

**RULE 10
MAIN INSTALLATIONS****MAIN EXTENSIONS**

The Company will furnish an extension of its distribution main system free of charge to provide firm natural gas service to any applicant for such service located beyond the existing main system up to an estimated cost of construction to provide such service equal to four and one-half (4-1/2) times the estimated gross annual revenue less cost of gas to be derived therefrom.

The Company will commence construction as soon as is reasonably practical, but the Company is not liable for delays due weather conditions, the Company's ability to obtain all necessary easements, permits, and government approvals, or delay in receiving all necessary commitments from the customer.

The Company may require a customer to sign a Customer Commitment Contract prior to the installation of a main extension. If the Company provides a main extension and the customer fails to install any or all of the gas appliances which were included in the extension analysis and fails to commence gas usage within 6 (six) months from the date of the Customer Commitment Contract, the Company shall bill the customer for the costs and expenses associated with its extension of the distribution main, based upon the feasibility of the extension with the actually installed appliances, plus an additional 11.7% to compensate for federal income taxes. If requested by the Company, the customer shall provide the Company with a copy of the installation invoice to verify the installation of the gas appliances. In the absence of installation documentation, the customer shall allow reasonable access to customer's premise for the verification of installation of those appliances, upon the Company's request. If, subsequent to paying for such costs, the customer installs the agreed upon appliances and commences gas usage within five years from the date of the Customer Commitment Contract, the costs of the distribution facilities paid to the Company by the customer associated with each installed agreed upon appliance shall be refunded without interest.

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The Company may deny any extension if conditions relative to the extension indicate that such service will not be of such permanence as to warrant the expenditure required.

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The Company may require the applicant(s) pay all costs for the main installation that are in excess of the allowance plus 11.7% for federal income taxes. Customer contributions may be subject to refund without interest on the following basis:

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1. An amount equal to four and one-half (4-1/2) times the estimated annual gross margin (gross revenue less cost of gas) to be derived from each additional customer, in excess of the number of customers on which the advance was predicated, whose service line is connected directly to the main extension upon which the advance was made. Such refund shall be granted within thirty (30) days of setting of a meter for such additional customer or customers.

(continued)

RULE 10
MAIN INSTALLATIONS

MAIN EXTENSIONS (continued)

2. An additional amount determined at the end of the fifth year as follows:

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| (a) Actual therms billed for the five-year period to the customer or customers upon which the advance was predicated | XXXX |
| (b) Less estimated annual therms used in calculating the advance times five (5) | <u>XXXX</u> |
| (c) Difference | <u>XXXX</u> |

If (c) is a positive number, an additional refund shall be calculated by multiplying (c) by the gross margin per therm employed in determining the original free footage allowance.

2. Refund or refunds in total shall not exceed the total amount advanced. If the total advanced has not been fully refunded within five (5) years of the date the advance was received by the Company, any remaining unrefunded amount shall become the property of the Company.
3. When two (2) or more parties make a joint advance on the same extension, refund amounts which become payable will be allocated to such parties in proportion to the amounts advanced by the party.

All facilities installed under this rule shall be the property of and under the control of the Company at all times and may be extended to serve other customers at the option of the Company.