

Rule No. 6

LINE EXTENSIONS

6-1 Free Main Line Extension Allowance – Upon application for natural gas Core service, the Utility shall make an extension of the distribution main pipeline free of charge to the Applicant for Service up to the level of cost shown below, but no greater than the entire actual cost of such line extension:

| | | |
|-------------------------------------|-----------|---|
| Residential Service Customer | \$ 900.00 | |
| All other Core Customers (\$/Therm) | \$0.355 | times the Utility’s estimate of the annual Therm consumption of the Customer. |

Non-Core Transportation Customers: Determined on an individual basis.

A. Applicant requesting installation of a gas service will receive a meter and regulator free of charge, but will be responsible for the cost of the service pipeline connecting the meter to the distribution main. Customer contributions toward the cost of the gas service are non-refundable.

B. The Applicant for service shall furnish all necessary rights-of-way.

6-2 Extension Beyond Free Limit (See Rule No. 6-11)

A. Where a main extension cost exceeds the free limit specified above in Rule No. 6-1, the Utility will require the Applicant for Service to pay the difference between the cost of the project and the main extension allowance. Whenever this customer cost is collected as an advance, if additional requests for service (new line taps) from this protected extension are received within 60 months from the date the extension is completed, the Utility will:

1. Collect from the new line tap an advance or contribution representing an amount equal to the average advance for all line taps on the main line extension, in addition to the new line tap.
2. Refund to previously connected line taps of the existing line, their successors or assignees, or the current owner(s) of the property such an amount as is required to reduce the average cost of the line tap to the average advance with all connected line taps sharing equally in the cost of the original protected line.

The Customer(s) of each line tap, as a group, will share any required advance for their line tap extension, equitably, in addition to the cost of their individual line extension. Additional advances and refunds associated with such line taps will be treated as specified in Rule No. 6-2 A above.

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- B. No refunds will be made or credits allowed until the additional Applicant for Service has become an active gas Customer of the Utility.
- C. At the end of the 60-month period referred to above, no further refunds shall be made.
- 6-3 Applicability - This Rule applies to all prospective permanent Customers, except service for resale, provided the proposed line extension can be built from an adequate, existing line across rights-of-way, which shall be supplied and cleared by the Customer. Extensions, which are not capable of further revenue development, or to loads of uncertain duration, or extensions for temporary service or which would involve any unusual conditions, are governed by the provisions of Rule No. 5.
- 6-4 Construction Standards - The engineering, design, materials and method of constructing the line extension shall be determined by the Utility in accordance with its construction standards. The location and route of the line extension, from an existing, adequate line, shall be established by the Utility. The line extension and all related facilities shall, at all times, be owned, maintained, and operated by the Utility.
- 6-5 Line Extension Cost
- A. The cost of an extension, as used herein, shall include the total construction expense associated with the extension including overhead charges, based on the minimum sized facilities needed to effectively serve the extension. The cost shall also include the cost of any addition to, or moving of, existing facilities necessary to serve the extension. The cost of an extension shall not include meters or regulators. The free extension cost allowance shall be in accordance with Rule No. 6-1:
- In unusual circumstances where facilities could be extended from multiple existing locations, or where multiple routes could be taken from one location, the cost of an extension shall be based on the shortest technically feasible route where there is an available right-of-way and/or Utility easements and access to facilities.
- B. The Utility will perform one line extension engineering cost estimate per Applicant for Service, per year at the same location free of charge. The Applicant for Service will be assessed a charge at the rate of \$61.00 per hour for additional line extension cost estimates. Minimum charge is \$61.00. Any line extension engineering costs collected which result in establishment of service, shall be credited to Customer's line extension responsibility.
- 6-6 Extensions to Subdivisions or Housing Projects - Where a line extension is requested for a subdivision or housing project, the Utility may require the principal thereof to advance the entire

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cost of construction, and will subsequently refund this amount as specified in Rule No. 6-1, less the additional costs required to serve each Customer at this location, within 60 months from the date the basic extension is completed as described in Rule No. 6-2.

- 6-7 Field and Transmission Line Tap Extensions - When line extensions, either within or beyond the free extension limits, are made from gathering or transmission lines or as direct taps to wells in producing fields, the Utility makes no guarantee of service continuity where operating problems require the temporary shutting off or abandonment of facilities.
- 6-8 Customer Agreement - The Utility will require the Applicant for Service requesting a line extension to enter into a Customer Agreement to connect to the Utility's natural gas system.
- 6-9 Utility Installation Option - The maximum free line extension cost allowance to which a Customer is entitled, without cost, shall be in accordance with Rule No. 6-1. The cost of an extension, as used herein, shall be determined in accordance with Rule No. 6-5. However, nothing contained herein shall prohibit the Utility from installing additional facilities in excess of those used to calculate the cost of an extension, in accordance with Rule No. 6-5, if, in the opinion of the Utility, such facilities are reasonably justified by anticipated additional future load to be served, or where such additional facilities will be used for general system improvement or reasonable orderly development.
- 6-10 Extensions to New Service Areas - The Utility will install natural gas distribution lines in a new service area when it is technically feasible. Free line extensions will be determined on a project specific basis.
- A. As used in this Rule, "technically feasible" means that the trench through which the underground lines would run could be excavated by a conventional backhoe, trencher, or cable plow with no blasting and minimal use of jackhammers or like equipment required, and does not involve highway, railroad or river crossings.
- B. As used in the preceding subsections, "unit" means a residential or general service structure in a new service area, and "distribution lines" mean all natural gas lines in new service areas.
- 6-11 Surcharge on Advances or Contributions - Whenever, under the provisions of this Rule, an advance or contribution is required, the current surcharge as required by Utility operations shall be applied to such advance or contribution. This is to offset the effect caused by the Utility's delayed tax depreciation reimbursement of the current year tax on this advance or contribution. This surcharge is not applicable where such contributions or advances are the result of highway relocations or any government directed relocations that benefit the public and the government is not receiving utility service.