

Main Extension and Yard Line Policy

**DELTA SOUTH LOUISIANA GAS COMPANY, LLC
MAIN EXTENSION AND
YARD LINE POLICY**

GENERAL PROVISIONS

The purpose of the Main Extension Policy is to provide gas service to prospective gas customers at the lowest possible cost to the prospective customer as well as to existing customers and to maintain an adequate return for the Company. It is the responsibility of the Louisiana Public Service Commission to determine from time to time the adequacy of the Company's overall earnings. Should the earnings be more than adequate, the Commission can order a reduction in gas rates. Should the Company's earnings be less than adequate, the Company must prove its needs to the Commission before an upward rate adjustment can be made.

Company will extend mains to serve prospective customers in accordance with the following policy, provided sufficient revenues can be anticipated from customers which may be served from such extension to provide the Company an adequate return on investment. Company shall not be required to extend mains when such extension will not provide an adequate return. Main extensions shall not be made to existing facilities unless an adequate supply of gas with suitable pressure is available.

The rate schedule applicable to all customers to be served from each new main extension shall be the same rate schedule applicable to the customers being served from the main to which the new extension is connected.

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DEFINITIONS

"Mains" - piping located in public right of ways and easements which convey gas to service lines and other mains.

"Service Lines" - convey gas from mains to the consumer's property line.

"Yard Lines" - convey gas from property line to the consumer's meter.

"Residential" - single family and duplex structures excluding manufactured housing as defined below.

"Manufactured Housing" - structures which are designed and constructed to be relocated (ie. mobile homes or trailers).

"Commercial" - customers engaging in any business, professional or institutional activity.

"Affordable Gas Home" - gas water heating and gas central comfort heating (gas heating used as a supplemental or standby heat source does not qualify).

"Affordable Gas Home Plus" - gas water heating, gas central comfort heating, cooking and gas dryer stub (gas heating used as a supplemental or standby heat source does not qualify).

RESIDENTIAL MAIN EXTENSIONS

1. The Company will extend 100 feet of main per residential Affordable Gas Home customer at no charge. Unless otherwise required by franchise, the Company will extend 50 feet of main at no charge to individual manufactured homes with Affordable Gas Home load.
2. Main extensions in excess of the allowed footage may require a contribution from the customer. The customer contribution will be determined by the Company using an economic feasibility model. The Company may, at its discretion, enter into a Gas Main Extension Contract with the customer(s) providing for an appropriate refund of the customer(s)' contributions in the event additional customers are later added to the main extension within 5 years from the date of its installation, provided however, the total amount refunded to each customer shall never exceed that customer's total contribution amount.
3. Planned residential developments may be served under the Predevelopment Gas Main Extension Contract, when approved by the company.

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RESIDENTIAL SERVICE LINES AND YARD LINES

1. Less than Affordable Gas Home Load - The cost to install yard line will be determined by the Company using an economic feasibility model. The costs so determined will be charged to the customer.
2. Affordable Gas Home Load - No charge for the service line and no charge for the first 100 feet of yard line (50 feet for manufactured housing). The cost to install yard line in excess of 100 feet will be determined by the Company using an economic feasibility model. The costs so determined will be charged to the customer.
3. Affordable Gas Home Plus - No charge for the service line and no charge for the first 100 feet of yard line (50 feet for manufactured housing). The cost to install yard line in excess of 100 feet will be determined by an economic feasibility model. These costs will be charged to the customer.

COMMERCIAL

1. An economic feasibility model will be prepared by the Company for all commercial main extensions, and applicable customer charges will be determined from this model.

MISCELLANEOUS

1. Standby, testing, and second meter service may be provided based on Company's recovery of actual costs incurred to provide such service.
2. A meter upgrade charge will be required for a consumer requiring more than 4 oz. delivery pressure.
3. Conversions from master meter systems to individual meters, or vice versa, for the consumer's convenience may be completed based on Company's recovery of actual costs as per established policy.
4. Extension of mains, service lines, and yard lines to apartments (more than duplex) and manufactured housing parks are covered under the commercial policy.

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5. An additional charge will be made on main extensions requiring boring or breakage and repair of concrete or asphalt.
6. Company shall retain title to all gas distribution mains, service lines, and yard lines up to and including the meters.
7. Natural gas service shall be provided to all consumers under Company's General Rules and Regulations as filed with the Public Service Commission.
8. Where the value of the Construction Allowance (allowed footage multiplied by current cost as determined by the economic feasibility model) exceeds Company's investment in mains, service lines, and yard lines required to serve a customer or a grouping of customers, Company may, at its option, utilize excess allowances to defray the cost of gas piping and other facilities required for gas utilization. For the application of excess allowances, extensions of mains, service lines, and yard lines to apartments and any other high-density structure or development, are covered under the residential extension policies.