

Extensions Rules: All Customers

General

1. Upon written application, the company will extend its mains to serve new residential, commercial, and industrial customers provided that the customer(s) to be served, in advance of construction, deposit with the company a contribution or agree to an extended payment plan under which the customer shall have added to a monthly bill for a period of no more than five years, an amount equal to the difference between the estimated cost of the main extension and the calculated cost allowance. Customers granted an extended payment plan, at the company's sole discretion will be responsible for the time value of money calculated at the company's weighted cost of capital in effect at the time the payment agreement is executed, on the unpaid balance, and billed accordingly. Extended payment plans shall only be available to customers with good credit which is determined at the sole discretion of the company.
2. The estimated cost for the installation of the main extension shall be calculated individually and based on either estimated current year installed costs for similar projects or an engineering estimate which uses estimated current year installation costs. The company will honor price quotes from written main extension engineering estimates for up to 90 calendar days from the date the quote is provided to the customer. The price quote, including allowances, required contributions and unit prices, is valid provided that the customer accepts the company written price quote and has its site ready for installation within the 90 day period. At its sole discretion, the company may extend the effective date of the price quote beyond 90 days.
3. Cost allowance(s) for main extension to residential, commercial, or industrial customers shall be calculated using the following formula:

Main Extension Cost Allowance = Facility Credit – Standard service line cost

$$\text{Facility Credit} = \frac{\$(\text{MR} - \text{O\&M} - \text{GR})}{\text{CC}}$$

MR = (Daily Facilities Charge x 365) plus (Administrative Fee x 365, if applicable) plus (Maximum Demand Quantity x Customer Demand Charge rate x 365 days) plus (Annual therms x PSCW approved distribution rate) for the respective customer class(es).

O&M = Annual O&M cost per customer calculated using the FERC accounts and methods prescribed in previous Order(s) of the PSCW.

GR = Gross Receipts tax on the Annual Distribution Margin (MR)

CC = Carrying Costs = Economic Cost of Capital (Company's most recently, PSCW approved weighted average cost of capital, grossed up for taxes).

In the case where the above formula calculates a cost allowance for a stand alone single family, residential space heating customer to be less than \$750.00, the company shall issue a minimum \$750.00 cost allowance.

Extension Rules – All Customers (continued)

In the case where the above formula calculates a cost allowance, on a per unit basis, for a multi-family structure with individual unit space heating equipment , or any residential non-spaceheating customer, in an amount less than \$300.00, the company, shall issue a minimum \$300.00 cost allowance per unit.

4. When a larger-than-normal size main is installed to ensure adequate service to an area, the customer's contribution will be based on the size main required for its load but no less than 2-inch nominal size.
5. All main extension projects of \$6,000 or more will be reviewed for economic consideration, and service may be refused by the company provided that the reasons and supporting analysis for such refusal are furnished to the customer(s) in writing. The customer(s) shall be informed of its right to ask for Public Service Commission of Wisconsin staff review of said refusal.
6. If a customer or group of customers requires the installation of a main from December 1 through March 31, seasonal installation costs will be added to normally calculated cost of the main. The charge may be waived if the company does not incur such costs to install the main.
7. Length of main extensions shall be measured as the shortest path from the source of natural gas (existing natural gas main) along public right of ways to a point adjacent the customer's metering location. In subdivisions and other platted areas, the main extension shall be measured from the source of natural gas to the customer's furthest property line adjacent the proposed main unless there is no probable use of natural gas beyond the customer's property line.
8. Where extensions to the company's distribution system are made under these rules, title and control of such extensions shall at all times remain with the company. The company may connect existing customers to an extension without obligation to the customer(s) from whom a main contribution was required.

Extensions to More Than One Customer

1. The company may consider requests for gas service requiring main extensions which are received concurrently from a number of prospective customers as a series of individual requests or as one joint request. If considered individually, any required contribution will be determined for each customer in accordance with Schedule X-310, Extensions Rules: All Customers, and based on the allowance and main required by that customer. If considered as a joint request, any required contribution will be determined by comparing the total extension cost to the combined allowances of the customers and prorated among the customers. However, if in the company's sole judgment such apportionment would be discriminatory, the company will consider customer class, usage, location, and other factors in allocating the required contribution among the customers. The method to be used will be determined by the company and applied in a manner to minimize confusion over contribution and/or refund policies.

Extensions to Developments

1. Upon request of a developer for gas service to a residential development for which a main extension is required, the company will make such installation subject to the availability of gas supply at that location and in accordance with the general provisions of Schedule X-310, Extensions Rules: All Customers, and the following provisions:
 - a) The developer will furnish a recorded plat, map, or print showing the location and nature of the area for which gas service is requested. The characteristics, nature, and amount of initial gas load to be served shall be indicated.
 - b) The developer shall pay in advance to the company, or make payment arrangements that are satisfactory to the company, the total cost of the required main installation. For a period of five years from the date of installation, as customers take service within the development, refunds or credits against the payment arrangement will be made to the developer annually, or sooner at the company's sole discretion, equal to the allowance for mains determined by the formula contained in Schedule X-310, Extensions Rules: All Customers. The total of refunds or credits shall not exceed the original contribution requirement.
 - c) The development to be served includes five or more residential building lots.
2. If a development is other than residential stand alone single family, full payment in advance is required to the company.

Refunds – Excluding Extensions to Developments

The following refund policy applies to all main extensions except for those made within developments:

1. If within five years after installation of a main extension for which a contribution is required, one or more additional customers are connected to the extension by a service lateral, the company will make a refund annually, or sooner at the company's sole discretion or credit the monthly bill to the current record owner of the premises for which the extension was installed. The amount of the refund will equal the allowance for additional customers as determined in accordance with Schedule X-310, Extensions Rules: All Customers. If the extension was made as a result of a joint request under Schedule X-310, Extensions to More Than One Customer, the company will allocate the refund in the same manner used to allocate the contribution.

(See Schedule X-310, Extensions to Developments, Paragraph 1, Item (b), for refund policy for developments.)

2. Unless otherwise provided by written agreement at the time a contribution is made, the right to receive refund of any contribution held hereunder shall attach to the ownership of the premises at each service location, and any refund shall be made to the person who owns such premises at the time the refund becomes due.
3. The refund of any payment made in advance of construction shall not include interest and shall not exceed the original payment.