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## **EXTENSION OF GAS SERVICE POLICY**

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### **I. AVAILABILITY**

This Extension of Service Policy is available to all applicants for the provision of permanent gas service from any point on the Company's existing facilities having adequate pressure for delivery of service from the Company's distribution main piping system.

### **II. COST OF EXTENSIONS OR ADDITIONS**

The term "cost" when applied to the Company's property or additions thereto shall include the following.

- A.** The invoice cost, plus transportation, storage, insurance, and handling expenses, of all material, equipment and incidental supplies used in the work.
- B.** The payroll cost of all labor and direct supervision employed on the work, plus associated employee liability insurance, medical insurance, payroll taxes, subsistence, retirement benefits, and travel expenses.
- C.** The cost of services performed by a contractor, if used.
- D.** The cost of any required privileges, permits, certificates, easements, servitude, etc.
- E.** The pro-rated cost of expendable tools, safety devices, etc.
- F.** The cost, including interest, taxes, insurance, depreciation and operation and maintenance expenses, of equipment used such as air compressors, air drills, hole diggers, ditchers, wagons, trailers, tractors, etc., if owned by the Company and the rental and other charges paid therefore or in connection therewith when not so owned, calculated at a rate per day or hour.
- G.** All direct truck and transportation expense incurred which shall include insurance, license fees, interest, taxes, depreciation, and operation and maintenance expense charged for at a rate per mile or per hour.
- H.** The cost of engineering, inspecting, testing, general supervision, legal and general office auditing and accounting expense, public liability insurance, injuries and damages during construction and other general administration and overhead expenses.
- I.** The cost of interest and taxes on idle investments solely dedicated to the alteration, extension, or addition during the period to be from the beginning of the project until it is completed and placed in operation.

### **III. EXTENSION OF GAS MAIN PIPING**

The Company will accept applications for service and extend gas main piping and/or related facilities when necessary to satisfy the Customer's service requirements without cost to the Customer if the cost, as defined above, required to extend such piping or facilities is less than or equal to four (4) times the projected minimum annual revenue, excluding purchased gas costs, for which the Customer has furnished to the Company adequate and satisfactory contractual guarantees.

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If the capital investment required to extend such main piping and/or related facilities is greater than four (4) times the projected minimum annual revenue, excluding purchased gas costs, the Company may, at its option, require a contribution in aid of construction, higher minimum bill, facilities charge, or other compensation to make service available. If a contribution in aid of construction is required, it shall be equal in amount to the cost of the extension and/or related facilities in excess of four (4) times the estimated minimum annual revenue of the Customer for which the Customer has furnished to the Company adequate and satisfactory guarantees. When requirements of law or rules of governmental agencies require that such contribution in aid of construction be considered as revenue to the Company and therefore the basis of additional income taxes due, such contribution in aid of construction will be adjusted so as to provide to the Company the required funds after such income taxes have been deducted.

The Company shall be the sole judge of all questions relating to cost, revenue, terms, conditions and adequacy of any guarantee of revenue and term of contract it will require in order to safeguard its investment in extensions and additions.

#### **IV. INSTALLATION OF GAS SERVICE LINE**

The Company will install, own, and maintain a gas service line at the shortest distance from a point of connection with Company's distribution main to the location of the Company's metering equipment for the premise to be served. The service line shall be installed on public right-of-way and on the property of the Customer. If special circumstances require a service line to be installed on the property of others, a written, recorded right-of-way for the service line shall be required in accordance with Paragraph VIII below.

Except in instances presenting non-typical installation requirements the Company will accept applications for gas service and install gas service lines extending from existing gas main piping without cost to the Customer, under the following conditions:

- A. the gas service line does not exceed two hundred (200) feet; or
- B. the gas service line will cost no more than two (2) times the Customer's estimated projected minimum annual revenue, excluding purchased gas costs, for which the Customer has furnished to the Company adequate and satisfactory guarantees.

When the conditions above are not met, the Company will provide service after satisfactory payment to the Company of a contribution in aid of construction by the Customer. Such contribution shall be the amount by which the cost of such extension exceeds two (2) times the Customer's estimated projected minimum annual revenue, excluding purchased gas costs, for which the Customer has furnished to the Company adequate and satisfactory guarantees. When requirements of law or rules of governmental agencies require that such contribution in aid of construction be considered as revenue to the Company and therefore the basis of additional income taxes due, such contribution in aid of construction will be adjusted so as to provide to the Company the required funds after such income taxes have been deducted.

Where a Customer desires service at a pressure different from that normally furnished or available, and Company is able to provide that service, Customer shall pay the cost of providing the necessary piping, regulators and associated equipment in excess of the cost to furnish service at delivery pressure stated in the Company's Service Regulations.

**V. UNUSUAL COSTS**

Whenever unusual obstructions are encountered such as walls of buildings, concrete, brick, asphalt or other paving that must be removed and replaced or any other unusual obstruction, these additional costs shall be computed at cost to Company and added to any charges to be paid by the Customer.

**VI. RELOCATION, ADJUSTMENT OR COMPLETE REMOVAL OF COMPANY FACILITIES**

When a Customer requests a change or adjustment in an existing service line location, the Customer shall reimburse Company for the costs of such relocation and provide right-of-way. Where relocation or adjustment of any existing service line is made for Company purposes, the cost shall be borne by Company.

If a request is made or the Company is required to completely remove gas service facilities from a property location, the requesting party, property owner or Customer shall pay the Company the cost for removal of such facilities. If the Customer does not require the facilities for the full term of any contract for gas services and wishes to cancel the contract prior to the expiration date, the Company reserves the right to remove such facilities and may consent to the cancellation of the contract provided the Customer pays to the Company the applicable termination charges in addition to the costs associated with the removal of the facilities.

**VII. CHANGES IN SERVICE REQUIREMENTS**

If a Customer increases gas consumption at the premises, and a larger service is required to provide for the total requirements, the Customer shall be responsible for the cost of the new service unless the additional revenue justifies the new installation at Company expense.

The Company shall be the sole judge of all questions relating to cost, revenue, terms, conditions and adequacy of any guarantee of revenue and term of contract it will require in order to safeguard its investment in extensions and additions.

**VIII. RIGHT-OF-WAY**

Where extensions of gas mains or service lines are necessary to effect delivery of service, Company shall not be required to make such extensions and deliver service unless and until the Customer delivers to Company, free of cost to Company, all appropriate and satisfactory permits, servitude and/or easements (including minimum underground clearances) (all of which shall be in writing and susceptible of recordation) granting to Company the right to construct, operate, maintain and remove such extensions across or over any private property owned or controlled by Customer. Company's obligation to furnish service shall be contingent upon its ability to secure and retain all necessary franchises, rights-of-way, permits, etc., as to all other property at costs which the Company considers reasonable.

**IX. POINT OF DELIVERY**

Unless otherwise specified in the Service Agreement, the point of delivery of service shall be at the outlet side of Company's meter installation where the Customer's piping connects to that of the Company. All piping and appliances located on Customer's side of the point of delivery shall be (subject to metering provision of the Company's Service Regulations) furnished, installed and maintained by and at the expense of the Customer. All piping and devices on Company's side of the point of delivery will be furnished, installed and maintained by and at the expense of Company (subject to Paragraphs III and IV above). Company's Rate Schedules contemplate (unless otherwise stated in the appropriate Rate Schedule or in the Service Agreement) that all connections between the Company's piping and the point of delivery will be by the shortest and most direct route.

**X. CONNECTION TO COMPANY'S LINES**

All connections to the piping or apparatus of Company will be made by Company without regard to whether the cost thereof shall, either by these Regulations or otherwise, be required to be made at the expense of Customer.

**XI. PERMITS AND INSPECTIONS**

Whenever, by municipal or other governmental regulation, any inspection certificate or permit approving Customer's installation is required, such permit or certificate shall be obtained by and at the expense of Customer before service is made available. Company may refuse or discontinue service to any Customer's installation it deems unsafe, but Company shall not be responsible for any loss or damage resulting from any such defective installation, and the fact that Company has established service shall not imply its approval of any such installation. Company does not assume any responsibility for inspecting Customer's facilities, however, Company reserves the right to refuse service or to discontinue service to any Customer, where Company's established turn-on procedures indicate a leaking or non-gas-tight situation on Customer's facilities. Service shall not be rendered or restored until the indicated situation is corrected and a regulatory permit attesting to this fact has been received. If the governing authority does not require a regulatory permit, service will be rendered only after subsequent turn-on tests indicate that the situation has been corrected.