

GENERAL SERVICE PROVISIONS (continued)

- h. The Company will own, control and maintain all service pipes, regulators, vents, meters, meter connections, valves and other appurtenances from the main to the outlet side of the meter notwithstanding any contributions to the cost thereof made by the customer.
- i. Contributions by customers toward the Company's cost of furnishing and installing service pipes in accordance with this section are nonrefundable.
- j. Revenues under this section shall be determined exclusive of Purchased Gas Charges.

14. EXTENSION OF MAINS

- a. The provisions of this section apply to customers under all rate schedules except Interruptible Service - Rate Schedule No. 3.
- b. Where it is necessary to extend or enlarge its mains to supply gas service to a customer or group of customers, the Company will bear the cost of the necessary extension or enlargement to the extent of two years' estimated revenue. The remainder of the cost of the extension or enlargement, if any, shall be deposited with the Company by the customer or customers desiring gas service. This deposit will not bear interest but will be returned to the depositors at the rate of two years' estimated revenue from each additional customer served directly from the extension, or a further extension beyond the one which the deposit covers, until the amount of the original deposit is returned. In no case will the amount refunded exceed the amount of the original deposit. A portion or all of the deposit may be waived by the Company when in its judgement a part or all of the extension investment is warranted by the additional revenue expected from customers to be served from the extension or other related conditions.
- c. When the Company installs a main larger than the minimum size as accords with its practice because of prospective new customers to be added thereto, the Company will give proper recognition to the additional cost of the larger main in determining costs for the purpose of requiring a deposit.
- d. When the required extension is of a special or temporary character, the cost of the entire extension and its cost of removal, less the salvage value of the returned material, will be charged to the customer requiring the special or temporary main extension. Such payments are not refundable.
- e. When it is necessary to make an extension of mains from a deposit main to supply a new customer or customers, the revenue allowance to such new customer or customers in determining the amount of the deposit shall be reduced by the amount of refund to be made to any prior depositor or depositors.
- f. When refunds are made involving two or more depositors, the earliest deposit will receive priority. All deposits will be refunded in accordance with the terms and conditions in effect at the time they were made. Refunds of deposits may be made whenever, in the opinion of the Company, the use of gas and other related conditions justify such refunds.
- g. These provisions shall not require the Company to extend its mains across private property or in streets that are not at established grade.

ISSUED: April 19, 1999

Effective for meter readings on and after June 2, 1999

Adrian Chapman - Vice President, Regulatory Affairs & Energy Acquisition

GENERAL SERVICE PROVISIONS (continued)

14. EXTENSION OF MAINS (continued)

h. Revenues under this section shall be determined exclusive of Purchased Gas Charges.

15. RELOCATION OR ALTERATION OF COMPANY-OWNED FACILITIES

Any relocation or alteration of Company-owned facilities to furnish gas service to customers for the convenience and benefit of the Company shall be paid for by the Company; however, any such changes occasioned or necessitated by any action of customer, or owner of the property if customer is a lessee, may be made only after prior approval of the Company, and shall be at the expense of the customer or owner responsible therefore; provided, however, that the Company may bear that portion of the cost of such changes in facilities which, in the Company's opinion, is justified under the circumstances.

16. PURCHASED GAS CHARGE

I. Provision for Charge.

A. The Rate for Monthly Consumption set forth in the Company's retail gas rate schedules Nos. 1, 2, and 4 shall include an amount per therm for the cost of purchased gas called the Purchased Gas Charge (PGC).

B. The term "purchased gas" as used in the determination of the PGC shall include the following:

1. Natural and Substitute Natural Gas (SNG), vaporized liquefied Natural Gas (VLNG) and costs associated with gas price hedging transactions.

- a. The price hedging transactions under a pilot-hedging program shall be a price cap product, price band product, fixed price product, or some combination of each for hedging transactions;
- b. Financial instruments may be used to hedge summer storage injections. The financial instruments that may be used include the following: over-the-counter (OTC) forwards, OTC Swaps, New York Mercantile Exchange (NYMEX) Futures, and OTC or NYMEX options in the form of Calls and Puts.

2. Liquefied Natural Gas (LNG);

3. Liquefied petroleum gas (LPG);

4. Hexane; and

5. Any other natural gas, or gasifiable feedstock hydrocarbon, and any other storage, transportation, exchange or similar service; providing, however, that any cost for such product or service may be included in the PGC computation subject to such order as the Commission may issue providing for refund on a determination that the cost, or any part thereof, was not prudently and reasonably incurred in the public interest on the evaluation of such factors as the need or expected need for the product or service, the price paid therefore, and the availability of alternative options.

ISSUED: December 22, 2009

Effective for service rendered on and after December 30, 2009

Roberta W. Sims - Vice President, Regulatory Affairs & Energy Acquisition