

GENERAL INFORMATION

19. Non-Pipe Alternatives (“NPA”) Surcharge

- A. The Company may implement a NPA as an alternative to a capital investment project. The Company shall recover the amortized portion of costs incurred by the Company for the implementation of an NPA plus any applicable incentives through an NPA Surcharge.
- B. Recovery of such costs shall be amortized over the anticipated used and useful life of installed assets and equipment with offsetting credits to the extent that an NPA Project defers the need for a traditional infrastructure project included in the Company’s Average Gas Plant in Service Balance. NPA projects without a clearly measurable period for amortization shall use a 20-year default amortization period.
- C. The costs and any applicable incentives shall be allocated to each service classification based on a gas peak day design demand allocator, however, if an NPA project shall benefit only certain classes of customers, the cost allocation shall be limited to the benefitted classes and shall be recovered through a separate surcharge. Any unamortized costs plus carrying charges shall be incorporated into base rates when gas base rates are reset.
- D. The NPA Surcharge shall be collected from the following service classifications:
 - (1) Service Classification Nos. 1, 3, 4, 5, 6, 7, 8, and 9 of P.S.C. No. 16 Gas, or superseding issues thereof.
- E. The Company shall file a Non-Pipe Alternative (NPA) Surcharge Statement setting forth the rate adjustment with the Public Service Commission on not less than 30-days’ notice. Such statement may be found at the end of this Schedule.