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| RULES AND REGULATIONS (Continued) |
| RULE NO. 7A: Extension of Distribution Facilities—Kittitas County |

1. **Purpose and Applicability – CLOSED to new customers:** The purpose of this rule is to make natural Gas Service available to prospective Customers in Kittitas County who have signed a Gas Service Agreement prior to February 1, 2017, based on long-term economic benefits consistent with prudent utility practices. However, service may not be provided, extended or modified for reasons described in WAC 480-90-123, Refusal of Service.

This rule defines the terms and conditions under which Distribution Facilities will be extended to new residential, commercial, or industrial Customers in Kittitas County. It also defines the terms and conditions for modifying existing Distribution Facilities to meet changed requirements for Customers in Kittitas County.

1. **Definitions:**
   1. Customer Advance: A potentially refundable prepayment by a Customer for the extension of Distribution Facilities. The amount of the advance will be calculated using the Facilities Investment Analysis. The Customer Advance shall include the effect of applicable federal income taxes as per Rule No. 28.
   2. Distribution Facilities: Mains, service piping, meters, regulators, valves, and associated fittings.
   3. Estimated Annual Consumption: Estimated gas usage based on the usage parameters specified in Rate Schedule No. 7.
   4. Facilities Investment Analysis (“FIA”): A discounted cash flow calculation for determining the rate of return, Customer Advance, and Qualification Payments related to facilities extensions. (A copy of the Facilities Investment Analysis computer algorithm on electronic medium is on file with the Washington Utilities and Transportation Commission.)
   5. Kittitas New Customer Rate: A non-refundable rate of $0.17 per therm to be applied in addition to all Kittitas County Customer’s underlying sales rate for the purpose of providing revenue to contribute to the cost of extending service to Kittitas County.

(Continued on Sheet No. 19-H)