**Section 500.310 Extension of Distribution Mains in Urban Areas**

a)

1) For the purposes of this Section, a customer shall be deemed to be an urban customer where his premises are located within the incorporated limits of a city, village or town, or in territory where the conditions of service reasonably approximate the conditions of service normally found in recognized urban territory; provided, however, that a public utility may file with the Commission for its consideration maps showing the areas deemed to be urban and, when so filed and approved by order or otherwise by this Commission, said maps shall govern. A customer whose premises are not located in urban territory as above described, will be considered as a rural customer. The foregoing shall be interpreted in the light of recognized and accepted practices.

2) The provisions of this Section shall not apply to applicants for service under so-called off-peak or interruptible rate classifications. Said service, when available, shall be governed by an extension provision or agreement which the utility may file with the Commission.

b) Free Extensions

1) If an extension of a utility's distribution system should be necessary in order to provide firm gas service for an applicant or group of applicants whose premises are located in urban areas within which the utility operates, the utility, upon written request for service by such applicants, shall without charge make the necessary main extension along a street, highway or other right-of-way to the nearest point adjacent to the premises of such applicants, provided the extension does not exceed 100 feet of low pressure system main or 200 feet of high pressure system main per applicant, and provided further that no free extension shall be made from existing mains on which refunds are still due from previous deposits. In such event any further extension shall be made only upon the applicant making a deposit equal to the full estimated cost of the further extension required.

2) For the purpose of this Section, high pressure system mains are those in which gas is carried to the applicant's premises at a nominal pressure of two pounds or more per square inch, and low pressure system mains are those in which gas is carried at a nominal pressure of less than two pounds per square inch.

3) Distribution systems, as used in this Section, shall not include that portion of a utility's system commonly used as interplant connections.

c) Extension in excess of free limits.

1) If a main extension is necessary to provide firm gas service for an applicant or group of applicants in excess of the free limit as specified in paragraph (b) of this Section, and in an area where the utility operates, the utility shall make the said extension upon agreement by the applicant or group of applicants to comply with the provisions of the following subparagraphs:

A) It shall be optional with the utility to file a main extension provision in conjunction with its rate schedule, which main extension provision may be stated in such manner that the applicant will have a choice of obtaining the extension thereunder or obtaining the extension under subparagraph (c)(1)(B) following. If such main extension provision is thus filed and permitted to become effective by the Commission, then the applicant may, at his election, proceed thereunder or proceed under subparagraph (c)(1)(B) following. The said main extension provision, however, may be stated in such manner as to be in lieu of, and not optional to, subparagraph (c)(1)(B) following, but in that case said main extension provision shall not become effective except after showings that it is generally more favorable to applicants than the provisions of subparagraph (c)(1)(B), and after specific action by this Commission by order or otherwise, permitting the same to become effective. If such main extension provision last mentioned is thus permitted to become effective, it shall govern the making of extensions in excess of the free limits.

B) The utility may require the applicant or group of applicants to deposit with the utility the estimated cost of the extension in excess of the free limit (as specified in paragraph (b) of this Section), determined in the manner designated in the next following paragraph (d). The utility then shall refund an amount equal to the average estimated cost, at the time of making such deposit, of constructing in the area 100 feet of low pressure main or 200 feet of high pressure main, for each additional customer whose service shall be taken from the original extension or from any extension thereof within a period of ten years from the making of the original extension, provided that the total amount refunded shall not exceed the original deposit.

2) In the event an option is available, applicants will be governed by the majority as applied to any specific extension.

d) Determination of deposit – The distance of the applicant from the available distribution main, nearest by the route which normally would be followed in making the extension and over which right-of-way is available, shall be used as the basis in determining the necessity for, or the amount of, a deposit.

e) Commission review – If the extension is of such length, and the prospective business which may be developed by it is so meager as to make it doubtful whether the business from the extension would ever pay a fair compensation for its investment, operation, maintenance and replacement, or for other substantial reasons is unwarranted, the fact shall be reported to the Commission for investigation and determination as to the reasonableness of such extension.