

GENERAL INFORMATION

3. EXTENSION OF COMPANY FACILITIES TO SERVE CUSTOMER

A. PROVISION OF GAS SERVICE

(1) Definitions - The following words and terms, when used in these rules, will have the meaning:

- (a) Main - A pipeline located on a public or private right-of-way which is generally available or used to transport gas to more than one (1) service line.
- (b) Service Line - Piping, including associated metering and pressure reducing appurtenances, that transports gas below grade from a main to the first accessible fitting inside the wall of a customer's building when a meter is located within the building; if a meter is located outside the building, the service line will be deemed to terminate at the outside of the building foundation wall.
- (c) Public Right-of-Way - The territorial limits of any street, avenue, road or way (other than a limited access thoroughfare) that is for any highway purpose under the jurisdiction of the State of New York or the legislative body of any county, city, town or village and is open to the public use.
- (d) Adjusted Gas Revenue - The revenue realized from the applicable service classification rates and charges, minus revenue taxes, the minimum charge and the cost of gas.

(2) 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.

(3) 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.

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

A. PROVISION OF GAS SERVICE (Cont'd)

(4) 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. Service lines shall be constructed to the closest, suitable meter location. The cost and expense which the Company must bear shall be:

(a) Residential Applicant – Non-Heating

- (i) The material and installation cost relating to up to 100 feet of main, service line measured from the centerline of the public right-of-way (or the main if it is closer to the customer and development shall be limited to one side of the right-of-way for at least 10 years), service connections and appurtenant facilities, but not less than 100 feet of main (if necessary) plus the length of service line necessary to reach the edge of the public right-of-way; The cost shall be determined as defined in Rule 3.A.(5) of this Schedule; and
- (ii) The amounts paid to governmental authorities for permits to do the work required and all paving charges that are legally imposed by any governmental authority for the repair or replacement of any street or sidewalk disturbed in the course of such installation.

(b) Residential Applicant – Heating

- (i) The material and installation cost relating to:
 - a. Up to 100 feet of main and appurtenant facilities; and
 - b. Up to 100 feet of service line measured from the centerline of the public right-of-way (or the main if it is closer to the customer and development shall 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 public right-of-way; The cost shall be determined as defined in Rule 3.A.(5) of this Schedule; and
- (ii) The amounts legally imposed by governmental authorities for obtaining required work permits and for repairing or replacing disturbed pavement.

(c) Non-Residential Applicant

- (i) The material and installation cost relating to:
 - a. Up to 100 feet of main and appurtenant facilities; and
 - b. Any service line, service connections and appurtenant facilities located in the public right-of-way
- (ii) The amounts legally imposed by governmental authorities for obtaining required work permits and for repairing or replacing disturbed pavement.

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

A. PROVISION OF GAS SERVICE (Cont'd)

(5) Customer Charges for Additional Facilities

(a) If, in order to provide service to an applicant, the Company must install mains and appurtenant facilities in addition to those required to be provided without charge under Rule 3.A.(4), 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% 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% 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% 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.

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

A. PROVISION OF GAS SERVICE (Cont'd)

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

(a) (Cont'd)

- (ii) The surcharge shall be reduced by 50% of adjusted gas revenues, but the credit shall not exceed the amount of the surcharge as determined above.
- (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% 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 10 years following its commencement.

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

A. PROVISION OF GAS SERVICE (Cont'd)

(5) 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% of the actual reasonable cost of such extension in each of any two consecutive calendar years.
- (vii) In lieu of a surcharge, the applicant, upon mutual agreement with the Company, may provide a cash contribution or other equitable arrangement 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.(4), 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 shall be made for the cost of that additional portion of main extension which the Company would have had to provide without charge or surcharge.
- (viii) Upon mutual agreement of both Company and applicant, an applicant may provide a guarantee of performance, in lieu of the contribution required in Rule 3.A.(5)(a)(vii) of this Schedule.

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

A. PROVISION OF GAS SERVICE (Cont'd)

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

(b) If, in order to provide service to an applicant, the Company must install service lines, service connections and appurtenant facilities in addition to those required to be provided without charge under Rule 3.A.(4), 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 shall 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.

Customers may install, at their own expense, service lines or trench (beyond that required to be provided by the Company without charge) in accordance with such rules, and regulations for the construction thereof as may be filed in the Schedules of the Company. Before service is supplied to any location, all piping and equipment must be inspected and approved by the inspector of the Company.

(c) In areas where gas service is supplied directly from high pressure pipelines used for transmission of gas at pressures in excess of those carried in pipelines utilized for distribution purposes, the Company shall, at the Customer's expense, furnish and install the necessary field regulator or regulators required to reduce the pressure at the high pressure pipeline to a suitable distribution pressure' said regulator or regulators and required fittings and connections to be installed at the point of connection between the Customer's service line and the high pressure pipeline. The Company shall also, at the Customer's expense, furnish and install a safety device so adjusted as to operate and relieve any pressure on the Customer's service line deemed by the Company to be unsafe or too high for satisfactory service. The Company shall also, at the Customer's expense, furnish and install satisfactory housing for the regulator equipment and for the meter to be installed by the Company.

The Company shall, at its expense, furnish, install and maintain a suitable service regulator as provided to customers in areas served by medium pressure distribution facilities and, also, a suitable meter for the measurement of the gas. In addition, the Company shall, upon reasonable notice, in the interest of safety, or satisfactory service, provide adjustment or maintenance service on all pressure regulating equipment; however, any materials which may be required in the servicing and maintenance of regulating equipment furnished at the customer's expense shall be subject to charges in accordance with Section 4.C and 4.A.(3)(b) of this Schedule.

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

A. PROVISION OF GAS SERVICE (Cont'd)

(6) 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 their 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 it uses 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.

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

C. PLURALITY OF SERVICES

The rates set forth in the individual service classifications in the respective schedule for gas service are based upon the supply of service to one customer through one meter on one premises and service measured through two or more meters on the same premises shall not be combined for billing purposes except when the Company elects to supply the customer's premises by more than one service connection.

D. SERVICE CONNECTION/METER

(1) General

The Company shall 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. Any appliances or devices furnished at the expense of the Company shall remain its property and may be removed by it at any time on the termination of the agreement or the discontinuance of service.

(2) Outdoor Meters

Meters shall be installed outside, whenever feasible, for all new one, two or three family houses. A modern temperature compensated gas meter equipped with 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.

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.

(3) Advanced Metering Infrastructure ("AMI") Meters

In 2022, the Company shall begin installing AMI equipped meters, for 1 customers throughout its service area.

(a) AMI Opt-Out Option for Residential Customers

Residential Customers may elect to opt out of receiving an AMI gas communications module.

Prior to the AMI meter installation at a customer's premise, the Company will notify the customer of the upcoming meter installation and the ability to opt out of receiving the AMI gas communications module during the initial AMI roll-out.

Customers may subsequently elect to opt-out of having an AMI gas communications module which has already been installed at the customer's premise. Customers will be assessed a one-time charge of \$43.68 applicable to the exchange of an existing AMI gas communications module for a non-AMI meter, and a one-time charge of \$58.24 if the customer has both an AMI electric meter and an AMI gas communications module exchanged at the same time.

A payment plan will be offered to customers to cover the above-referenced one-time exchange charges.

(i) Monthly Meter Reading Charge for AMI Opt-Out Customers

A continuing monthly meter reading charge of \$11.56 will be assessed to cover the manual meter reading costs.

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

D. SERVICE CONNECTION/METER (Cont'd)

(4) Meter Relocation Pilot Program

During calendar year 2024, the Company shall implement a Meter Relocation Pilot Program. The Company shall relocate gas meters and service regulators from the inside of a customer's premises to the outside of a customer's premises. For any relocation that is part of the Meter Relocation Pilot Program, the Company shall be responsible for any costs associated with the relocation of the indoor gas meter.

A customer that participates in the Meter Relocation Pilot Program and requests the Company to relocate a meter from inside their premises to outside shall not be subject to Charges for Special Services provisions under Section 4.G. The Company shall be responsible for any costs associated with the relocation of an indoor gas meter at the request of a customer.

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

E. DELAYED USE OF FACILITIES

Whenever the Company installs service lines, service connections or appurtenant facilities at the request of an applicant who does not immediately desire service, the applicant shall bear the entire reasonable expense of providing, placing and constructing such facilities but he shall be entitled to a refund whenever gas service is begun for such part of the expense as the Company is herein before required to assume. The refund shall be the cost of service lines and appurtenances, less depreciation at the rate of three percent (3%) per year.

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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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.

G. TEMPORARY SERVICE:

Where service is to be used for temporary purposes only, the applicant will be required to pay the cost, as defined in Rule 4.G. of this Schedule, of the connection and removal of equipment necessary to serve. In such cases, an advance payment sufficient to cover all such costs and gas to be used may be required. Where the installation presents unusual difficulties as to metering the gas supplied, the Company may estimate the amount of gas consumed and may bill the Customer in accordance with such estimated amount applied to applicable service classification. Temporary service or emergency service to supplement other gas service will be supplied at the prices and conditions applicable to the service required, when the Company has available unsold capacity of mains and equipment.