8. Extensions

8.1 General

8.11 General Statement Regarding Extensions: The Company extends its gas lines in accordance with the general practice described in these rules.

8.12 Definitions

8.121 ***Main:*** “"Main" constitutes that part of a line used for the supply in common of at least two separately metered buildings.

8.122 ***Service Line*****:** “Service Line” constitutes that part of a line which is located along a private road or across private property and used for the supply of one building or a combination of two or more buildings if served through a single meter.

The “service” extends from the Main to the outlet side of the meter.

8.123 ***Estimated Installed Cost:*** The estimated installed cost of an extension shall include all distribution work performed by the Company in accordance with good engineering practice to make service available, including, but not limited to: rearranging or modifying the existing system, whether on or off the applicant’s property; the cost of piping, trenching, backfilling and restoring surface, ducts and manholes; breaking and replacing paving, curbing and sidewalk; and the installed cost of meter assemblies, regulators, valves and cathodic protection equipment.

The estimated installed cost is derived from the Company’s current costs per foot for extensions under substantially similar conditions.

Estimated installed cost for both Main and Service Line is based on the size of pipe required for the estimated use of gas on the proposed extension, subject to such minimum size, regardless of quantity of use, in accordance with the Company’s practice.

The estimated cost of Main for the supply of service includes the cost of additions to existing Mains necessary to provide an adequate supply of gas from the nearest feasible point or points.

8.13 Procedure To Initiate an Extension: Extensions are made when (a) a contract has been signed for service from a proposed extension, (b) the necessary rights-of-way, permits and conditions required by the Company's rules and practices have been obtained, and (c) upon full payment of charges for the extension by the Customer or upon approval of the Customer's credit, if installment payments are permitted.

8.131 ***Permission and Rights-of-Way:*** Application for service constitutes permission to install Main or Service Line extensions, or portions thereof, on the owner's property where such extension is solely for his or his tenant's use. Suitable rights-of-way are required for all other extensions, including the right to extend Main or Service Line along and adjacent to thoroughfares and lot lines to adjacent properties. Any subsequent relocation of all or part of such extensions made at the request of any owner or tenant or required, in the opinion of the Company, by any change in structure or other activity of such owner or tenant, shall require payment by him of the Company's charges for such relocation.

8.132 ***Customer's Responsibility to Cooperate With the Company:*** The charge provisions for extensions are predicated upon cooperation by the Customer in an effort to keep the Company's cost as low as possible. Additional costs resulting from the Customer's failure to cooperate, such as the paving of roads, parking areas or driveways prior to the installation of Company facilities, shall be borne by him.

8.14 Layouts for Extensions: The Company provides the design layout for all extensions. The Customer shall furnish the Company approved copies of the property plats, grading plans, utility plans and other such plans with respect to his property as deemed necessary by the Company.

8.141 ***Extension by an Alternate or more costly Route:*** Where the Company elects to use an extension route longer or more costly than necessary in accordance with good engineering practice to supply service, the determination of the charge, if any, is based on the shorter or less costly route, provided the use of such route is not prevented by refusal of right-of-way.

Where a longer or more costly route other than that selected by the Company is used at the Customer's request, the Customer pays, in addition to any charges for the Company selected route, the estimated excess installed cost of the Customer selected route over the Company-selected route. Payments for such excess costs are nonrefundable .

8.15 Grading of Property: The Customer shall be responsible for the preliminary grading of his property to within 6 inches of final grade before the Company commences construction of its extension to meet the Customer's service requirements. In addition, no extensions are made until the installation of the Customer's water and sewage utilities is completed.

8.16 Ownership and Maintenance of Mains and Service Lines: Mains and Service Lines are owned and maintained by the Company.

8.17 Groups of Applicants: Where two or more customers are to be served from a Main extension, each Customer contracts individually with the Company for the appropriate charges, if any, applicable to each.

8.18 Pipe and Trench Installation by the Customer: The Customer shall not install pipe or trench on the line side of the meter.

8.2 Charges for Extensions

The extension of Main and Service Line is evaluated on the merits of each project's economics. Subject to an economic test, a contribution may be required from the Customer.

The contribution is defined as an amount at least sufficient to produce an after tax return on the Company's Main and Service Line investment equal to its currently authorized rate of return, but:

(a) for nonresidential not more than estimated cost including all applicable taxes

(b) for residential that includes a request for a standard application as defined in Section 8.3 and where no Main Line extension is required, $0 for a residential Service Line extension up to 150 feet. The Customer pays an additional $21.81 per foot for the portion of the Service Line extension greater than 150 feet. This total is exclusive of any other charge provisions in the Gas Service Tariff. However:

(1) for residential where the Main Line was installed after January 1, 2015 as part of a community extension project, the contribution shall be the same as that paid by other customers in that community at the time of installation.

(2) where the Main Line normal operating pressure is greater than 100 pounds per square inch, the contribution is determined based on the merit of that specific project's economics.

(c) for residential where a Main Line extension is required or where the request is for a non-standard application as defined in Section 8.3, not more than

$$(P - E) \times TA$$

where:

P = The Project's Estimated Installed Cost

E = Average Residential Embedded Cost Included in Base Rates

TA = Income Tax Adjustment

8.21 Site Not Ready Fees: Where the Company arrives at a construction site at a mutually agreed upon date and the site is not ready for construction, the Customer is responsible for paying $300 for costs incurred by the Company.

8.3 Increase in Load: As the Customer's load increases, the Company makes appropriate alterations to its distribution system to provide for the increase. For a nonresidential customer, the extension charge, if any, for such work is determined by using the economic test in Section 8.2 to compare the incremental cost of the alterations to serve the increased load and the incremental revenue from the increased load.

For a residential customer, when the load is for standard applications (space heating, cooking, water heating, clothes drying), the Company provides whatever distribution equipment may be necessary to accommodate the increase in load at its expense, except that the Customer pays the excess cost of on-site trenching through improved areas over the cost of standard trenching.

When a residential upgrade is for non-standard applications, the extension charge, if any, for such work is determined by using the economic test in Section 8.2 to compare the incremental cost of the alterations to serve the increased load and the incremental revenue from the increased load. However,

there is no charge if the residential upgrade for a non-standard application only requires the installation of a meter and regulator.

When a residential upgrade is for both standard and non-standard applications and the incremental load for the standard application(s) alone would require an upgrade, the Company provides whatever distribution equipment may be necessary to accommodate the increase in load at its expense, except that the Customer pays the excess cost of on-site trenching through improved areas over the cost of standard trenching.

8.4 Unused Facilities: Notwithstanding any other extension provision, extension facilities requested by the Customer and installed by the Company which are not used as originally indicated by the Customer within 12 months of installation for the supply of service shall be subject to the charge provisions of Sec. 3.5.

8.5 Payment Plans: Charges for Main and Service Line extensions are payable by cash in advance or in monthly installments as specified by the Company.

Pages 19 - 22 are reserved for future use.