

P.O. Box 840 Denver, Colorado 80201-0840

February 12, 2014

Advice No. 856 - Gas

Public Utilities Commission of the State of Colorado 1560 Broadway, Suite 250 Denver, Colorado 80202

The accompanying tariff sheets issued by Public Service Company of Colorado are sent to you for filing in accordance with the requirements of the Public Utilities Law:

COLORADO P.U.C. NO. 6 - GAS

and the following sheets are attached:

			Cancels
Colorado P.U.C. Sheet	No.	Title of Sheet	Colorado P.U.C. Sheet No.
Sub. Fifth Revised	R1A	Rules and	2 nd Sub. Fourth Revised R1A
		Regulations Index	
Fourth Revised	R31	Service Lateral	2 nd Sub. Third Revised R31
		Extension and	
		Distribution Main	
		Extension Policy	
Sub. Fourth Revised	R32	Service Lateral	2 nd Sub. Third Revised R32
		Extension and	
		Distribution Main	
		Extension Policy	
Sub. Fourth Revised	R33	Service Lateral	2 nd Sub. Third Revised R33
		Extension and	
		Distribution Main	
		Extension Policy	
Sub. Fifth Revised	R34	Service Lateral	2 nd Sub. Fourth Revised R34
		Extension and	
		Distribution Main	
		Extension Policy	

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Sub.	Fourth Revised	R35	Service Lateral Extension and Distribution Main Extension Policy	2 nd	Sub.	Third Revised	R35
Sub.	Fourth Revised	R36	Service Lateral Extension and Distribution Main Extension Policy	5 th	Sub.	Third Revised	R36
Sub.	Fourth Revised	R37	Service Lateral Extension and Distribution Main Extension Policy	4 th	Sub.	Third Revised	R37
Sub.	Fifth Revised	R38	Service Lateral Extension and Distribution Main Extension Policy	2 nd	Sub.	Fourth Revised	R38
Sub.	Fifth Revised	R39	Service Lateral Extension and Distribution Main Extension Policy	2 nd	Sub.	Fourth Revised	R39
Sub.	Fifth Revised	R40	Service Lateral Extension and Distribution Main Extension Policy	2 nd	Sub.	Fourth Revised	R40
Sub.	Seventh Revised	R41	Service Lateral Extension and Distribution Main Extension Policy	2 nd	Sub.	Sixth Revised	R41
Sub.	Fifth Revised	R42	Service Lateral Extension and Distribution Main Extension Policy	2 nd	Sub.	Fourth Revised	R42
Sub.	Sixth Revised	R43	Service Lateral Extension and Distribution Main Extension Policy	2 nd	Sub.	Fifth Revised	R43
Sub.	Fifth Revised	R44	Service Lateral Extension and Distribution Main Extension Policy	2 nd	Sub.	Fourth Revised	R44

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Sub. Eighth Revised	R45	Service Lateral Extension and Distribution Main	2 nd Sub. Seventh Revised	R45
Sub. Fifth Revised	R46	Extension Policy Service Lateral Extension and Distribution Main	2 nd Sub. Fourth Revised	R46
Sub. Sixth Revised	R47	Extension Policy Service Lateral Extension and Distribution Main	Fifth Revised	R47
Sub. Sixth Revised	R48	Extension Policy Service Lateral Extension and Distribution Main	Fifth Revised	R48
Sixth Revised	R49	Extension Policy Service Lateral Extension and Distribution Main	Fifth Revised	R49
2 nd Sub. Second Revised	R50	Extension Policy Service Lateral Extension and Distribution Main	First Revised	R50
2 nd Sub. Second Revised	. R51	Extension Policy Service Lateral Extension and Distribution Main	First Revised	R51
2 nd Sub. Second Revised	. R52	Extension Policy Service Lateral Extension and Distribution Main	First Revised	R52
2 nd Sub. Second Revised	. R53	Extension Policy Service Lateral Extension and Distribution Main	First Revised	R53
2 nd Sub. Original	R54	Extension Policy Reserved For		
2 nd Sub. Original	R55	Future Filing Temporary Gas Attachment Scheduling		
Sub. Original	R56	Temporary Gas Attachment Scheduling		

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Sub. Original R57 Temporary Gas
Attachment
Scheduling

The principal change is to: to revise the Service Lateral Extension Connection and Distribution Main Extension Policy (Gas Extension Policy) in the Company's P.U.C. No. 6 - Gas tariff in compliance with Recommended Decision No. R13-1555, mailed December 18, 2013 and Commission Decision No. C14-0151 mailed February 7, 2014 in combined Proceeding No. 13AL-0685G/13AL-0695E. The revisions are generally refinements designed to either better reflect cost causality or improve the administrative efficiency of the protocols applied through the Gas Extension Policy to new and existing customers.

The primary revisions to the Gas Extension Policy include:

- a) Modification of the existing methodology for calculating the Service Lateral and Distribution Main Construction Allowances from the currently effective earnings before depreciation, and amortization (EBITA) method to an average embedded cost method. Specifically, for Residential General Service (Schedule RG) and the Service Lateral Component is decreased from \$448 to \$283 and the Distribution Main Component is increased from \$93 to \$266. For Small Commercial Service (Schedule CSG), the Service Lateral Component is decreased from \$1,389 to \$1,121 and the Distribution Main Component is revised from \$1,130 to \$4.52/DTH. Construction Allowance amounts for other all rate schedules have similar modifications.
- b) Revised provisions that modify the existing process for awarding Construction Allowance for Distribution Main Extensions such that the Applicant and the Company will enter into an Extension Agreement or a Construction Agreement depending upon whether or not a refund is possible. In the event a refund is not possible a Construction Agreement is executed and the award of Construction Allowance may be net of the Construction Payment in instances where: 1) the Company determines that a permanent service meter will set within one year or; 2) for land development upon receipt of a final plat approved by governmental entity having jurisdiction. In the event that refunds are possible an Extension Agreement is executed and Construction Allowance is applied when a

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permanent service meter is set and Refunds may be applied during the ten-year Open Extension Period.

- c) New provisions that apply to Distribution Main Extensions that are uneconomic extensions wherein the Company has the option of entering into an Exception Agreement with the nearest utility or apply to the Commission to modify the service boundary.
- d) New tariff provisions that provide Construction Allowance to Natural Gas Fueling ("NGV") Stations.
- e) New tariff provisions that pertain to recovery of the Construction Payment from governmental entities.
- f) Modification of existing language to allow for closing Open Extensions before the end of the current ten-year period.
- g) New provision in the Applicability Limitation section to provide a defined period of time of sixty days for the Company to provide an Applicant with a Construction Cost estimate.
- h) New and revising existing definitions applicable to the Extension Policy to be consistent with the revisions. New definitions include: Applicant; Construction Agreement; Incremental Service Charge; and Uneconomic Extension.

In addition, the Company has revised the Rules and Regulations Index.

Finally, the Company has revised the Plan A - Permanent Service section to include changes agreed to by the Company in oral testimony, those ordered by the Administrative Law Judge in Decision No. R13-1555, and by the Commission in Decision No. C14-0151.

Customers or Applicants requesting new or additional gas service from the Company may be affected by the proposed changes to the Extension Policy. Such effects will vary in each extension or reinforcement of the Company's gas system and will depend upon the amount of Construction Cost, along with the Construction Payment and Construction Allowance that will apply.

The Company requests that the tariff sheets accompanying this advice letter become effective on February 15, 2014 pursuant to Commission

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Decision No. C14-0151 in combined Proceeding No. 13AL-0685G/13AL-0695E.

Please send copies of all notices, pleadings, correspondence, and other documents regarding this filing to:

Scott B. Brockett
Director, Regulatory Administration and
Compliance
Xcel Energy Services Inc.
1800 Larimer, Suite 1400
Denver, Colorado 80202
Tel: 303-294-2164
Fax: 303-294-2329

Scott.B.Brockett@xcelenergy.com

and

Christopher M. Irby Assistant General Counsel Xcel Energy Services Inc. 1800 Larimer Street, Suite 1100 Denver, CO 80202-5533

Tel: (303) 294-2504 Fax: (303) 294-2988

Email: christopher.m.irby@xcelenergy.com

TLN:mma

Enclosures

P.O. Box 840

Denver, CO 80201-0840

Sub. Fifth Revised

Sheet No.

R1A

 2^{nd} Sub. Fourth Revised

Cancels Sheet No. R1A

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RULES AND REGULATIONS APPLICABLE TO ALL NATURAL GAS SERVICES INDEX

SERVICE LATERAL EXTENSION AND DISTRIBUTION MAIN EXTENSION POLICY General Provisions. Definitions of Terms. Gas Meter and Piping Installations. Construction Allowance and Construction Payments. Plan A - Permanent Service. Plan B - Indeterminate Service. Plan C - Temporary Service. Calculation and Payments of Refunds. Plan A - Permanent Service. Plan B - Indeterminate Service. Plan C - Temporary Service. Extensions for a Local Distribution Company Customer. Distribution Main Extension and Distribution Reinforcements. Farm Taps. LDC Meter Stations. Customer's Reinforcements. Compressor Stations. Excess Facilities. Uneconomic Extensions Applicability Limitation. Construction Allowance by Service Class.	R31-R36 R36 R36-R41 R36-R39 R40 R41 R42-R44 R42-R43 R43 R44 R45-R45 R45-R46 R46-R47 R47-R48 R49-R47 R49-R50 R50 R51
TEMPORARY GAS ATTACHMENT SCHEDULING Applications for New or Additional Service. Validation Charge. Significantly Increased Service. Transfer of Gas. Extension Policy Conditions. Continuation of Service. Special Conditions.	R50-R51 R52 R52 R52-R53 R53 R53 R53

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Sub.	Fourth	Revised	_ Sheet No	R31
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RULES AND REGULATIONS

NATURAL GAS SERVICE

SERVICE LATERAL EXTENSION AND DISTRIBUTION MAIN EXTENSION POLICY

GENERAL PROVISIONS - Cont'd

In all cases, the facilities provided will be constructed by the Company or its designated agent in accordance with the Company's construction specifications, standards and procedures, and shall be, at all times, the property of the Company to the Point of Delivery. Distribution Extension and Service Lateral Agreements will be based upon the Company's T estimate of the cost of constructing and installing the facilities necessary to adequately supply the service requested by Applicant. cost will include the cost of all materials, labor, rights-of-way, trench and backfill, environmental remediation, permitting, etc., together with C all incidental and overhead expenses connected therewith. Where special items, not incorporated in said specifications, are required to meet local construction conditions, including but not limited to frost conditions, rock conditions, etc., the cost thereof will also be included, either in C the initial estimate or at a time subsequent thereafter as conditions may change as determined by Company.

In cases where another utility has a distribution line of adequate N capacity closer than existing Company facilities to Applicant's requested N point of service and the application of this Extension Policy including the N Uneconomic Extension section herein would result in unreasonable economic N hardship to Applicant(s), the Company may, under its sole discretion, enter N into an exception agreement with the neighboring utility to allow that |N|utility to temporarily provide service to Applicant until such time as N Company is able to serve customer. This temporary change to the service N territory boundary between the Company and the neighboring utility is N subject to approval by the Commission.

DEFINITION OF TERMS

Applicant

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Individual person or persons requesting natural gas service, who own the C property requiring such service, including the legal entity, builder, developer, corporation, limited partnership or any person having legal authority over the property.

Compressor Station

A Compressor Station is a compression facility that is installed, owned and maintained by the Company for the purpose of compressing natural gas.

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NATURAL GAS SERVICE

SERVICE LATERAL EXTENSION AND DISTRIBUTION MAIN EXTENSION POLICY

DEFINITION OF TERMS - Cont'd

Construction Agreement

A Construction Agreement between the Company and Applicant that sets forth the Construction Allowance that the Company will apply towards the Construction Cost of a Distribution Main Extension as well as the Construction Payment net of Construction Allowance to be advanced by the Applicant. A Construction Agreement will be executed by the parties in instances where no Refunds of Construction Payments to Applicant are possible.

Construction Allowance

That portion of necessary Construction Costs made by the Company at its expense.

Construction οf Distribution Main Extension /Service Costs LaterallT Extension

The Construction Cost of Distribution Main Extension shall include the Company's estimate of the combined costs of all facilities necessary to the Distribution Main Extension and/or Distribution Reinforcement, including satisfactory rights-of-way. The Construction Costs for T Service Lateral Extension shall include the Company's estimated cost to install the service lateral(s). In determining an LDC Customer's share of the Distribution Main Extension, Distribution Reinforcement and/or Compressor Stations, the Company will consider the LDC Customer's least cost alternatives for service provided from the Company on a standalone basis, if applicable, and service from other resources, as well as the viability, reliability and comparability of any such service alternatives. Such service alternatives include, but are not limited to, alternative pipeline suppliers, compressed natural gas storage, liquefied natural gas storage, and propane storage/air mixing.

Construction Payment

Amount advanced prior to construction, except as otherwise provided C herein, by Applicant to pay all Construction Costs in excess Construction Allowance.

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NATURAL GAS SERVICE

SERVICE LATERAL EXTENSION AND DISTRIBUTION MAIN EXTENSION POLICY

DEFINITION OF TERMS - Cont'd

Construction Payment Agreement

An option to Permanent Service Applicants to have Company advance to Applicant the Construction Payment amount for a specific term.

Distribution Main Extension

Distribution or supply mains, including all appurtenant facilities, except meters, meter installations and customer regulator facilities, necessary to supply service to additional customers or load. A Distribution Main Extension may include Transmission Main as determined by Company in its reasonable discretion.

Distribution Reinforcement

That part of a Distribution Main Extension that consists of a Reinforcement.

Extension Agreement

An Extension Agreement between the Company and Applicant that sets forth the Construction Cost of a Distribution Main Extension as well as the Construction Payment required from the Applicant. The Extension Agreement shall also list the Construction Allowance that may be awarded by Company to Applicant during the Open Extension Period. An Extension Agreement will be executed by the parties in instances where Refunds of Construction Payments are possible.

Extension Completion Date

The date on which the construction of a Distribution Main Extension or Distribution Reinforcement is completed as shown by the Company's records.

Farm Tap

A tap and small meter station connected by the Company to a Transmission Main that serves one or more customers of a LDC Customer having a peak day flow not to exceed 250 dekatherms per day. The Company shall install, own, operate and maintain the meter for service to the Company's customers; however, a LDC Customer shall install, own, operate and maintain the meter for service to its customers.

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RULES AND REGULATIONS

NATURAL GAS SERVICE

SERVICE LATERAL EXTENSION AND DISTRIBUTION MAIN EXTENSION POLICY

DEFINITION OF TERMS - Cont'd

Incremental Service Charge

An Incremental Service Charge is the revenue requirement factor expressed as an annual percentage as approved by the Commission in the latest Phase II Rate Case to cover the on-going costs for insurance, reserve for replacement, license and fees, taxes, operation and maintenance, and appropriate allocable administrative expenses associated with the facilities installed. The Monthly Incremental Service Charge without a capital component shall be eleven percent (11%) divided by twelve. In addition, the Incremental Service Charge may also include a capital component in the event that the LDC Customer and the Company agree that the Company will advance the LDC Customer the Construction Costs in excess of the Construction Allowance. Incremental Service Charge shall be billed monthly and applied by multiplying the applicable revenue requirement factor for the type of facilities installed times the cost of the facilities divided by twelve (12).

Local Distribution Company Customer or LDC Customer

A customer in the business of distributing and selling gas to retail customers in Colorado that operates a gas pipeline system that is interconnected with and receives gas deliveries from the Company's System.

Meter Location

The physical location of the gas meter measuring the amount of gas supplied to customer. Meter locations in all instances will be determined by Company and will be located so as to be accessible to Company's meter readers or meter reading equipment at all times.

Meter Piping

Pipe and fittings necessary to extend from the end of a Distribution Service Lateral to the meter location, including the pipe extending from the initial meter location to additional locations in the same building except in the case of a meter header.

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RULES AND REGULATIONS

NATURAL GAS SERVICE

SERVICE LATERAL EXTENSION AND DISTRIBUTION MAIN EXTENSION POLICY

DEFINITION OF TERMS - Cont'd

LDC Meter Station

An LDC Meter Station is a metering facility other than a Farm Tap that is installed, owned and maintained by either the Company or a LDC Customer for the purpose of measuring deliveries of natural gas from the Company to the LDC Customer. An LDC Meter Station shall consist of one or more meters or measurement devices and piping, and may include valves, straightening vanes, filters or strainers, instruments, control lines, pressure regulating equipment, telemetry and housing.

Open Extension Period

A ten-year period of time, commencing on the Extension Completion Date, during which the Company shall calculate and pay Refunds of Customer T Payments according to the provisions of this Extension Policy.

Point of Delivery

Point where the Company's gas facilities are first connected to the gas facilities of the customer. The location of the Point of Delivery will be determined by Company in accordance with standard practice or as individual circumstances may dictate.

Refund of or Refundable Construction Payment

Amount of Construction Payment returned to customers or assignees by the Company, subsequent to any Construction Allowance awarded as applicable, in accordance with the Calculation of Payments and Refunds section. A Refund of Construction Payment is different from the award of Construction Allowance.

Reinforcement

An increase in size or number of existing facilities necessitated by Applicant's estimated gas requirements.

Service Lateral Extension

The supply pipe installed by Company extending from the Distribution T Main to and including the first valve or cock on the main side of the T meter necessary to supply service to Applicant.

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SERVICE LATERAL EXTENSION AND DISTRIBUTION MAIN EXTENSION POLICY

DEFINITION OF TERMS - Cont'd

Transmission Main

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Natural gas pipeline operated by the Company, located upstream of distribution areas, that may be larger in diameter and operate higher pressures than the Company's Distribution Main.

Uneconomic Extension

uneconomic extension shall be defined as a Distribution Main Extension of over a half-mile distance from the Company's closest available capacity and when the Construction Allowance that may be awarded to Applicant(s) for a Distribution Extension is less than twenty eight percent (28%) of the total Estimated Construction Cost of the Distribution Main Extension.

GAS METER AND PIPING INSTALLATIONS

Company will furnish the appropriate meter and customer regulators to supply Applicant's requirements and install same along with associated meter piping. Applicant will provide all facilities necessary for proper meter and regulator installation in conformance with Company requirements for such installation. Separate charges will be made for meter piping to additional meter locations in the same building except in the case of a

Title to service lateral, meter piping, meters and regulators shall at all times vest in Company.

CONSTRUCTION ALLOWANCE AND CONSTRUCTION PAYMENTS

PLAN A - PERMANENT SERVICE

Plan A is applicable to gas Distribution Main Extensions and to Service Lateral Extensions where the use of service is to be permanent and where a continuous return to Company of sufficient revenue to support the necessary investment is assured or as set forth in the Uneconomic Extension section C herein.

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NATURAL GAS SERVICE

SERVICE LATERAL EXTENSION AND DISTRIBUTION MAIN EXTENSION POLICY

CONSTRUCTION ALLOWANCE AND CONSTRUCTION PAYMENTS - Cont'd

PLAN A - PERMANENT SERVICE - Cont'd

For gas service of a permanent character, the Company will install necessary Distribution Main Extension and Service Lateral Extension facilities equivalent in cost to the gross embedded distribution plant C investment per customer or per estimated annual usage in therms or Dekatherms C as a Construction Allowance.

The Company shall bear the expense up to the respective Construction set forth herein. For Commercial, Interruptible Transportation Services, the Distribution Main Portion of the Construction Allowance shall be the product of the Company's estimate of the Applicant's volume times the Distribution Main System Portion of Construction Allowance. The Construction Allowances for both Distribution Main Extensions and Service Lateral Extensions are as shown on the Sheet entitled Construction Allowance by Service Class for each of the various categories of service listed.

The Construction Allowances are subject to review and appropriate revision by filing of new Construction Allowances with the Commission within thirty (30) days or within such period of time as ordered by the Commission, following a final decision in a Company cost allocation and C rate proceeding, based on the appropriate revenue and commodity amounts C included in that proceeding.

Except for service to an LDC Customer, Applicant or Applicants shall be required as part of the Extension Agreement or Construction Agreement to C pay to the Company as a Construction Payment prior to construction all estimated costs for gas Distribution Main Extension facilities necessary to serve Applicant or Applicants in excess of the Distribution Main Portion of the Construction Allowance. The Construction Allowance for the Distribution C Main Portion will be credited only when service is physically connected and a C permanent service meter is set; however, Construction Allowances will be C awarded at the execution of the Extension Agreement or Construction C Agreement if Company estimates Permanent Service will be physically C connected within one year from the execution date of the Extension Agreement C or Construction Agreement.

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NATURAL GAS SERVICE

SERVICE LATERAL EXTENSION AND DISTRIBUTION MAIN EXTENSION POLICY

CONSTRUCTION ALLOWANCE AND CONSTRUCTION PAYMENTS - Cont'd

PLAN A - PERMANENT SERVICE - Cont'd

Alternatively, for land development, Construction Allowances will be C applied to the Construction Payment after the Company receives: (a) an C executed Extension Agreement or Construction Agreement; and (b) the Applicant C submits to the Company an approved final plat of the development or C subdivision that is approved by the governmental entity having jurisdiction C Said Construction Payment under an Extension Agreement C as applicable. shall be Refundable in part or in its entirety during the Open Extension Period. At the end of the Open Extension Period any remaining Construction Payment becomes non-refundable.

Applicant or Applicants that request a Service Lateral be installed by C Company shall be required to pay prior to construction to the Company as a C non-refundable Construction Payment all estimated Construction Costs for the Service Lateral Extension in excess of the Service Lateral Portion of the Construction Allowance.

Regarding Natural Gas Vehicle (NGV) Fueling Stations, for applications N made on or before December 31, 2015, Applicant or Applicants shall be N required to pay to Company as a Construction Payment all estimated costs N necessary gas Distribution Main Extension and Service Lateral N Regarding additional facilities necessary to serve the NGV N Extension. Fueling portion of the NGV Station total annual usage, said Construction N Payment may be reduced by an award of Construction Allowance in part or in N its entirety for a period of five (5) years after the Extension Completion N Date After said five (5) year period has expired, Construction Allowance N will no longer be available. All non-fueling usage of the NGV Station N shall be determined by the Company as Permanent, Indeterminate, Temporary Service as applicable.

However, Applicant or Applicants may opt for Company to advance the Construction Payment by entering into a Construction Payment Agreement with Any Applicant electing this option shall make monthly the Company. installment payments that will cover the Company's costs of such advance. C The Construction Payment Agreement allows the Applicant to have advanced a minimum of \$500.00 and thereafter in increments of \$100.00 for a one, three, five or ten year term. The maximum amount to be advanced under the Construction Payment Agreement will be \$5,000 for Residential and \$10,000 for Commercial customers. At the Company's discretion, additional amounts may be advanced with Company written approval, where Applicant's financial condition is determined by the Company to be satisfactory.

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NATURAL GAS SERVICE

SERVICE LATERAL EXTENSION AND DISTRIBUTION MAIN EXTENSION POLICY

CONSTRUCTION ALLOWANCE AND CONSTRUCTION PAYMENTS - Cont'd

PLAN A - PERMANENT SERVICE - Cont'd

Applicant retains the option to buy down any portion or all of the remaining Construction Payment Agreement balance at any time. In the event that Applicant fails to make any payment when due under the Construction Payment Agreement, or otherwise fails to comply with any conditions of the Construction Payment Agreement or the conditions set forth herein, the Company may, at its discretion, give Applicant notice that the remaining balance payable under the Construction Payment Agreement is due and payable within thirty (30) days unless, at the Company's discretion, alternate payment arrangements are agreed to by the parties.

In the event that Applicant sells the subject property or no longer requires gas service at the location, Applicant shall be required to pay in full all amounts payable under the Construction Payment Agreement. Except as provided herein, the rights and obligations under the Construction Payment Agreement shall not be assigned or transferred to a subsequent property owner or customer without the advanced written approval of the Company. The Company shall not be required to approve any such assignment or transfer unless, in the Company's opinion, the prospective assignee or financially qualified to assume the responsibilities transferee is thereunder and provides the Company with all documentation required by the Company reflecting the assignee or transferee's agreement to be bound by the terms and conditions thereof. In the event no such transfer or assignment is approved by the Company, the continuation of gas service at the subject location to any subsequent property owner or customer shall be conditioned upon payment in full having been received by the Company pursuant to the terms and conditions of any previous Construction Payment Agreement or original Service Lateral Extension and Distribution Line C Extension Agreement.

For governmental entities, Applicant may elect to have the Company C advance the Construction Payment for the duration of the construction period C as follows. The Company shall charge the governmental Applicant interest applied to the Construction Payment amount for the applicable construction period at the Company's Allowance For Funds Used During Construction (AFUDC) C rate. The Company shall bill the Applicant for the Construction Coast and C the interest within thirty (30) days after the Construction Completion Date. C The Applicant shall pay the Company within ninety 90) days after the C Construction Completion date.

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NATURAL GAS SERVICE

SERVICE LATERAL EXTENSION AND DISTRIBUTION MAIN EXTENSION POLICY

CONSTRUCTION ALLOWANCE AND CONSTRUCTION PAYMENTS - Cont'd

PLAN B - INDETERMINATE SERVICE

Plan B is applicable to gas Distribution Main Extensions and Service Lateral Extensions for service which are of an indefinite or indeterminate nature such as that required by, but not limited to (a) real estate subdivisions, and development of property for sale; (b) mines, quarries, sand pits, oil wells, and other enterprises of more or less speculative characteristics; or (c) all other service to which neither Plan A nor Plan C is applicable.

For gas service of an indeterminate character, involving real estate subdivisions and development of land for sale wherein Refunds are not C possible and where Applicant and Company execute a Construction Agreement, C Applicant or Applicants shall be required to pay to Company as a non-C refundable Construction Payment all estimated costs for necessary gas C Distribution Main Extension facilities, and the Company will apply the C applicable Construction Allowance at the time a final plat of the development C or subdivision approved by the jurisdictional governmental entity For gas service of an indeterminate character involving real C submitted. estate subdivisions and development of land for sale, where Refunds are C possible and where Applicant and Company execute an Extension Agreement, C Applicant or Applicants shall be required to advance payment to Company as a C potentially Refundable Construction Payment the entire estimated cost for C necessary overhead or underground gas Distribution Main Extension facilities. C The Company will award Construction Allowances as meters are set within the C Open Extension Period, if the gas service to the metered property is properly C reclassified as Permanent Service. In addition, any remaining Construction C Payment for the Distribution Main Extension only may be Refundable in part C or in its entirety during the Open Extension Period if other customers C participate in the Distribution Line Extension after which any remaining C unrefunded Construction Payment becomes non-refundable. For all other C types of gas service of an indeterminate character, Applicant or Applicants shall be required to pay to Company the entire estimated cost for necessary gas Distribution Main Extension and Service Lateral Extension facilities as a non-refundable Construction Payment.

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RULES AND REGULATIONS

NATURAL GAS SERVICE

SERVICE LATERAL EXTENSION AND DISTRIBUTION MAIN EXTENSION POLICY

PLAN C - TEMPORARY SERVICE

Plan C is applicable to gas Distribution Main Extensions and Service Lateral Extensions where service is of a known temporary nature.

For gas service of a temporary character, Applicant or Applicants shall be required to pay to Company as a Construction Payment an amount equal to the estimated cost of installing and removing all necessary gas Distribution Main Extension and Service Lateral Extension facilities less the estimated salvage value. If temporary service is continued for more than eighteen months following the Extension Completion Date the nature of such continued service will be evaluated and, if appropriate, reclassified as Indeterminate Service.

CALCULATION AND PAYMENT OF REFUNDS

Distribution Main Extensions requiring customer Construction Payments under an Extension Agreement are subject to Refunds during the Open C Extension Period. Such Refunds will be made in conformance with the T provisions applicable to Refunds under the appropriate plan under which the T extension is classified. No Refunds will be made after Open Extension T Period and any remaining unrefunded customer Construction Payment for Distribution Main Extension becomes permanent and no longer subject to Refund for any reason. In no case shall Refunds be made which exceed in T total the total amount of Construction Payment made by any customer. event shall any customer who has terminated service be eligible for any Refund after such termination. Construction Payments for Service Lateral T Extensions are not subject to Refund. However, the Company may close open C Distribution Main Extensions before the ten-year refund period has expired in C instances where the Company determines that no potential Refunds are possible C such that there are no potential new customers to be served by the extension.

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NATURAL GAS SERVICE

SERVICE LATERAL EXTENSION AND DISTRIBUTION MAIN EXTENSION POLICY

CALCULATION AND PAYMENTS OF REFUNDS

PLAN A - PERMANENT SERVICE

Construction Payments made under a Plan A extension shall be subject to refund without interest during the Open Extension Period as follows:

For each additional Permanent Service customer connected directly to a gas Distribution Main Extension under an Extension Agreement upon which there is unrefunded Construction Payment remaining, Company will recalculate the extension considering the additional facilities and considering any of Construction Allowance provided by such additional customer or customers, as well as appropriate sharing of Construction Payment requirements among all customers to be served by the gas Distribution Main Extension. Construction Payments or executed Construction Payment Agreements that are required of additional customer or customers must be made prior to connection Refunds of customer Construction of gas service laterals. Payments or the reduction or elimination of the Construction Payment Agreement amounts, where appropriate, will be calculated and paid or adjusted once each year during the Refund period and at a time determined by Company. Each customer having made a Construction Payment will receive as a Refund the amount necessary, if any, to adjust the customer's Construction Payment to the proper level considering the additional customers served from the extension and considering the Construction Allowance effect, if any, from a subsequent extension.

In the case of a subsequent extension made from an extension on which there are remaining unrefunded customer Construction Payments and where the initial calculated Construction Allowance from customers on said subsequent extension would exceed the construction costs for such extension, the excess Construction Allowance will be credited to the extension on which there is remaining unrefunded customer Construction Payments and become a part of the annual Refunds made thereon.

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NATURAL GAS SERVICE

SERVICE LATERAL EXTENSION AND DISTRIBUTION MAIN EXTENSION POLICY

CALCULATION AND PAYMENTS OF REFUNDS - Cont'd

PLAN A - PERMANENT SERVICE - Cont'd

Additional customers of an Indeterminate Service or Temporary Service classification can be served from a Plan A extension on which unrefunded customer Construction Payments remain under an Extension Agreement only C after first allocating a portion of the construction costs of the Plan A extension on a permanent basis to such Indeterminate Service or Temporary Service customers. The portion of customer Construction Payments required from such Indeterminate Service or Temporary Service customers resulting from said allocation will correspondingly reduce the responsibility of customers on the Plan A extension and become a part of the annual Refund made to such customers.

PLAN B - INDETERMINATE SERVICE

Construction Payments made under a Plan B extension for real estate or land development shall be subject to Refund without interest during the Open Extension Period as follows:

At the end of each of the ten years during the Open Extension Period a Refund will be made based on the additional Construction Allowances for additional customers served from the extension after first increasing the original extension costs and customer service payment requirements to reflect additional investments.

Customers of a Permanent Service or Temporary Service classification can be served from a Plan B extension on which Construction Payments remain only after first allocating a portion of the costs of the Plan B extension on a permanent basis to such Permanent Service or Temporary Service customers. The portion of customer Construction Payments under an Extension C Agreement required from said Permanent Service or Temporary Service C customers resulting from said allocation will then become a part of an annual Refund as determined by Company to be made to customers on the Plan T B extension, and would be in addition to the amount of Refund based on T Construction Allowance being made otherwise.

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NATURAL GAS SERVICE

SERVICE LATERAL EXTENSION AND DISTRIBUTION MAIN EXTENSION POLICY

CALCULATION AND PAYMENTS OF REFUNDS - Cont'd

PLAN C - TEMPORARY SERVICE

No Refund of Construction Payments for Temporary Service will be made T unless the subject extension is subdivided by the addition of Permanent Service or Indeterminate Service customers or in the event that the Temporary Service customer is reclassified as an Indeterminate Service customer as follows:

Customers of a Permanent Service or Indeterminate Service classification can be served from a Plan C extension only after first allocating a portion of the Construction Costs of the Plan C extension on a permanent basis to such Permanent Service or Indeterminate Service customers. The portion of customer Construction Payments required from said Permanent Service or Indeterminate Service customers resulting from said allocation will be Refunded to customers on the Plan C extension.

A Temporary Service customer continuing to require service after an eighteen-month period will be subject to reevaluation as to the nature of service. If appropriate, such customer and the associated construction will be reclassified as Indeterminate Service or Permanent Service with costs and Refund considerations being reevaluated as Indeterminate Service or Permanent Service based on the original extension costs and completion dates. In no event shall the total amount Refunded to any customer exceed the total Construction Payment made by that customer.

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RULES AND REGULATIONS

NATURAL GAS SERVICE

SERVICE LATERAL EXTENSION AND DISTRIBUTION MAIN EXTENSION POLICY

EXTENSIONS FOR A LOCAL DISTRIBUTION COMPANY CUSTOMER

DISTRIBUTION MAIN EXTENSIONS AND DISTRIBUTION REINFORCEMENTS

Distribution Main Extensions, Distribution Reinforcements, and Reinforcements using additional Compression Station capacity by the Company to provide new or additional transportation service to an LDC Customer may be mutually agreed to by Company and the LDC Customer under a Gas Transportation Service Agreement in instances where the revenue derived from such Gas Transportation Service Agreement provides the Company an assured and continuous stream of revenue sufficient to support the necessary investment and other ongoing costs associated therewith. Company will not enter into an Extension Agreement for any new facilities or Reinforcement where the LDC Customer is being served pursuant to a standard Firm or Interruptible Gas Transportation Agreement which includes a one-year service term and subsequent one-year terms thereafter.

Prior to the Company's construction under a Distribution Main Extension or Reinforcement to serve an LDC Customer, the LDC Customer shall enter into a Firm or Interruptible Gas Transportation Service Agreement that has a term of at least five years, or other term as mutually agreed upon by the parties. The Agreement will also include provisions such that the LDC Customer agrees to pay to the Company, commencing as of a date specified in the Agreement and each month thereafter during the agreement term, a specified minimum monthly amount for Firm Capacity Reservation Charges or a specified minimum amount of Usage Charges, or both.

The Company shall invest the Construction Cost for a Distribution Main Extension and or Reinforcement up to a maximum of the Distribution Main Portion of the Construction Allowance applicable to the transportation service requested by the LDC Customer and provided for in the Gas Transportation Service Agreement. The level of the Distribution Main Portion of the Construction Allowance rate, as determined by the Company, shall depend upon the term of the Agreement and be in proportion to the combined level of any minimum monthly amount for Firm Capacity Reservation Charges and minimum amount of Usage Charges as set forth in the Agreement, such that, the longer the term and the higher the minimum amount of charges, the higher the Distribution Main Portion of the Construction The amount of Distribution Main Portion of the Construction Allowance shall be the product of the minimum level of capacity and volume, if any, times the Distribution Main System Portion of the Construction Allowance.

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SERVICE LATERAL EXTENSION AND DISTRIBUTION MAIN EXTENSION POLICY

EXTENSIONS FOR A LOCAL DISTRIBUTION COMPANY CUSTOMER - Cont'd

DISTRIBUTION MAIN EXTENSIONS AND DISTRIBUTION REINFORCEMENTS - Con't

In the event that the Construction Costs exceed the Construction for a Distribution Main Extension or a Distribution Reinforcement, the Company and the LDC Customer may mutually agree that: (1) the LDC Customer shall pay all Construction Costs in excess of the Construction Allowance as a non-refundable or refundable Construction Payment and also pay an Incremental Service Charge; or (2) the Company C shall cover the Construction Payment and recover the investment at its authorized rate of return, plus the Company may recover on-going costs through an Incremental Service Charge as part of the monthly charges to the C LDC Customer; or (3) in lieu of a Construction Payment, the customer shall T pay all or any combination of an additional minimum monthly amount for Firm Capacity Reservation Charges, a minimum amount of Usage Charges, and Incremental Service Charges. The provisions regarding any of the above C Construction Payment options shall be set forth in the Interruptible Gas Transportation Service Agreement between the Company and the LDC Customer.

FARM TAPS

In the event that an LDC Customer desires a Farm Tap as a stand-alone request (separate from a Distribution Main Extension or Distribution Reinforcement) or as part of a Distribution Main Extension or Distribution Reinforcement, and the Company determines in its sole discretion that it will provide the requested Farm Tap, the Company shall install, own, operate and maintain only those facilities on the supply side of the Pointof-Delivery and cover a portion of the Construction Costs up to the maximum applicable Construction Allowance. In the event that the Construction Costs exceed the maximum applicable Construction Allowance, the Company and the LDC Customer may mutually agree that: (1) the LDC Customer shall pay all Construction Costs for the Farm Tap, including such costs in excess of the Construction Allowance, as a non-refundable or refundable Construction Payment and also pay an Incremental Service Charge; or (2) the Company shall C cover the Construction Payment and recover the investment at its authorized rate of return, plus the Company may recover on-going costs through an Incremental Service Charge as part of the monthly charges to the LDC

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EXTENSIONS FOR A LOCAL DISTRIBUTION COMPANY CUSTOMER - Cont'd

FARM TAPS - Cont'd

Customer; or (3) in lieu of a Construction Payment, the Customer shall pay T all or any combination of an additional minimum monthly amount for Firm Capacity Reservation Charges, a minimum amount of Usage Charges and C Incremental Service Charges. The provisions regarding any of the above C Construction Payment options for Farm Taps shall be as set forth in the Firm or Interruptible Gas Transportation Service Agreement between the Company and the LDC Customer.

LDC METER STATIONS

In the event that an LDC Customer requires either a new LDC Meter Station, increased capacity or increased pressure at an existing LDC Meter Station owned by the Company, there are two options available to the LDC Customer. The first is for the LDC Customer to install, own, operate, and maintain the LDC Meter Station. In the event that the LDC Meter Station is new, the LDC Customer shall install, at its sole expense, all facilities for the LDC Meter Station, except the metering facilities and metering installation required by the Company for the measurement of service, as well as the facilities between the LDC Meter Station and the Company's Distribution Main or Transmission Main. The Company's Construction Costs to tie the LDC Customer's pipeline system into the Company's Distribution Main shall be charged to the LDC Customer as set forth below.

The second option is for the LDC Customer to purchase from the Company the existing LDC Meter Station facilities, as well as the facilities between the LDC Meter Station and the Company's Distribution Main or Transmission Main to the extent not used to provide service to any other Company customers, the amount of which is to be as negotiated between the LDC Customer and the Company. After any such purchase by the LDC Customer, the LDC Customer shall install, at its sole expense, all facilities for the LDC Meter Station, except the metering facilities and metering installation required by the Company for the measurement of service. To the extent that the Company incurs Construction Costs to tie the LDC Customer's pipeline system into the Company's System shall be charged to the LDC Customer as set forth below.

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NATURAL GAS SERVICE

SERVICE LATERAL EXTENSION AND DISTRIBUTION MAIN EXTENSION POLICY

EXTENSIONS FOR A LOCAL DISTRIBUTION COMPANY CUSTOMER - Cont'd

LDC METER STATIONS - Cont'd

In the event that the LDC Customer requests the Company to add either a new LDC Meter Station, increased capacity or increased pressure at an existing LDC Meter Station owned by the Company as a stand-alone request or as part of a Distribution Main Extension or Distribution Reinforcement, and the Company determines in its sole discretion that it will provide the requested LDC Meter Station, the Company shall install, own, operate and maintain the specific Distribution Main attributable to the LDC Meter Station between the existing Distribution Main and the first above ground fitting and cover a portion of the Construction Costs up to the maximum applicable Distribution Main Portion or the Service Lateral Portion of the Construction Allowance.

In the event that the Construction Costs exceed the maximum applicable Distribution Main Portion or Service Lateral Portion of the Construction Allowance, the Company and the LDC Customer may mutually agree that: (1) the LDC Customer shall pay all Construction Costs for the LDC Meter Station, including such costs in excess of the Construction Allowance, as a non-refundable Construction Payment and also pay an Incremental Service C Charge; or (2) the Company shall cover the Construction Payment and recover T the investment at its authorized rate of return, plus the Company may recover on-going costs through an Incremental Service Charge as part of the C monthly charges to the LDC Customer; or (3) in lieu of a Construction T Payment, the Customer shall pay all or any combination of an additional minimum monthly amount for Firm Capacity Reservation Charges, a minimum amount of Usage Charges and Incremental Service Charges. The provisions C regarding any of the above Construction Payment options for LDC Meter Stations shall be as set forth in the Firm or Interruptible Gas Transportation Service Agreement between the Company and the LDC Customer.

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NATURAL GAS SERVICE

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EXTENSIONS FOR A LOCAL DISTRIBUTION COMPANY CUSTOMER - Cont'd

CUSTOMER'S REINFORCEMENTS

Any required Reinforcement other than for an LDC Customer shall generally recognize the Construction Cost, Construction Allowance and customer Construction Payment provisions of this Extension Policy in accordance with individual agreements between Applicant and Company based upon the amount, character and permanency of the load. Where gas distribution system reinforcement is required for serving an existing customer's gas service from Company, Company shall make such Reinforcement of the distribution system as follows: for a Residential or small Commercial customer that receives service under a rate schedule for which the Distribution Portion of the Construction Allowance is not based on the Peak Day Quantity (PDQ), related to the customer's total load requirements, Company will make such Reinforcements at its expense. For all customers that receive service under a rate schedule for which the Distribution Portion of the Construction Allowance is based on PDQ, such reinforcement shall be a Distribution Extension where the Construction Cost shall include the Company's cost to reinforce the system, as well as the cost of new distribution facilities necessary to serve the customer's total load, less the applicable Construction Allowance amount for the added load.

For purposes of this section, all reinforcement for new Residential or Commercial development shall be considered non-residential and the developer shall be responsible for Reinforcement costs. All Reinforcements for LDC Customers shall be subject to the provisions of the Extensions for Local Distribution Company Customer section of this Extension Policy.

COMPRESSOR STATIONS

In the event that the Company determines that an LDC Customer requires either a new Compressor Station owned by the Company or increased pressure at an existing Compressor Station that requires the installation of one or more additional compressor(s), such incremental Compressor Station costs attributable to the LDC Customer may be included in the Distribution Main Extension or Reinforcement.

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NATURAL GAS SERVICE

CUSTOMER'S REINFORCEMENTS - Cont'd

COMPRESSOR STATIONS - Cont'd

If the Company determines that the investment in said Compressor Station is required to serve a LDC Customer, the Company and the LDC Customer may mutually agree that: (1) the LDC Customer shall pay all Construction Costs for the Compressor Station, including such costs in excess of the Construction Allowance as a non-refundable Construction Payment and pay an Incremental Service Charge; or (2) the Company shall C cover the Construction Payment and recover the investment at its authorized rate of return, plus the Company may recover on-going costs through an Incremental Service Charge as part of the monthly charges to the LDC C Customer; or (3) in lieu of a Construction Payment, the Customer shall pay T all or any combination of an additional minimum monthly amount for Firm Capacity Reservation Charges, a minimum amount of Usage Charges and The provisions regarding any of the above C Incremental Service Charges. Construction Payment options for Compressor Stations shall be set forth in the Firm or Interruptible Gas Transportation Service Agreement between the Company and the LDC Customer.

EXCESS FACILITIES

In those instances where Company agrees to provide distribution facilities at Customer's request in excess of the facilities necessary to supply service to Customer, Customer shall be required to contract to pay Company for such facilities as a non-refundable contribution and to pay Company monthly an Incremental Service Charge to cover the costs for such facilities based on the non-refundable contribution amount. Excess Facilities include but are not limited to excess pressure capability over that which the Company designs to install and/or situations where the customer wants and the Company agrees to install facilities along a different route than that which the Company designs. Such Excess Facilities shall at all times be installed, owned, operated and maintained by the Company.

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RULES AND REGULATIONS

NATURAL GAS SERVICE

SERVICE LATERAL EXTENSION AND DISTRIBUTION MAIN EXTENSION POLICY

UNECONOMIC EXTENSIONS

For Uneconomic Extensions the Company shall require Applicant(s) to pay Company, in advance, all Construction Costs. With respect to Uneconomic Extensions, the Company may, under its sole discretion, investigate the possibility of allowing applicant(s) to be served by another utility as set forth in the General Provisions section of this Extension Policy.

APPLICABILITY LIMITATION

The foregoing Extension Policy applicability is limited by the following conditions: The Company's estimated Construction Costs and Applicant's Construction Payments as calculated for each Distribution Main or Service Lateral Extension will become void following a period of one hundred and twenty (120) days from the time an extension request is received by Company or a period of sixty (60) days following a written estimate being provided by Company, whichever period ends later. If an Extension Agreement in writing is not fully executed before that time it will be necessary, at the Company's option, to either extend said time period or for new estimates to be made incorporating the then current Construction Costs and also incorporating the then effective terms and conditions of the Company's Extension Policy as on file and in effect with Commission.

The Company shall provide Applicant a Construction Cost estimate within N sixty (60) days after Company accepts a fully completed Application for Gas and Electric Services Form from Applicant, which includes all information necessary, as determined by Company, for the Company to estimate the Construction Cost. The Application for Gas and Electric Services Form is available on the Company's website referenced on the Title Sheet of this electric tariff. For gas service requests involving large and or complex configurations, as determined by the Company, the Company shall provide the Applicant the estimated time that it will require to provide and Construction Cost estimate.

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APPLICABILITY LIMITATION - Cont'd

Construction estimates will not be made for any portion of a construction project that cannot be completed in a normal manner, i.e., following accepted construction practices, within one hundred twenty (120) T days after execution of the Extension Agreement or Construction Agreement, C which amount will be determined in an engineering estimate prepared by the Company at the time the written estimate is prepared and such amount will be specified in the written estimate. Any construction which is not completed in a normal manner, i.e., following accepted construction practices, within the 120-day period from the execution of the Extension Agreement will be deleted from the Agreement and Construction Payment requirements will be adjusted accordingly, unless the delay is caused by the Company, in which event the Construction Payment will become interest bearing, the Company to pay interest at the rate it currently pays on Residential security deposits, and the construction will not be deleted from the Agreement.

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RULES AND REGULATIONS

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SERVICE LATERAL EXTENSION AND DISTRIBUTION MAIN EXTENSION POLICY

CONSTRUCTION ALLOWANCE BY SERVICE CLASS

Construction Allowance Service Class and Rate Schedules Service Lateral Distribution Main Portion Portion Residential RΙ Schedule RG..... \$283 \$266 Commercial \$4.52/DTH Schedule CSG..... \$1,121 RI Schedule CLG..... \$1,122 \$3.43/DTH CIInterruptible \$0.87/DTH Schedule IG...... \$1,122 CI Transportation \$1,121 \$4.52/DTH CI Schedule TFS..... \$3.43/DTH \$1,122 Schedule TFL.... CI Schedule TI..... \$0.98/DTH \$1,122 CI

The Distribution Main portion of the Construction Allowance will be *Note: at the same percentage that the Transportation Charge reduced discounted.

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RULES AND REGULATIONS

NATURAL GAS SERVICE

TEMPORARY GAS ATTACHMENT SCHEDULING

Public Service Company of Colorado is faced with a shortage of natural gas supply from its wholesale suppliers. While the Company and its suppliers have embarked on projects intended to develop the necessary additional natural gas to meet the needs of existing and future customers, existing supplies dictate the necessity of these temporary special rules and regulations. These rules and regulations contain provisions for an application and attachment system for new customers and for existing customers desiring to increase their gas loads. Acceptance of applications filed under the provisions of these special rules and regulations do not constitute a guarantee that the Company will be able to fulfill the request contained in the application.

The following temporary special rules and conditions shall supersede all pertinent rules and regulations contained in the Company's gas tariff which are applicable to service to new customers or to expanded service to existing customers.

APPLICATIONS FOR NEW OR ADDITIONAL SERVICE

All applications for natural gas service to new customers or for significantly increased loads to existing customers at a specific location shall be in writing on forms furnished by Company. Such applications shall be placed in one of the following three categories.

Category One - All individually metered customers or applicants served or to be served under Company's Residential Service rate schedules, all customers or applicants served or to be served under Company's Commercial Service rate schedules, regardless of size where such commercial service will be for multiunit permanent resident housing purposes, and all applicants to be served under Company's Commercial Service rate schedules with estimated loads not exceeding maximum hourly demands of 20,000 cubic feet. Category One will also include requests for maximum hourly load increases of up to 20,000 cubic feet for commercial customers who were receiving natural gas service as of March 30, 1973, and who have not received any prior increase since said date.

Category Two - All customers or applicants served or to be served under Company's Commercial Service rate schedules not falling into Category One.

Category Three - All customers or applicants permanently served or to be served under Company's Interruptible Industrial Service rate schedules.

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RULES AND REGULATIONS

NATURAL GAS SERVICE

TEMPORARY GAS ATTACHMENT SCHEDULING

APPLICATIONS FOR NEW OR ADDITIONAL SERVICE - Cont'd

Applications shall be retained in chronological order, separately for each When Company is able to grant additional commitments for gas service, such commitments will be determined from the waiting lists in chronological order with Category One applications being committed first, followed in order by Category Two applications. Category Three applications shall be granted commitments in chronological order as annual natural gas is available in such quantities that availability will permit, without regard to Category One or Category Two waiting lists.

Applicants shall be advised in writing by Company as to the availability of gas at such future time as supplies of gas are available for such categories. Applicants or customers shall have thirty days to respond in writing to Company's written advice that gas is available. Failure to so respond or rejection of offer for new or additional gas service shall render the application void and without further position on the waiting list. A portion of the validation charge provided for herein will be retained by Company in accordance with these Rules and Regulations.

Applicants or customers shall have one year from the date Company advises that gas is available to connect and utilize gas for which the commitment is made except for cases involving individual structures constituting major construction which cannot reasonably be completed with due diligence within the time limits provided wherein an appropriate longer time period may be agreed to and granted in writing prior to commencement of construction. Applications for gas service hereunder shall expire in the event applicant fails to take gas within the stated time period from date Company advises gas is available.

In all cases mobile home developments, whether master metered or separately metered, will be treated the same as residential subdivisions.

VALIDATION CHARGE

In order to assure the validity of all Category One applications for new or additional gas service, all such applicants, except those applicants who are tax supported governmental agencies, shall pay to the Company a refundable charge in the amount hereinafter set forth.

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NATURAL GAS SERVICE

TEMPORARY GAS ATTACHMENT SCHEDULING

VALIDATION CHARGE - Cont'd

The amount of the Validation Charge payable pursuant to these provisions shall be \$200 for each separately metered detached single family residential structure. The amount of the Validation Charge for other new or significantly increased gas service shall be \$100 per estimated Therm or Dth of daily gas requirements but shall not exceed \$7,500 per individual building or structure under one common roof. Such Validation Charge will be refunded in full only when construction has been completed within the stated time and Applicant takes gas service for which the application was made, when Applicant cancels application due to the use of an alternate fuel caused by the lack of availability of gas or when Applicant rejects. a gas main extension proposal prepared subsequent to the date of application. application is canceled for any other reason, ten percent of the Validation charge, but not to exceed an amount of \$200, shall be retained by Company to compensate it for administration costs of processing the application. No interest will be paid on validation charges.

SIGNIFICANTLY INCREASED SERVICE

Increased service to existing customers shall be considered "significant" in Category One if such increased service requires Company to increase the size of any of its facilities, including meters and/or regulators, in order to render adequate service at proper pressures. Increased service to existing customers in Categories Two and Three shall be considered "significant" in all cases.

TRANSFER OF GAS

Applications for new gas service or existing abandoned service associated with buildings that have been demolished may be transferred from specific locations to other specific locations where peak day or annual quantities are not increased and properties are under the same ownership. In addition, applications for new service or existing abandoned service associated with buildings that have been demolished at two or more locations may be combined and transferred to a different location by written request with approval being granted in writing. A customer served under Company's Commercial Service or Interruptible Industrial Service rates may transfer from one location to another the quantity of gas to which he would otherwise be entitled for processing equipment when such actual equipment is moved from one location to another or when equipment for similar purposes is installed at the new location.

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P.O. Box 840 Denver, CO 80201-0840

RULES AND REGULATIONS

NATURAL GAS SERVICE

TEMPORARY GAS ATTACHMENT SCHEDULING

TRANSFER OF GAS - Cont'd

Gas associated with buildings which are demolished and removed but not replaced, will become available for allocation to customers on Company's waiting list in accordance with the priority system set forth in these special rules unless said gas has been previously transferred. To prevent trading in or sale of commitments to provide new or additional gas service, or priority in receiving such commitments, the Company may adopt such uniform administrative procedures as it determines necessary.

EXTENSION POLICY CONDITIONS

During periods of shortage of supply of natural gas, real estate developers or others desiring to have a gas distribution system extended to and constructed within their development may do so by special agreement with Company. The special agreement will provide for the extension under terms of the extension policy and will not recognize any revenue for free construction allowance purposes until such time as gas becomes available. The refund period during which the Applicant for service is entitled to receive refunds on his construction deposit will be extended for the aggregate amount of time that Company has been unable to connect new or additional loads within the development.

Customers and developers having on deposit with Company unrefunded construction deposits which are still within the refund period as set forth in Company's Extension Policy, shall have their refund period extended by the aggregate amount of time Company is unable to connect new or additional loads within the development.

CONTINUATION OF SERVICE

Extension of natural gas service to an Applicant under terms of these Rules and Regulations shall not constitute a guarantee of continuation of such service in the event curtailment of natural gas service is required due to a shortage in the supply thereof.

SPECIAL CONDITIONS

The foregoing provisions of these Gas Attachment Scheduling Rules and Regulations are subject to waiver in part or in total in specific cases where application of same would cause extreme personal hardships, or when application of same would result in a gross inequity to Applicant.

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