

AVISTA CORPORATION  
dba Avista Utilities

## RULE NO. 15

## GAS MAIN EXTENSIONS

Extensions of gas distribution mains exclusive of meters, regulators and service lines, necessary to furnish permanent gas service to applicants, will be made by the Company in accordance with the following provisions:

## A. General

The Company will construct, own, operate and maintain gas distribution main extensions only along public streets, roads and highways which the Company has the legal right to occupy, and on public lands and private property across which rights-of-way satisfactory to the Company may be obtained without cost to the Company.

## B. Extensions to Individual Applicants

## 1. Free Extension

Gas main extensions will be made by the Company, provided the estimated total cost of the required extension from existing distribution mains to the premises to be served does not exceed three (3) times the estimated annual gross revenue as determined by the Company to be derived from bonafide applicants for such service; provided, however, that the request for service shall be of such permanence as to warrant the expenditure involved.

## 2. Extension Beyond Free Length

a. An extension where the estimated cost is more than three (3) times the estimated annual gross revenue shall be constructed by the Company upon fulfillment of the following conditions:

- (1) The execution of a main extension agreement.
- (2) The applicant or group of applicants shall advance in cash to the Company an amount equal to the difference between the cost of the extension and three (3) times the estimated annual gross revenue times the number of applicants.

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- b. Upon completion of an extension, where an advance is made based on the estimated cost thereof, said advance will be adjusted only where the actual cost is found to be less than the estimated cost.
- c. The amount advanced hereunder will be subject to refund, without interest, as provided for in Section B.3.

3. Method of Refund

The amount advanced in accordance with Section B.2. will be subject to refund in the following manner:

- a. A refund will be made for each additional customer connected to an extension for which all advance payments have not been refunded, equal to the amount by which three (3) times the estimated annual revenue exceeds the cost of a construction to serve such additional customer. Where there is a series of extensions, on any of which an advance is still refundable, and the Company makes succeeding free extensions with excess allowances (three (3) times the estimated annual revenue times the number of applicants less the cost of construction to serve), refunds will be made to repay in turn each of such advances which remain refundable beginning with the first series from the original point of supply. When two or more parties make a joint advance on the same extension, refundable amounts will be distributed to these parties in the same proportion as their individual advances bear to the total joint advance.
- b. No refunds will be made by the Company on advances, or portions thereof, covering extensions which have been in service more than five (5) years.
- c. Any assignment by a customer of his interest in any part of a cash advance made as above which at the time remains unrefunded, must be made in writing and endorsed by the Company showing the amount still unrefunded, and a copy of such assignment bearing the signature of both the assignor and assignee must be filed with the Company before it shall be effective and binding upon the Company.

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- d. Any portion of the cash advance which shall remain in the possession of the Company after the termination of the refunds as above provided for shall become the property of the Company.

C. Main Extensions to Serve Subdivisions

1. Advances

- a. Gas distribution main extensions to and within subdivisions will be constructed, owned and maintained by the Company in advance of applications for service by ultimate users only when the entire estimated cost of such extensions is advanced to the Company; however, the payment of the portion of such advance as the Company estimates would be refunded within six months under other provisions of this extension rule shall be postponed for six months if the subdivider-builder furnishes to the Company evidence that he had received state and local authorizations to proceed promptly with construction and that he has adequate financing, and provided further that the subdivider-builder agrees in writing, in his contract for the extension, to pay immediately at the end of six months all amounts not previously advanced which are not then refundable. At the end of such six-month period, the Company shall collect all such amounts not previously advanced which are not then refundable.
- b. The amount advanced will be subject to refund without interest, as provided in Section C.2., provided, however, no repayment will be made by the Company in excess of the amount advanced to the Company and further provided that no repayments will be made by the Company after a period of five (5) years from the date of completion of the extension on which the advance was made.

2. Method of Refund

- a. Refunds as tabulated hereunder for such permanent installations as may be directly connected to such an extension will be made within sixty (60) days after the date of first

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service or as soon thereafter as practicable on the following basis:

- (1) Each main extension built to serve a subdivision shall serve a defined number of lots.
- (2) When any individual lot shall have a permanent and complete building constructed thereon, occupied by one of the Company's bonafide customers, the Company will refund that portion of the sum advanced which bears the same relation to the sum advanced as one lot bears to the total number of lots in the subdivision.
- (3) Should a connection for service be made to the main extension other than to serve one of the lots determined in accordance with Section C.2.a.(1) above, then the refund provisions of Section B.3.a. will apply.
- (4) When multi-family dwelling units are included within a subdivision, the refund for these units will be provided as follows:
  - (a) The first occupied apartment in each multi-family unit will qualify for a refund as if it were one lot, on the basis described in Section C.2.a.(2) above. Each remaining apartment, within that unit, as occupied thereafter would qualify for a refund of 25% of that amount.
  - (b) After full occupancy, the refund that would be due for the number of lots upon which the multi-family units are constructed will be made. Refunds in excess of the number of lots may be made provided the total amount advanced for the subdivision is not exceeded.

D. Extensions for Temporary or Speculative Business

Extensions for temporary service or speculative business will be made under the temporary service rule.

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E. Exceptional Cases

If adherence to these rules should be deemed impractical or impossible by either party, the Company or the applicant, prior to commencing construction or installation, may petition the Commission for a special ruling or for the approval of special conditions that have been mutually agreed upon.

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