made to the Company by the owner or occupant of a building situated on property abutting on or having access to any public right-of-way in which the governmental authority having jurisdiction will permit the Company to install and maintain facilities, the Company shall render the service requested in accordance with the provisions of this Rule 3.

If due to unusual circumstances the actual cost per foot of a particular installation is greater than two times the Company's average cost per foot of new installations for service for the 12 months ended September 30 of the previous year, it may apply to the Commission for relief from so much of this Rule as it deems necessary in order to provide the service.

(2) Obligations of All Applicants

An applicant shall first have:

- (a) Assured the Company that he/she will be a reasonably permanent customer;
- (b) Agreed in writing to pay the Company;
 - (i) The material and installation costs relating to any portion of the service line, service connections and appurtenant facilities located on his/her property that exceeds the portion which the Company is required to install without charge;
 - (ii) Any surcharge relating to the portion of the main and appurtenant facilities that exceeds the portion which the Company is required to install without charge; and
 - (iii) The rates charged like customers; and
- (c) Furnished reasonable security as to the performance of his/her agreement, if required to do so by the Company.

GENERAL INFORMATION

3. EXTENSION OF COMPANY FACILITIES TO SERVE CUSTOMER (Cont'd)

A. PROVISION OF GAS SERVICE (Cont'd)

(3) **Facilities to be Provided Without Charge**

The Company shall furnish, place and construct all mains, service lines, service connections and appurtenant facilities necessary to render the service requested. The cost and expense which the Company must bear shall be:

- (a) The material and installation cost relating to:
 - (i) Up to 100 feet of main and appurtenant facilities; and
 - (ii) Up to 100 feet of service line measured from the center line of the public or private right-of-way (or the main if it is closer to the customer and development will be limited to one side of the right-of-way for at least 10 years), service connection and appurtenant facilities, but not less than the length of service line necessary to reach the edge of the right-of-way; and
- (b) The amounts legally imposed by governmental authorities for obtaining required work permits and for repairing or replacing disturbed pavement.

GENERAL INFORMATION

3. EXTENSION OF COMPANY FACILITIES TO SERVE CUSTOMER (Cont'd)

A. PROVISION OF GAS SERVICE (Cont'd)

(4) Customer Charges for Additional Facilities

- (a) If the Company must install mains and appurtenant facilities in addition to those required to be provided without charge under Rule 3.A.3, the Company shall impose a surcharge subject to the following provisions:
 - (i) The surcharge relating to mains and appurtenant facilities including return, depreciation, taxes and maintenance shall not exceed 20 percent per year of the actual reasonable cost of such facilities that exceeds the portion which the Company is required to install without charge to an applicant, if the Company lays a main of four inches or less in nominal diameter (in the case of low pressure distribution) or of two inches or less in nominal diameter (in the case of high pressure distribution). If the Company lays a main greater than four inches in nominal diameter (in the case of low pressure distribution) or greater than two inches in nominal diameter (in the case of high pressure distribution), the surcharge shall not exceed 20 percent per year of the estimated reasonable cost of a four- inch main (in the case of low pressure distribution) or a two- inch main (in the case of high pressure distribution), unless the estimated consumption of the proposed customer(s) requires the installation of a larger-sized main, in which event the surcharge shall not exceed 20 percent per year of the actual reasonable cost of such main. The surcharge shall commence when gas service is first available to an applicant and shall be paid ratably for each billing period.

GENERAL INFORMATION

3. EXTENSION OF COMPANY FACILITIES TO SERVE CUSTOMER (Cont'd)

A. PROVISION OF GAS SERVICE (Cont'd)

(4) Customer Charges for Additional Facilities (Cont'd)

(a) (Cont'd)

- (ii) The surcharge shall be reduced by 50 percent of adjusted gas revenues, but the credit shall not exceed the amount of the surcharge as determined above. Adjusted gas revenues as used herein shall be the revenues realized from the applicable service classification rates and charges less revenue taxes, the minimum charge and cost of gas (See Rule 1). The cost of gas shall be computed by multiplying the average cost of gas per unit, as used in the "Gas Supply Charge (GSC)" calculation, by the units of gas used.
- (iii) Whenever more than one customer is connected to a main extension, the surcharge shall be so adjusted that the Company shall not receive in any one calendar year a greater percentage from all customers served from the main extension than that applicable to such extension. The surcharge shall also be reasonably allocated among the customers being served from the main extension, taking into account the portion of mains and appurtenant facilities which the Company is required to provide without charge to each customer served from such facilities.
- (iv) Each surcharge shall cease:
 - (aa) Whenever the length of a main extension required to be provided without charge to all customers served from such extension shall equal or exceed the total length of such extension;
 - (bb) Whenever the total adjusted gas revenues from all customers served from a main extension shall equal or exceed 40 percent of the cost of such extension in excess of that required to be provided without charge, in each of any two consecutive calendar years; or
 - (cc) After a period of ten years following its commencement.

GENERAL INFORMATION

3. EXTENSION OF COMPANY FACILITIES TO SERVE CUSTOMER (Cont'd)

A. PROVISION OF GAS SERVICE (Cont'd)

(4) **Customer Charges for Additional Facilities (Cont'd)**

(a) (Cont'd)

- (v) Should the adjusted gas revenue from all customers served from a main extension exceed the carrying cost of the entire extension, any surcharges (or contributions) paid by such customers during the preceding five years shall be refunded to such customers.
- (vi) No surcharge shall be imposed if the total adjusted gas revenue from all customers served from a main extension is estimated to exceed 40 percent of the actual reasonable cost of such extension in each of any two consecutive calendar years.
- (vii) In lieu of a surcharge an applicant may elect to make a cash contribution equal to the cost of the main extension that is in addition to what is required to be provided without charge under Rule 3.A.3, less an allowance equal to an estimated two years adjusted gas revenue.
 - (aa) Whenever more than one customer is initially connected to the extension, the cash contribution shall be reasonably allocated to the several customers served from the extension.
 - (bb) Should additional customers be connected to said main extension during the initial five year period from the date placed in service, a prorata refund will be made for the cost of that additional portion of main extension which the Company would have had to provide without charge or surcharge.

GENERAL INFORMATION

3. EXTENSION OF COMPANY FACILITIES TO SERVE CUSTOMER (Cont'd)

A. PROVISION OF GAS SERVICE (Cont'd)

(4) Customer Charges for Additional Facilities (Cont'd)

- (b) If the Company must install service lines, service connections or appurtenant facilities in addition to those required to be provided without charge under Rule 3.A.3, the applicant shall pay the Company's costs and expenses for said facilities.

The route of the service line and the location of the meter shall be satisfactory to the Company. Should the applicant request a route for the service line or a location for the meter different from those selected by the Company, such changes will be made, if found feasible by the Company's engineers provided the applicant pays the Company's costs and expenses to make such changes.

Any relocation of a service line, or a portion thereof, requested by the customer or any relocation required to remedy a condition constituting a violation of a law or ordinance which has been caused by or is the responsibility of the customer, shall be performed by the Company at the expense of the customer.

GENERAL INFORMATION

3. EXTENSION OF COMPANY FACILITIES TO SERVE CUSTOMER (Cont'd)

A. PROVISION OF GAS SERVICE (Cont'd)

(5) Furnishing of Rights-of-Way or Agreement to Pay Costs

- (a) Each applicant or customer shall execute and deliver to the Company from which service is requested or by which service is being provided, free from cost, satisfactory permanent easements or rights-of-way to permit the Company to provide service.
- (b) The Company shall not be obliged to provide service to any applicant or customer which has neither:
 - (i) Delivered to the Company satisfactory permanent easements or rights-of-way; nor
 - (ii) Requested that the Company obtain such easements or rights-of-way, agreed to pay any costs which the Company incurs in obtaining them and furnished reasonable security as to the performance of his agreement if so required by the Company.

B. INSPECTION, MAINTENANCE AND REPLACEMENT OF FACILITIES

The Company shall be solely responsible for the inspection, testing, operation, maintenance, replacement and reconstruction of all mains, service lines, service connections and appurtenant facilities which is used to supply gas to customers.

The Company shall bear the cost of inspecting, testing and operating all facilities. It shall bear the cost of maintaining, replacing or reconstructing all main and appurtenant facilities. It shall also bear the cost of maintaining, replacing *or* reconstructing the service line and appurtenant facilities necessary to serve each customer as if such customer were an applicant for service, unless an act or omission of the customer necessitates the replacement or reconstruction.

If an act or omission of any customer who had installed facilities necessitates the replacement or reconstruction of such facilities, the customer shall pay to the Company the cost of replacement or reconstruction.

GENERAL INFORMATION

3. EXTENSION OF COMPANY FACILITIES TO SERVE CUSTOMER (Cont'd)

C. PLURALITY OF SERVICES

The Company will supply service to the customer's premises through only one service connection and under only one Service Classification, except where the Company elects to supply the customer's premises by more than one service connection.

D. METER

The Company will furnish and install the meter to measure the gas used by the customer in accordance with the provisions of the service classification applicable to the service. Such meter may be installed on the customer's side of the point of supply and shall remain the property of the Company. Customer shall protect the meter and furnish sufficient and proper space for its installation. The customer shall continually maintain a safe and clear approach to the meter, or if such an approach cannot be maintained, shall bear the expense of relocation of the meter, and relocation of the service lateral, or any portion thereof, to a more suitable location to be mutually agreed upon by the Company and the customer, such relocation to be performed by the Company.

Meters shall be installed outside, whenever feasible, for all new one, two or three family houses. A remote meter reading device shall be installed for all new one, two and three family houses where an outside meter installation is not feasible.

At the request of a customer, a remote meter reading device may be installed for an existing inside meter. The customer shall pay to the Company the cost of the remote meter reading device and its installation.

If a meter or service has been found to be tampered with, or a theft of service has occurred, the Company may charge the Customer its costs and expenses for investigating, repairing and removing the meter and installing it in a secure location.

GENERAL INFORMATION

3. EXTENSION OF COMPANY FACILITIES TO SERVE CUSTOMER (Cont'd)

E. DELAYED USE OF FACILITIES

Whenever, at the request of an owner or occupant, a service pipe is provided through which service is not immediately desired, said property owner or occupant shall bear the entire reasonable expense of providing, placing and constructing the service pipe and accessories, but he shall be entitled to a refund whenever gas service is begun for such part of the expense as the Company is hereinbefore required to assume. Such refund shall be the cost of said service pipe and accessories, less depreciation at the rate of 3 percent per annum for the period which said pipe has been in the ground.

F. INTERCONNECTION

The Company will permit a customer to interconnect a source of natural gas to the customer's fuel lines which are interconnected with, and supplied by, the Company's distribution system providing said customer shall execute an agreement with the Company which sets forth the conditions under which the interconnection will be permitted. The agreement shall include, but not be limited to, the following:

- (1) The customer shall be responsible for the installation and maintenance at the customer's expense of the three-way valve approved by the Company at the point of interconnection, operable in only two positions.
 - (a) Flow-through of gas solely from the Company's system to the customer's fuel lines; or
 - (b) Flow-through of gas solely from the customer's supply lines to the customer's fuel lines.

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GENERAL INFORMATION

3. EXTENSION OF COMPANY FACILITIES TO SERVE CUSTOMER (Cont'd)

F. INTERCONNECTION (Cont'd)

- (2) Prior to construction, the plans for the design and installation of the customer's local supply, system and interconnection must be submitted to the Company for approval. Subsequent to construction, the Company will inspect said facilities within 15 days following receipt of written notice of completion.
- (3) In addition to any tariff charges otherwise applicable, the customer shall pay the cost of any additional facilities which may be required to provide the interconnection.
- (4) Upon execution of the agreement and prior to operation of the interconnection, the customer shall pay the Company \$200.00 to reimburse the Company for legal and inspections expenses.