

RULE NO. 10

SERVICE EXTENSIONS

Extensions of gas distribution services necessary to furnish permanent service to applicants will be made by the Company in accordance with this rule.

A. GENERAL

The Company will construct, own, operate and maintain service lines of suitable capacity from its gas main to a meter location on the property of the applicant that is satisfactory to the Company.

B. SERVICE EXTENSIONS TO APPLICANTS FOR SERVICE

1. Gas service extensions will be made by the Company at its expense provided the total estimated cost of the extension, less any cash or non-cash contribution in aid of construction, does not exceed the allowable investment.
2. Allowable investment, expressed as a multiple of margin, is set forth below.
 - a. Residential Customers. The allowable investment for a service extension to serve a residential customer may not exceed two (2) times margin, except as provided in (b) herein.
 - b. If the residential customers are tenants in a fully-improved master-metered mobile home park (MMP) and the MMP is currently or was formerly served under a MMP schedule, the allowable investment for the MMP will be determined by the following formula:

Southern Nevada Division
 $AI = (FR - CR) \times 5$

Northern Nevada Division
 $AI = (FR - CR) \times 3$

Where:

AI = Allowable Investment

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SERVICE EXTENSIONS
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B. SERVICE EXTENSIONS TO APPLICANTS FOR SERVICE (Continued)

2. (Continued)

b. Where: (Continued)

FR = The MMP's estimated future total annual revenue, assuming conversion to individual residential service, using the MMP's average park occupancy for the past two (2) years, less the Company's current average cost of purchased gas to serve the MMP as set forth in the currently effective Statement of Rates of this Nevada Gas Tariff.

CR = The MMP's current total annual revenue, under the applicable MMP schedule, averaged for the past two (2) years, less the Company's current average cost of purchased gas to serve the MMP as set forth in the currently effective Statement of Rates of this Nevada Gas Tariff. If the MMP is not a current customer of the Company, the CR will be determined on the basis of engineering estimates of occupancy and usage.

The Company will install that portion of each service in excess of the allowance subject to a nonrefundable contribution to be paid prior to construction by the applicant MMP. In no event shall costs above the allowable investment be borne by the Company.

3. Non-Residential Customers. The allowable investment provided in Rule No. 9 for service to non-residential customers is the total allowable investment for these classes of customers.

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C. RESIDENTIAL AMORTIZATION PROGRAM

The Residential Amortization Program described in Rule No. 9D shall be applicable to the service extension pursuant to the terms and conditions set forth in the aforementioned rule.

D. GENERAL CONDITIONS

1. Contracts

- a. Each applicant for service and persons requesting an extension in advance of applications for service will be required to execute a contract covering the terms under which the Company will install services in accordance with the provisions of this Tariff.
- b. These contracts will provide, among other things, that applicant will install and commence using in a bona fide manner within six (6) months after the date of the completion of the service extension those appliances and items on which the Company's allowable investment was based. Such contract will also provide that if any applicant fails to take service or fails to install one or more of the appliances or items contracted for, the Company may calculate and bill the customer and the customer shall pay an amount according to the Company's service extension rule in effect at the time the extension was made as though service had been requested on the basis of the actual appliances and equipment installed and utilized. At its option, the Company may require a performance bond or other surety guaranteeing bona fide operation of the facility for which service is requested in accordance with applicant's representation in the contracts.
- c. At the time service is requested, the applicant will submit a list of natural gas equipment to be used, including the Btu input.

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D. GENERAL CONDITIONS (Continued)

2. Main Extensions

- a. Gas main line extensions required to serve an applicant shall be installed as provided in Rule No. 9 of this Nevada Gas Tariff.
- b. An applicant who would be entitled to a free main extension pursuant to Rule No. 9, but who does not require all of the free main extension for which they are eligible, may apply the amount of the unused portion of such free main extension toward the cost of the service line necessary to reach the applicant's meter location; and provided further, that in no event will the total investment borne by the Company exceed the allowable investments as provided in Section B herein and Rule 9B combined.
- c. In cases where the applicant's proposed meter location is a considerable distance from the main, or where the service is taken from a transmission main, or where a hazard or obstruction such as plowed land between the gas main and the applicant's building prevents the Company from prudently installing a service line, the Company may, at its discretion, waive the allowable investment stated above. In such cases the meter may be located at or near the applicant's property line, as close as practical to the Company's main at a location mutually agreed upon. Where these conditions exist, the Company will install service pipe only to the meter location.

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D. GENERAL CONDITIONS (Continued)

3. Service Line Extensions Beyond the Allowable Investment. The Company will install that portion of each service line in excess of the allowable investment upon receipt of a nonrefundable cash or non-cash contribution in aid of construction equal to the estimated cost of such excess service line. Any contribution in aid of construction may be adjusted to recover the cost of Federal Income Tax in accordance with Nevada Administrative Code (NAC) 704.6532 by the Tax Liability Factor in effect at the time the contribution or advance is taken. The Company's Tax Liability Factors are set forth in the Statement of Rates Tax Liability Factor of this Nevada Gas tariff.
4. One Service for a Single Premise
 - a. The Company will not install more than one (1) service line to supply a single premise, except at the option of, and as determined by the Company for its operating convenience, consistent with its engineering design, and the applicant makes a nonrefundable contribution for the additional service based on the Company's estimated cost.
 - b. When a service extension is made to a meter location upon private property, which is subsequently subdivided into separate premises, with ownership of portions thereof divested to other than the applicant or the customer, the Company shall have the right, upon written notice, to discontinue service without obligation or liability. Gas service, as required by said applicant or customer, will be reestablished in accordance with the applicable provisions of the Company's rules.
5. Branch Services. The Company, at its option, may install a branch service for units on adjoining premises.

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D. GENERAL CONDITIONS (Continued)

6. Relocation of Services

- a. When, in the judgment of the Company, the relocation of a service including metering facilities, is necessary and is due either to maintenance of adequate service or the operating convenience of the Company, the Company normally shall perform such work at its own expense.
- b. If relocation of service line is due solely to meet the convenience of the requirements of the applicant or the customer, such relocation, including metering and regulating facilities, shall be performed by the Company at the expense of the applicant or the customer.
- c. Relocation of facilities will be mandatory and at the customer's expense when actions of the customer restrict the Company's access to or the safety of the facility.
- d. The cost of relocations performed at the customer's expense may be adjusted to recover the cost of Federal Income Tax in accordance with NAC 704.6532 by the Tax Liability Factor in effect at the time the work is performed. The Company's Tax Liability Factors are set forth in the Statement of Rates of this Nevada Gas Tariff.

7. Seasonal, Intermittent or Standby Service. When an applicant will use gas service in establishments occupied seasonally or intermittently, such as seasonal resorts and cottages or other part-time establishments, one-half (1/2) of the allowance provided in this rule will apply. No allowance will be made for equipment used for standby or emergency purposes only. No allowance will be made for pool heaters for residential customers.

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D. GENERAL CONDITIONS (Continued)

8. Temporary Service. Extensions for temporary service or for operations, which in the opinion of the Company are of a speculative character or of questionable permanency, will not be made under this rule, but will be made in accordance with Rule No. 15 of this Nevada Gas Tariff.
9. Length and Location. The length of service required for an extension will be considered as the distance along the shortest practical and available route, as determined by the Company, from the Company's nearest permanent distribution main.
10. Service Impairment to Other Customers. When, in the judgment of the Company, providing service to an applicant would impair service to other customers, the cost of necessary reinforcement to eliminate such impairment may be included in the cost calculation for the extension.
11. Service From Transmission Mains. The Company will not tap a gas transmission main except when conditions, in its sole opinion, justify such a tap. Where such taps are made, the applicant will pay the Company the cost of such tap, and extensions therefrom will be made in accordance with the provisions of this rule.
12. Other Types of Connections. Where an applicant or customer requests a type of service connection other than standard such as stub services, curb meters and vaults, etc., the Company will consider each such request and will grant such reasonable allowance as it may determine. The Company shall install only those facilities that it determines are necessary to provide standard natural gas service in accordance with this tariff. Where the applicant requests the Company to install special facilities which are in addition to, or in substitution for, or which result in higher costs than the standard facilities which the Company would normally install, the extra cost thereof shall be borne by the applicant.

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D. GENERAL CONDITIONS (Continued)

13. Excess Flow Valve Installation. In accordance with The Pipeline Inspection, Protection, Enforcement and Safety Act of 2006 and Title 49, Section 192.383 of the Code of Federal Regulations, the installation of an excess flow valve, as defined in Rule No. 1, shall be performed by the Company on new or replaced single residence service lines. If any other customer requests the installation of an excess flow valve, the Company shall perform the installation subject to the feasibility of such installation and the customer assuming responsibility for all costs associated with installation.

14. Exceptional Cases. In unusual circumstances, when the application of this rule appears impractical or unjust to either party, the Company or the applicant may refer the matter to the Commission for special ruling or for the approval of special conditions which may be mutually agreed upon prior to commencing construction.

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