

GENERAL INFORMATION**2. RULES RELATING TO THE INSTALLATION OF MAINS, SERVICES, EXTENSIONS, ETC.: (CONT'D)****B. Utility Obligation to Provide Gas Service (Cont'd)**

If due to unusual circumstances the actual cost per foot of a particular installation is greater than two times the Company's average cost per foot of new installations for service for the 12 months ended September 30 of the previous year, it may apply to the Commission for relief from so much of this section as it deems necessary in order to provide the service.

C. The Company shall furnish, place and construct all mains, service lines, service connections and appurtenant facilities necessary to render the service requested. Service lines shall be constructed to the closest, suitable meter location. The cost and expense which the Company must bear shall be:

(1) Residential Applicant – Non-Heating

- (a) The material and installation cost relating to up to 100 feet of main, service line measured from the centerline the public right-of-way (or the main if it is closer to the customer and development shall be limited to one side of the right-of-way for at least 10 years), service connections and appurtenant facilities, but not less than 100 feet of main (if necessary) plus the length of service line necessary to reach the edge of the public right-of-way; The cost shall be determined as defined in Rule 2.H of this Schedule; and
- (b) The amounts paid to governmental authorities for permits to do the work required and all paving charges that are legally imposed by any governmental authority for the repair or replacement of any street or sidewalk disturbed in the course of such installation.

(2) Residential Applicant – Heating

- (a) The material and installation cost relating to:
 - i. Up to 100 feet of main and appurtenant facilities; and
 - ii. Up to 100 feet of service line measured from the centerline of the public right-of way (or the main if it is closer to the customer and development shall be limited to one side of the right-of-way for at least 10 years), service connections and appurtenant facilities; but not less than the length of service line necessary to reach the edge of the public right-of-way. The cost shall be determined as defined in Rule 2.H of this Schedule; and
- (b) The amounts legally imposed by governmental authorities for obtaining required work permits and for repairing or replacing disturbed pavement.

(3) Non-Residential Applicant

- (a) The material and installation cost relating to:
 - i. Up to 100 feet of main and appurtenant facilities; and
 - ii. Any service line, service connections and appurtenant facilities located in the public right-of-way; and
- (b) The amounts legally imposed by governmental authorities for obtaining required work permits and for repairing or replacing disturbed pavement.

D. Obligations of All Applicants

An applicant shall first have:

- (1) assured the Company that they shall be a reasonably permanent customer;
- (2) agreed in writing to pay to the Company;
 - (a) the material and installation costs relating to any portion of the service line, service connections and appurtenant facilities located on his/her property that exceeds the portion which the Company is required to install without charge;
 - (b) any surcharge relating to the portion of the main and appurtenant facilities that exceeds the portion which the Company is required to install without charge; and
 - (c) the rates charged like customers; and

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2. RULES RELATING TO THE INSTALLATION OF MAINS, SERVICES, EXTENSIONS, ETC.: (CONT'D)

D. Obligations of All Applicants: (Cont'd)

- (3) furnished reasonable security as to the performance of their agreement, if required to do so by the Company.

E. Reserved for Future Use

F. Reserved for Future Use

ISSUED BY: Joseph J. Syta, Vice President, Controller and Treasurer, Binghamton, New York

GENERAL INFORMATION

2. RULES RELATING TO THE INSTALLATION OF MAINS, SERVICES, EXTENSIONS, ETC.: (CONT'D)

G. Dual-fueled non-residential customers and interruptible customers:

The Company shall provide facilities to serve these customers on a cost justified basis.

H. Customer Charges for Additional Facilities:

(1) If, in order to provide service to an applicant, the Company must install mains and appurtenant facilities in addition to those required to be provided without charge under Rule 2.C, the Company shall impose a surcharge subject to the following provisions.

- (a) The surcharge relating to mains and appurtenant facilities including return, depreciation, taxes and maintenance shall not exceed 20% per year of the actual reasonable cost of such facilities that exceeds the portion which the Company is required to install without charge to an applicant, if the Company lays a main of four inches or less in nominal diameter (in the case of low pressure distribution) or of two inches or less in nominal diameter (in the case of high pressure distribution). If the Company lays a main greater than four inches or less in nominal diameter (in the case of low pressure distribution) or greater than two inches in nominal diameter (in the case of high pressure distribution), the surcharge shall not exceed 20% per year of the estimated reasonable cost of a four inches main (in the case of low pressure distribution) or a two inch main (in the case of high pressure distribution) unless the estimated consumption of the proposed customer(s) requires the installation of a larger-sized main, in which event the surcharge shall not exceed 20% per year of the actual reasonable cost of such main. The surcharge shall commence when gas service is first available to an applicant and shall be paid ratably for each billing period.

GENERAL INFORMATION

2. RULES RELATING TO THE INSTALLATION OF MAINS, SERVICES, EXTENSIONS, ETC.: (CONT'D)

H. Customer Charges for Additional Facilities: (Cont'd)

- (b) The surcharge shall be reduced by 50% of adjusted gas revenues, but the credit shall not exceed the amount of the surcharge as determined above.
- (c) Whenever more than one customer is connected to a main extension, the surcharge shall be so adjusted that the Company shall not receive in any one calendar year a greater percentage from all customers served from the main extension than that applicable to such extension. The surcharge shall also be reasonably allocated among the customers being served from the main extension, taking into account the portion of mains and appurtenant facilities which the Company is required to provide without charge to each customer served from such facilities.
- (d) Each surcharge shall cease:
 - (i) whenever the length of a main extension required to be provided without charge to all customers served from such extension shall equal or exceed the total length of such extension;
 - (ii) whenever the total adjusted gas revenue from all customers served from a main extension shall equal or exceed 40% of the cost of such extension in excess of that required to be provided without charge, in each of any two consecutive calendar years; or
 - (iii) after a period of 10 years following its commencement.
- (e) Should the adjusted gas revenue from all customers served from a main extension exceed the carrying cost of the entire extension, any surcharges (or contributions) paid by such customers during the preceding five years shall be refunded to such customers.
- (f) No surcharge shall be imposed if the total adjusted gas revenue from all customers served from a main extension is estimated to exceed 40% of the actual reasonable cost of such extension in each of any two consecutive calendar years.

GENERAL INFORMATION

**2. RULES RELATING TO THE INSTALLATION OF MAINS, SERVICES, EXTENSIONS, ETC.:
(CONT'D)**

H. Customer Charges for Additional Facilities: (Cont'd)

- (g) In lieu of a surcharge, the applicant, upon mutual agreement with the Company, may provide a cash contribution or other equitable arrangement equal to the cost of the main extension in excess of 100 feet distance (per applicant) from the end of the nearest main appropriate to the service requested.
 - (i) whenever more than one customer is initially connected to the extension, the cash contribution shall be reasonably allocated to the several customers served from the extension.
 - (ii) should additional customers be connected to said main extension during the initial ten year period from the date placed in service, a pro rata refund shall be made for the cost of that additional portion of main extension which the Company would have allowed without charge or surcharge.
- (h) Upon mutual agreement of both Company and applicant, an applicant may provide a guarantee of performance, in lieu of the contribution required in Section 2.H.(1)(g) of this Schedule.
- (2) If, in order to provide service to an applicant, the Company must install service lines, service connections and appurtenant facilities in addition to those required to be provided without charge, the applicant shall pay the Company's actual costs and expenses for said facilities.

Customers may install, at their own expense, service lines or trench (beyond that required to be provided by the Company without charge) in accordance with such rules and regulations for the construction thereof as may be filed in the Schedules of the Company. Before service is supplied to any location, all piping and equipment must be inspected and approved by the inspector of the Company.

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GENERAL INFORMATION

**2. RULES RELATING TO THE INSTALLATION OF MAINS, SERVICES, EXTENSIONS, ETC.:
(CONT'D)**

H. Customer Charges for Additional Facilities: (Cont'd)

- (3) In areas where gas service is supplied directly from high pressure pipelines used for transmission of gas at pressures in excess of those carried in pipelines utilized for distribution purposes, the Company shall, at the Customer's expense, furnish and install the necessary field regulator or regulators required to reduce the pressure at the high pressure pipeline to a suitable distribution pressure; said regulator or regulators and required fittings and connections to be installed at the point of connection between the Customer's service line and the high pressure pipeline. The Company shall also, at the Customer's expense, furnish and install a safety device so adjusted as to operate and relieve any pressure on the Customer's service line deemed by the Company to be unsafe or too high for satisfactory service. The Company shall also, at the Customer's expense, furnish and install satisfactory housing for the regulator equipment and for the meter to be installed by the Company.

The Company shall, at its expense, furnish, install and maintain a suitable service regulator as provided to customers in areas served by medium pressure distribution facilities and, also, a suitable meter for the measurement of the gas. In addition, the Company shall, upon reasonable notice, in the interest of safety, or satisfactory service, provide adjustment or maintenance service on all pressure regulating equipment; however, any materials which may be required in the servicing and maintenance of regulating equipment furnished at the customer's expense shall be subject to charges in accordance with Section 8.D.(1) and 8.J.(1) of this Schedule.

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GENERAL INFORMATION

2. RULES RELATING TO THE INSTALLATION OF MAINS, SERVICES, EXTENSIONS, ETC.: (CONT'D)

H. Customer Charges for Additional Facilities: (Cont'd)

- (4) In the event that a customer is authorized (by the Company or by the PSC, whichever is required in each instance) to transfer an existing gas allotment to a different location, the Customer must pay for all costs associated with the installation of a new service lateral or main extension, if these facilities do not exist at the new location.

GENERAL INFORMATION

2. RULES RELATING TO THE INSTALLATION OF MAINS, SERVICES, EXTENSIONS, ETC.: (CONT'D)

I. Furnishing of Rights of Way or Agreement to Pay Costs:

- (1) Each applicant or customer shall execute and deliver to the Company from which service is requested or by which service is being provided, free from cost, satisfactory permanent easements or rights-of-way to permit the Company to provide service.
- (2) The Company shall not be obliged to provide service to any applicant or customer which has neither:
 - (a) delivered to the Company satisfactory permanent easements or rights-of-way; nor
 - (b) requested that the Company obtain such easements or rights-of-way, agreed to pay any costs which the Company incurs in obtaining them and furnished reasonable security as to the performance of their agreement, if so required by the Company.

J. Delayed Use of Facilities

Whenever the Company installs service lines, service connections or appurtenant facilities at the request of an applicant who does not immediately desire service, the applicant shall bear the entire reasonable expense of providing, placing and constructing such facilities but shall be entitled to a refund whenever gas service is begun for such part of the expense as the Company is herein before required to assume. The refund shall be the cost of service lines and appurtenances, less depreciation at the rate of three percent (3%) per year.

K. Inspection, Maintenance and Replacement of Facilities:

- (1) The Company shall be solely responsible for the inspection, testing, operation, maintenance, replacement and reconstruction of all mains, service lines, service connections and appurtenant facilities which it uses to supply gas to customers.
- (2) The Company shall bear the cost of inspecting, testing and operating all facilities. It shall bear the cost of maintaining, replacing or reconstructing all main and appurtenant facilities. It shall also bear the cost of maintaining, replacing or reconstructing the service line and appurtenant facilities necessary to serve each as if such customer were an applicant for service, unless an act or omission of the customer necessitates the replacement or reconstruction.
- (3) If an act or omission of any customer who had installed facilities necessitates the replacement or reconstruction of such facilities, the customer shall pay to the Company the cost of replacement or reconstruction.

GENERAL INFORMATION

2. RULES RELATING TO THE INSTALLATION OF MAINS, SERVICES, EXTENSIONS, ETC.: (CONT'D)

K. Inspection, Maintenance and Replacement of Facilities: (Cont'd)

- (3) If an act or omission of any customer who had installed facilities necessitates the replacement or reconstruction of such facilities, the customer shall pay to the Company the cost of replacement or reconstruction.

3. APPLICATION FOR SERVICE:

A. Residential:

(1) Application

An application for residential service may be oral or written. An oral application for service shall be deemed completed when the applicant provides his or her name, address, telephone number and address of prior account (if any) or prior account number (if any). The Company may require an applicant to complete a written application (for the applicable service classification) if:

- (a) there are arrears at the premises to be served and service was terminated for non-payment or is subject to a final notice of termination; or
- (b) there is evidence of meter tampering or theft of service; or
- (c) the meter has advanced and there is no customer of record; or
- (d) the application is made by a third party on behalf of the person(s) who would receive service.
- (e) Service will be rendered under a general service classification.

Whenever a written application for residential service is required, the Company shall so notify the applicant as soon as practicable after the request for service is made, and in no event more than two business days after such request, and shall state the basis for requiring a written application. A written application may require the submission of information required in an oral application, and reasonable proof of the applicant's identity and responsibility for service at the premises to be served.

All residential applicants that meet the conditions for requiring a written application may be asked to produce positive identification. Should the residential applicant refuse to provide positive identification, service may be denied to such applicants, pursuant to 16 NYCRR 11.3 or a deposit may be required pursuant to Rule 8.O.1.

A written application containing the required information shall be deemed completed when received by the Company.