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|  **RULES AND REGULATIONS** (Continued) |
|  **RULE NO. 6: Extension of Distribution Facilities** |

1. **Margin Allowance:** The Company will provide the Margin Allowance to a qualifying new or modified line extension project as described in this section. In all cases, for either a new or modified line extension project, the Company will not grant any Margin Allowance for any Customer, if the Company, in its sole judgment, determines that the Customer load will not be in service for five years.
2. New Natural Gas Facility Extension Margin Allowance
	1. Residential Service: Schedule 23: $4,179 per new Customer
	2. Non-residential:
		1. Schedules 31, 31T, 41, 41T, 86, and 86T: $3.46 per Estimated Annual Therm
		2. Schedules 85 and 85T: $0.87 per Estimated Annual Therm
		3. Schedules 87 and 87T: $0.12 per Estimated Annual Therm
3. Modification of Existing Natural Gas Facility Margin Allowance
4. Residential Service: Schedule 23: $3.81 per Incremental Therm Added
5. Non-residential:
6. Schedules 31, 31T, 41, 41T, 86, and 86T: $2.68 per Incremental Therm Added
7. Schedules 85 and 85T: $0.74 per Incremental Therm Added
8. Schedules 87 and 87T: $0.11 per Incremental Therm Added
9. **Other Fees and Charges:**
10. **Security Deposit Required from Line Extension Customers:** In addition to the Customer Payment in Section 3, a security deposit may be required from a line Extension Customer if the Customer’s plans are conditional and/or there are multiple phases in the Customer’s build-out plan. If applicable, the security deposit shall be $500 per meter or 5% of the total Line Extension Costs, whichever is higher as determined by the Company. The security deposit will be refunded with interest at the rate established for Customer deposits in Rule No. 5 to the Customer upon the Company’s validation of the completion of Customer’s build-out plan otherwise the security deposit is not refundable. However, the amount of the security deposit, as prescribed in this section shall not limit the other remedies otherwise available to the Company.

 (Continued on Sheet No. 16-C)