

Rule No. 16

GAS SERVICE EXTENSIONS

APPLICABILITY

This Rule is applicable in the Company's California service areas to both: (1) the Company's Service Facilities that extend from the Company's Distribution Main facilities to the Service Delivery Point; and (2) the service-related equipment required of Applicant on Applicant's Premises to receive gas service. (Certain words are defined either within the provisions of this Rule or in Section H of this Rule.)

A. GENERAL

1. Design

The Company will be responsible for planning, designing and engineering its Service Facilities and Service Lateral facilities using the Company's standards for design, materials and construction.

Applicants may also elect to design that portion of the new extension normally designed by the Company in accordance with the Applicant Design Option provisions of Rule No. 15, Section F.

2. Installation

a. The Applicant may select the Company to install an extension in accordance with Section D.2 of this Rule, or

b. The Applicant may select to install an extension in accordance with Section D.1 and the Applicant Installation Option in Section D.3 of this Rule.

3. Service Facilities

For the purposes of this Rule, the Company's Service Facilities shall consist of (a) connection fittings; (b) service pipe; (c) valves; (d) regulators; (e) metering equipment; (f) other Company-owned service-related equipment; and (g) excluding any required service equipment as provided in Sections D.1.c and D.1.f of this Rule.

4. Ownership of Facilities

Service facilities installed under the provisions of this Rule shall be owned, operated, and maintained by the Company. Applicant shall own, operate and maintain facilities beyond the Service Delivery Point.

Rule No. 16

GAS SERVICE EXTENSIONS

*(Continued)*

A. GENERAL *(Continued)*

5. Private Lines

The Company shall not be required to connect Service Facilities to or serve any Applicant from gas facilities that are not owned, operated and maintained by the Company.

6. Special or Added Facilities

Any special or added facilities the Company agrees to install at the request of Applicant will be installed at Applicant's expense.

7. Temporary Service Facilities

Facilities installed for temporary service or for operations of speculative character or questionable permanency shall be made in accordance with the fundamental installation and ownership provisions of this Rule, except that all charges and refunds shall be made under the provisions of Rule No. 13, Temporary Service of this California Gas Tariff.

8. Contracts

Each Applicant requesting service may be required to execute written contracts prior to the Company performing its work to establish service. Such contracts shall be in the form on file with the Commission.

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Rule No. 16

GAS SERVICE EXTENSIONS  
(Continued)

A. GENERAL (Continued)

9. Distribution Main Extensions

Whenever the Company's distribution system is not complete to the point designated by the Company where the Service Lateral is to be connected to the Company's distribution system, the extension of Gas Main facilities will be installed in accordance with Rule No. 15, Gas Main Extensions of this California Gas Tariff.

10. Rights-of-Way

Rights-of-way or easements may be required by the Company to install Service Facilities on Applicant's property to serve only the Applicant.

a. Service Facilities

If the Service Facilities must cross property owned by a third party to serve the Applicant, the Company may, at its option, install such Service Facilities after appropriate rights-of-way or easements, satisfactory to the Company, are obtained without cost to the Company.

b. Main Extensions

If the Company's facilities installed on Applicant's property, or third-party property, will be or are designed to serve adjacent property, then the Company may, at its option, install its facilities under Rule No. 15, Gas Main Extensions of this California Gas Tariff, after appropriate rights-of-way or easements, satisfactory to the Company, are obtained without cost to the Company.

c. Clearances

Any necessary rights-of-way or easements for the Company's facilities shall have provisions to maintain legal clearances from adjacent structures.

Rule No. 16

GAS SERVICE EXTENSIONS  
(Continued)

A. GENERAL (Continued)

11. Access to Applicant's Premises

The Company shall at all times have the right to enter and leave Applicant's Premises for any purpose connected with the furnishing of gas service (meter reading, inspection, testing, routine repairs, replacement, maintenance, emergency work, etc.) and the exercise of any and all rights secured to it by law, or under the Company's tariff schedules. These rights include, but are not limited to:

- a. The use of a company-approved locking device, if Applicant desires to prevent unauthorized access to the Company's facilities.
- b. Safe and ready access for Company personnel, free from unrestrained animals.
- c. Unobstructed ready access for the Company's vehicles and equipment to install, remove, repair or maintain its facilities.
- d. Removal of any and all of its property installed on Applicant's Premises after the termination of service.

12. Service Connections

Only personnel duly authorized by the Company are allowed to connect or disconnect service pipe to or from the Company's Distribution Main, remove meters, remove Company-owned Service Facilities or perform any work upon Company-owned existing facilities.

Rule No. 16

GAS SERVICE EXTENSIONS  
(Continued)

B. METERING FACILITIES

1. General

a. Meter All Usage

The Company will meter delivery of all gas energy, unless otherwise provided for by the Company's tariff schedules or by other applicable laws.

b. Meter Location

All Company meters and associated metering equipment shall be located at some protected location on Applicant's Premises as approved by the Company.

2. Number of Meters

The Company normally will install only one meter for a single-family residence or a single nonresidential enterprise on a single Premises, except:

- a. When otherwise required or allowed under the Company's tariff schedules.
- b. At the option of and as determined by the Company, for its operating convenience, consistent with its engineering design.
- c. When required by law or local ordinance.
- d. When additional services are granted by the Company.

RULE NO. 16

GAS SERVICE EXTENSIONS  
(Continued)

B. METERING FACILITIES (Continued)

2. Number of Meters (Continued)

A single meter is required for each single enterprise operating in one building or a group of buildings or other development on a single Premises, such as, but not limited to, a commercial business, school campus, industrial manufacturer or recreational vehicle parks, unless otherwise approved by the Company. (See Rule No. 18, Supply to Separate Premises and Resale of this California Gas Tariff, for more information.)

3. Multiple Occupancy

In a building with two or more tenants, or where the Company furnishes more than one meter on the same Premises, the Company's meters normally shall be grouped at one central location, or as otherwise specified by the Company, and each meter position shall be clearly and permanently marked by Applicant, customer or owner of the Premises to indicate the particular unit, occupancy or load supplied by it.

a. Residential

The Company will individually meter gas service to every residential unit in a residential building or group of buildings or other development on a single Premises with multiple tenants, such as, but not limited to, apartment buildings, mobile home parks, etc., except as may be otherwise specified in Rule No. 18, Supply to Separate Premises and Resale of this California Gas Tariff, and applicable rate schedules.

b. Non-Residential

The Company will individually meter gas service to each tenant in a non-residential building or group of buildings or other development on a single Premises with multiple tenants or enterprises, such as, but not limited to, an office building or shopping center complex. Alternative metering arrangements, as determined by the Company, may be allowed only as specified in Rule No. 18, Supply to Separate Premises and Resale of this California Gas Tariff, and applicable rate schedules.

RULE NO. 16

GAS SERVICE EXTENSIONS  
(Continued)

C. SERVICE LATERAL FACILITIES

1. General Location

The location of the Service Lateral facilities shall extend:

a. Franchise Area

From the point of connection at the Distribution Main to Applicant's nearest property line abutting upon any street, highway, road or rights-of-way, along which it already has or will install Distribution Main; and,

b. Private Property

On private property, along the shortest, most practical and available route (clear of obstructions) as necessary to reach a Service Delivery Point designated by the Company.

2. Number of Service Laterals

The Company will not normally provide more than one Service Lateral, including associated facilities, for any one building or group of buildings, for a single enterprise on a single Premises, except:

a. Where otherwise allowed or required under the Company's tariff schedules.

b. At the option of and as determined by the Company, for its operating convenience, consistent with its engineering design or when replacing an existing service.

c. Where required by ordinance or other applicable law, for such things as gas powered fire pumps, etc.

RULE NO. 16

GAS SERVICE EXTENSIONS

*(Continued)*

C. SERVICE LATERAL FACILITIES *(Continued)*

2. Number of Service Laterals *(Continued)*

d. The Company may charge for additional services provided under this paragraph, as special or added facilities.

3. Branch Service

For additional approved Service Delivery Points to serve another Applicant on the same or adjoining Premises, the Company may install a branch service at the option of the Company and may grant allowances if Applicant qualifies under the conditions as set forth in Section E.

4. Other Service Connections

Where Applicant or customer requests another type of service connection, such as stub services, curb meters and vaults, or service from gas transmission lines, the Company will consider each such request and may grant appropriate allowances if Applicant qualifies under the conditions set forth in Section E of this Rule.

5. Unusual Site Conditions

In cases where Applicant's building or facility is located a considerable distance from the available Distribution Main or where there is an obstruction or other deterrent obstacle or hazard, such as plowed land, ditches or inaccessible security areas between the Company's Distribution Main and the building or facility to be served that would prevent the Company from prudently installing, owning and maintaining its Service Facilities, the Company may, at its discretion, modify the normal Service Delivery Point location. In such cases, the Service Delivery Point shall be at such other location on Applicant's property as may be mutually agreed upon; or, alternatively, the Service Delivery Point may be located at or near Applicant's property line, as close as practical to the available Distribution Main.

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RULE NO. 16

GAS SERVICE EXTENSIONS  
(Continued)

D. RESPONSIBILITIES FOR NEW SERVICE FACILITIES

1. Applicant Responsibility

In accordance with the Company's design, specifications and requirements for the installation of Service Facilities, subject to the Company's inspection and approval, Applicant is responsible for:

a. Service Lateral Facilities

(i) Clear Route

Applicant shall provide (or pay for) a route on any private property that is clear of obstructions which would inhibit the construction of the Service Facilities.

(ii) Substructures

(a) Furnishing, installing, owning, and maintaining all support pads, meter or regulator vaults or other Substructures on Applicant's Premises.

(b) Furnishing and installing any Substructures in the Company's Franchise Area (or rights-of-way, if applicable) as necessary to install the Service Lateral.

(c) Convey ownership to the Company upon its acceptance of those Substructures not on Applicant's Premises.

(iii) Protective Structures

Furnishing, installing, owning, and maintaining all necessary Protective Structures, as specified by the Company, for the Company's facilities on Applicant's Premises.

RULE NO. 16

GAS SERVICE EXTENSIONS

*(Continued)*

C. SERVICE LATERAL FACILITIES *(Continued)*

2. Number of Service Laterals *(Continued)*

d. The Company may charge for additional services provided under this paragraph, as special or added facilities.

3. Branch Service

For additional approved Service Delivery Points to serve another Applicant on the same or adjoining Premises, the Company may install a branch service at the option of the Company and may grant allowances if Applicant qualifies under the conditions as set forth in Section E.

4. Other Service Connections

Where Applicant or customer requests another type of service connection, such as stub services, curb meters and vaults, or service from gas transmission lines, the Company will consider each such request and may grant appropriate allowances if Applicant qualifies under the conditions set forth in Section E of this Rule.

5. Unusual Site Conditions

In cases where Applicant's building or facility is located a considerable distance from the available Distribution Main or where there is an obstruction or other deterrent obstacle or hazard, such as plowed land, ditches or inaccessible security areas between the Company's Distribution Main and the building or facility to be served that would prevent the Company from prudently installing, owning and maintaining its Service Facilities, the Company may, at its discretion, modify the normal Service Delivery Point location. In such cases, the Service Delivery Point shall be at such other location on Applicant's property as may be mutually agreed upon; or, alternatively, the Service Delivery Point may be located at or near Applicant's property line, as close as practical to the available Distribution Main.

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RULE NO. 16

GAS SERVICE EXTENSIONS  
(Continued)

D. RESPONSIBILITIES FOR NEW SERVICE FACILITIES (Continued)

1. Applicant Responsibility (Continued)

b. Applicant's Facility Design and Operation

Applicant shall be solely responsible to plan, design, install, own, maintain, and operate facilities and equipment beyond the Service Delivery Point in order to properly receive and utilize the type of gas service available from the Company. Refer to Rule No. 2, Description of Service of this California Gas Tariff, for a description, among other things, of:

- (i) The available service delivery pressures and the technical requirements and conditions to qualify for them.
- (ii) Heating values of natural gas.
- (iii) Delivery volume adjustments due to altitude.

c. Required Service Equipment

Applicant shall, at its sole liability, risk and expense, be responsible to furnish, install, own, maintain, inspect, and keep in good and safe condition, all facilities of any kind or character on Applicant's Premises, that are not the responsibility of the Company, but are required by the Company for Applicant to receive service. Such facilities shall include, but are not limited to, gas pipe, valves, regulators, appliances, fixtures, and apparatus of any kind or character. Detailed information on the Company's service equipment requirements will be furnished by the Company.

RULE NO. 16

GAS SERVICE EXTENSIONS  
(Continued)

D. RESPONSIBILITIES FOR NEW SERVICE FACILITIES (Continued)

1. Applicant Responsibility (Continued)

d. Liability

The Company shall incur no liability whatsoever for any damage, loss or injury occasioned by:

- (i) Applicant-owned equipment or Applicant's transmission and delivery of energy.
- (ii) The negligence, omission of proper shut-off valves or other protective and safety devices, want of proper care or wrongful act of Applicant or any agents, employees or licensees of Applicant, on the part of Applicant installing, maintaining, using, operating, or interfering with any such pipes, valves, regulators, or apparatus.

e. Facility Tampering

Applicant shall provide a suitable means acceptable to the Company for placing its seals on meters and related equipment. All Company-owned meters shall be sealed only by the Company's authorized employees and such seals shall be broken only by the Company's authorized employees. However, in an emergency, the Company may allow a public authority or other appropriate party, to break the seal. Any unauthorized tampering with Company-owned seals or equipment or connection of customer-owned facilities to Company's service pipe at any time is prohibited and is subject to the provisions of Rule No. 11, Discontinuance of Service of this California Gas Tariff, for unauthorized use.

RULE NO. 16

GAS SERVICE EXTENSIONS  
(Continued)

D. RESPONSIBILITIES FOR NEW SERVICE FACILITIES (Continued)

1. Applicant Responsibility (Continued)

f. Large Metering Installations on Applicant's Premises

If it is necessary to have large, specifically designed, Company-owned metering and related equipment installed on Applicant's Premises to serve Applicant, Applicant shall be responsible for complying with the following general provisions:

(i) Required Access and Clearance

Applicant shall provide adequate access, clearance and space, including working space, on Applicant's Premises, at a location approved by the Company, for a metering installation, including any necessary regulators, pipes and valves.

(ii) Room or Vault

Where Applicant requests and the Company approves the installation of the meter(s) or regulator(s) in a vault or room on Applicant's Premises, rather than the Company's standard outdoor installation:

(a) The room or vault on Applicant's Premises shall be furnished, installed, owned, and maintained by customer and shall meet the Company's specifications for such things as access, ventilation, drainage, etc.

RULE NO. 16

GAS SERVICE EXTENSIONS  
(Continued)

D. RESPONSIBILITIES FOR NEW SERVICE FACILITIES (Continued)

1. Applicant Responsibility (Continued)

f. Large Metering Installations on Applicant's Premises (Continued)

(ii) Room or Vault (Continued)

(b) If space cannot be provided on Applicant's Premises for the installation of a meter and regulator, a vault may be installed, at Applicant's expense, in the street area near property line. It shall be Applicant's responsibility to install such vault, if not restricted by the governmental authority having jurisdiction and Applicant shall convey ownership of the vault to the Company upon its acceptance.

(c) If the Company's installed cost for the meter or regulator in the room or vault is more costly than the standard outdoor installation, the additional costs shall be paid by Applicant.

g. Building Code Requirements

Any service equipment and other service-related equipment owned by Applicant, as well as any vault, room, enclosure, shall conform with applicable laws, codes and ordinances of all governmental authorities having jurisdiction.

h. Reasonable Care

Applicant shall exercise reasonable care to prevent the Company's Service Lateral, meters and other facilities owned by the Company on Applicant's Premises from being damaged or destroyed and shall refrain from interfering with the Company's operation of the facilities and shall notify the Company of any obvious defect. Applicant may be required to provide and install suitable protection (barrier posts, etc.) as required by the Company.

RULE NO. 16

GAS SERVICE EXTENSIONS

*(Continued)*

D. RESPONSIBILITIES FOR NEW SERVICE FACILITIES *(Continued)*

2. Company Responsibility

a. Install Service Facilities

The Company, if selected by the Applicant, will furnish, install, own, and maintain the Service Facilities including Trenching, as applicable after Applicant meets all requirements to receive service.

Applicant may elect to provide the trench. If Applicant chooses to perform the Trenching, it must also secure permits from the governmental authorities having jurisdiction. Applicant providing trench will receive a credit for the Company's project-specific estimated cost-per-foot of trench. If Applicant qualifies for a Service Extension allowance, the Company may provide Applicant with a reimbursement (refunded credit) for the Company's project-specific estimated cost-per-foot of trench.

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b. Government Inspection

The Company will establish gas service to Applicant following notice from the governmental authorities having jurisdiction that the customer-owned facilities have been installed and inspected in accordance with any applicable laws, codes ordinances, rules or regulations and are safe to pressurize.

3. Installation Options

a. Company Performed Work

Where requested by Applicant and mutually agreed upon, the Company may perform that portion of the new service extension work normally the responsibility of Applicant according to Section D.1 of this Rule, provided Applicant pays the Company its total installed cost.

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b. Applicant Performed Work

Applicant may elect to use competitive bidding to install that portion of the new Service Facilities normally installed and owned by the Company, in accordance with the same provisions outlined in Rule No. 15, Gas Main Extensions of this California Gas Tariff.

Rule No. 16

GAS SERVICE EXTENSIONS  
(Continued)

E. ALLOWANCES AND PAYMENTS BY APPLICANT

1. General

New applications for gas line extensions submitted on or after July 1, 2023, will not qualify for allowances, except for Eligible Projects approved by the Commission (see Rule No. 15, Section C.2.). For Eligible Projects approved by the Commission, the Company will provide the Service Lateral extension without charge provided the Company's total estimated installed cost (including Meter Set Assemblies) does not exceed the allowances as determined from permanent, bona-fide loads to be served by the extension within a reasonable time as determined by the Company, and if the Company's actual installed cost does not exceed its total estimated installed cost and the allowances (excluding Company Convenience).

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2. Allowances

No allowance for residential Permanent Service on a per-unit basis will be provided for applications submitted on or after July 1, 2023. The allowance for Eligible Projects approved by the Commission on a per-unit basis, is as follows:

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N/D

	<u>Southern California</u>	<u>Northern California/ South Lake Tahoe</u>
Water Heating	\$ 97	\$ 271
Space Heating	\$ 356	\$ 1,008
Oven/Range	\$ 37	\$ 33
Dryer Stub	\$ 61	\$ 82

a. Residential Applicants for both main and service extensions who are entitled to a Service Extension allowance in excess of the total estimated cost of the Service Extension may apply the amount of the unused portion of such Service Extension allowance toward the cost of the Main Extension, provided that the sum of the main and service allowances granted by the Company does not exceed the total allowances provided in Rule No. 15, Gas Main Extensions, and Rule No. 16, Gas Service Extensions.

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Rule No. 16

GAS SERVICE EXTENSIONS  
(Continued)

E. ALLOWANCES AND PAYMENTS BY APPLICANT (Continued)

2. Allowances (Continued)

- b. Allowances will be applied first to the Meter Set Assembly; then services; then mains.
- c. For non-residential Applicants for Distribution Main and Service Extensions, refer to Section C of Rule No. 15, Gas Main Extensions of this California Gas Tariff.

3. Seasonal, Intermittent, Insignificant and Emergency Loads

When Applicant of an Eligible Project approved by the Commission requests service that requires an extension to serve loads that are seasonal or intermittent, the allowance for such loads shall be determined using the formula and conditions outlined in Rule No. 15 Gas Main Extensions of this California Gas Tariff. No allowance shall be provided to an Eligible Project approved by the Commission where service is used only for emergency purposes or for Insignificant Loads.

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RULE NO. 16  
GAS SERVICE EXTENSIONS  
(Continued)

E. ALLOWANCES AND PAYMENTS BY APPLICANT (Continued)

4. Payments

A cash payment is required in advance of the Company commencing work for the Company's total estimated installed cost and is required after the Company commences work if the Company's actual installed cost exceeds its total estimated installed cost (excluding Company Convenience). For Eligible Projects approved by the Commission, a cash payment will only be required in advance of the Company commencing work if Applicant's allowance is less than the Company's total estimated installed cost, and after the Company commences work if the Company's actual installed cost exceeds its total estimated installed cost and the allowances (excluding Company Convenience). The following costs Applicant is responsible to pay are non-refundable costs, as applicable under this Rule:

a. Excess Service

For Eligible Projects approved by the Commission, the Company's total installed cost (including trenching and appurtenant facilities such as fittings, valves, etc.) in excess of the total allowance.

b. Tax

Any payments or Contributions of facilities by Applicant are taxable Contributions in Aid of Construction (CIAC) and shall include an Income Tax Component of Contribution (ITCC) for state and federal tax at the rate provided in the Company's Preliminary Statement of this California Gas Tariff.

c. Other

The Company's total cost for any work it performs that is the Applicant's responsibility or performs for the convenience of Applicant.

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RULE NO. 16

GAS SERVICE EXTENSIONS  
(Continued)

E. ALLOWANCES AND PAYMENTS BY APPLICANT (Continued)

5. Refunds

No refunds apply to the installation of Gas Service Facilities under this Rule.

6. Periodic Review

The Company will periodically review the factors it uses to determine the allowances and costs stated in this Rule. If such review results in a change of more than 5 percent, the Company will submit a tariff revision proposal to the Commission for review and approval. Such proposed changes shall be submitted no sooner than six months after the last revision.

F. EXISTING SERVICE FACILITIES

1. Service Reinforcement

a. Company-Owned

When the Company determines that its existing Service Facilities require replacement, the existing Service Facilities shall be replaced as new Service Facilities under the provisions of this Rule.

b. Applicant-Owned

The Applicant shall replace or reinforce that portion of the Service Lateral which the Applicant will continue to own under the provisions of this Rule.

RULE NO. 16  
GAS SERVICE EXTENSIONS  
(Continued)

F. EXISTING SERVICE FACILITIES (Continued)

2. Service Relocation or Rearrangement

a. Company Convenience

When, in the judgment of the Company, the relocation or rearrangement of a service is necessary for the maintenance of adequate service or for the operating convenience of the Company, the Company normally will perform such work at its own expense, except as provided in Sections F.2.b, F.3 and F.4 of this Rule.

b. Applicant Convenience

Any relocation or rearrangement of the Company's existing Service Facilities, at the request of Applicant (aesthetics, building additions, remodeling, etc.) and agreed upon by the Company, the work shall be performed in accordance with Section D of this Rule, except that Applicant shall pay the Company its total costs.

In all instances, the Company shall abandon or remove, at the option of the Company, the existing facilities rendered idle by the relocation or rearrangement.

3. Impaired Access and Clearances

Whenever the Company determines that:

- a. Its existing Service Lateral facilities have become inaccessible for inspections, operating, maintenance, meter reading or testing; or,
- b. A hazardous condition exists or any of the required clearances between the existing Service Facilities and any object become impaired, under any applicable laws, ordinances, rules, regulations of the Company or of public authorities, then the following applies:

RULE NO. 16  
GAS SERVICE EXTENSIONS  
(Continued)

F. EXISTING SERVICE FACILITIES (Continued)

3. Impaired Access and Clearances (Continued)

c. Corrective Action

Applicant or owner shall, at Applicant's or owner's expense, either correct the access or clearance infractions or pay the Company its total cost to relocate its facilities to a new location which is acceptable to the Company. Applicant or owner shall also be responsible for the expense to relocate any equipment which Applicant owns and maintains. Failure to comply with corrective measures within a reasonable time may result in discontinuance of service.

4. Damaged Facilities

When the Company's facilities are damaged by others, the repair will be made by the Company at the expense of the party responsible for the damage. Applicants are responsible for repairing their own facilities.

5. Subdivision of Premises

When the Company's Service Facilities are located on private property and such private property is subsequently subdivided into separate Premises, with ownership transferred to other than Applicant or customer, the subdivider is required to provide the Company with adequate rights-of-way, satisfactory to the Company, for its existing facilities and to notify property owners of the subdivided Premises of the existence of the rights-of-way.

When adequate rights-of-way are not granted as a result of the property subdivision, the Company shall have the right, upon written notice to the current customer, to discontinue service without obligation or liability. The existing owner, Applicant or customer shall pay to the Company the total cost of any required relocation of the Company's facilities. A new gas service will be reestablished in accordance with the provisions of Section D of this Rule for new services and the provisions of any other applicable Company rules.

RULE NO. 16

GAS SERVICE EXTENSIONS  
(Continued)

G. EXCESS FLOW VALVE AND SERVICE LATERAL SHUT-OFF VALVE  
INSTALLATION

The installation of an Excess Flow Valve or Service Lateral Shut-Off Valve shall be performed on all newly installed or replaced Service Laterals connected to the Company's distribution system before the service is activated as provided by this Rule. Nothing in this Rule prevents the Company from installing or specifying, in its sole discretion, the installation of an Excess Flow Valve or a Service Lateral Shut-Off Valve in additional service types.

1. Applicable Service Lateral types

- a. A single Service Lateral to one single-family residence (SFR);
- b. A Branch Service to a SFR installed concurrently with the primary SFR Service Lateral (i.e. a single Excess Flow Valve may be installed to protect both the Service Lateral and the Branch Service);
- c. A Branch Service to a SFR installed off a previously installed SFR Service Lateral that does not contain an Excess Flow Valve;
- d. Multifamily residences with known customer loads not exceeding 5,500 SCFH per service at time of service installation based on installed meter capacity;
- e. A single, small commercial customer served by a single Service Lateral with a known customer load not exceeding 5,500 SCFH, at the time of meter installation, based on installed meter capacity; and,
- f. For Service Laterals with meter capacity that exceeds 5,500 SCFH, a Service Lateral Shut-Off Valve or, if possible, based on sound engineering analysis and availability, an Excess Flow Valve, shall be installed.

RULE NO. 16  
GAS SERVICE EXTENSIONS  
(Continued)

G. EXCESS FLOW VALVE AND SERVICE LATERAL SHUT-OFF VALVE  
INSTALLATION (Continued)

2. The Company is not required to install an Excess Flow Valve if one or more of the following conditions are present:
  - a. The Service Lateral does not operate at a pressure of 10 psig or greater throughout the year;
  - b. The Company has prior experience with contaminants in the gas stream that could interfere with the Excess Flow Valve's operation or cause loss of service to a customer;
  - c. An Excess Flow Valve could interfere with the necessary operation or maintenance activities such as blowing liquids from the Service Lateral; or
  - d. An Excess Flow Valve meeting the performance standards in 49 C.F.R. § 192.381 is not commercially available to the Company.
3. The Applicant shall provide the Company information concerning the gas usage and demand requirements. The Excess Flow Valve or Service Lateral Shut-Off Valve will be designed and constructed so that suitable gas capacity is available and satisfactory to the Company.
4. The Company will construct, own, operate and maintain the Excess Flow Valve or Service Lateral Shut-Off Valve in connection with the Branch Service and/or Service Lateral installation.
5. The Company shall pay for all costs associated with the installation, replacement or maintenance of the Excess Flow Valve or Service Lateral Shut-Off Valve unless that work is made necessary by the relocation of a main or Service Lateral that is either: due solely to meet the Applicant's convenience as provided by Rule 16(F)(2)(b); performed to redress a Customer's noncompliance with any of these tariff schedules; or is due solely to the addition of any special or added facilities that the Company agrees to install at the request of Applicant.

RULE NO. 16

GAS SERVICE EXTENSIONS

*(Continued)*

G. EXCESS FLOW VALVE AND SERVICE LATERAL SHUT-OFF VALVE  
INSTALLATION *(Continued)*

6. The Customer has the right to request that an Excess Flow Valve be installed on their existing Service Lateral if the load does not exceed 5,500 SCFH and the conditions in Rule 16(G)(2) are not present. In such instances, the Company shall notify the Customer of the following:
  - a. Any costs associated with the installation that shall be paid by the Customer.
  - b. The Company shall install the Excess Flow Valve at a mutually agreeable date.
7. If a Customer requests the installation of an Excess Flow Valve on their existing Service Lateral, the Company shall perform the installation subject to the practicability of the installation at a mutually agreeable date.



RULE NO. 16

GAS SERVICE EXTENSIONS

(Continued)

H. PERIODIC REVIEW

The Company will periodically review the factors it uses to determine its allowances, non-refundable discount option percentage rate, Non-residential Allowance Net Revenue Multiplier and cost of service factor stated in this Rule. If such review results in a change of more than 5 percent, the Company will submit a tariff revision proposal to the Commission for review and approval. Such proposed changes shall be submitted no sooner than six months after the last revision.

Additionally, the Company shall submit tariff revisions to implement relevant Commission decisions from other proceedings that affect this Rule.

I. EXCEPTIONAL CASES

When the application of this Rule appears impractical or unjust to either party or the ratepayers, the Company or Applicant may refer the matter to the Commission for a special ruling or for the approval of special conditions which may be mutually agreed upon.

J. DEFINITIONS FOR RULE NO. 16

Advance: Cash payment made to the Company prior to the initiation of any work done by the Company which is not covered by allowances.

Applicant: A person or agency requesting the Company to supply gas service.

Contribution: In-kind services and/or the value of all property conveyed to the Company at any time during the Company's work on an extension which is part of the Company's total estimated installed cost of its facilities or cash payments not covered by Applicant's allowances.

Distribution Main: The Company's gas facilities, which are operated at distribution pressure and which are designed to supply three or more services.

Eligible Project: A non-residential project meeting the criteria outlined in section E. may receive line extension allowances, a 10-year refundable payment option, or a 50-percent discount payment option if the Commission approves the Company's application filing for the Eligible Project to receive such allowances, refunds, or discounts.

Excavation: All necessary trenching, backfilling and other digging as required to install extension facilities, including furnishing of any imported backfill material and disposal of spoil as required, surface repair and replacement, landscape repair and replacement.

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RULE NO. 16

GAS SERVICE EXTENSIONS

*(Continued)*

J. DEFINITIONS FOR RULE NO. 16 *(Continued)*

Excess Flow Valve: A device designed to restrict the flow of gas in a Service Lateral by automatically closing in the event of a Service Lateral break, thus mitigating the consequences of Service Lateral failures.

Franchise Area: Public streets, roads, highways and other public ways and places where the Company has a legal right to occupy under franchise agreements with governmental bodies having jurisdiction.

Insignificant Loads: Small operating loads, such as log lighters, barbecues, outdoor lighting, etc.

Intermittent Loads: Loads which, in the opinion of the Company, are subject to discontinuance for a time or at intervals.

Meter Set Assembly: Consists of the customer meter, service pressure regulator and associated pipe and fittings.

Permanent Service: Service which, in the opinion of the Company, is of a permanent and established character. This may be continuous, intermittent or seasonal in nature.

Premises: All of the real property and apparatus employed in a single enterprise on an integral parcel of land undivided (except in the case of industrial, agricultural, oil field, resort enterprises and public or quasi-public institutions), by a dedicated street, highway or other public thoroughfare, or a railway. Automobile parking lots constituting a part of and adjacent to a single enterprise may be separated by an alley from the remainder of the premises served.

Protective Structures: Fences, retaining walls (in lieu of grading), barriers, posts, barricades and other structures as required by the Company.

Residential Development: Five or more dwelling units in two or more buildings located on a single parcel of land.

Residential Subdivision: An area of five or more lots for residential dwelling units which may be identified by filed subdivision plans or an area in which a group of dwellings may be constructed about the same time, either by a builder or several builders working on a coordinated basis.

Seasonal Service: Gas service to establishments which are occupied seasonally or intermittently, such as seasonal resorts, cottages or other part-time establishments.

RULE NO. 16

GAS SERVICE EXTENSIONS

*(Continued)*

J. DEFINITIONS FOR RULE NO. 16 *(Continued)*

Service Delivery Point: Where the Company's Service Lateral is connected to Applicant's pipe (house line), normally adjacent to the location of the Meter Set Assembly.

Service Lateral: The pipe, valves, Meter Set Assemblies and associated equipment extending from the point of connection at the Distribution Main to the Service Delivery Point, which is normally on Applicant's Premises.

Service Lateral Shut-Off Valve: A curb valve or other valve or manually operated valve located near the Service Lateral that is safely accessible to the personnel authorized by the Company to manually shut off gas flow to the Service Lateral.

Substructures: The surface and subsurface structures which are necessary to contain or support the Company's gas facilities. This includes, but is not limited to, equipment vaults and boxes, required sleeves for street crossings and enclosures, foundations or pads for surface-mounted equipment.

Trenching: All necessary Excavation, backfilling and other digging as required to install extension facilities, including furnishing of any imported backfill material and disposal of spoil as required, surface repair and replacement, and landscape repair and replacement.