2.06 GAS BALANCING ACCOUNT ADJUSTMENT PROVISION

APPLICABILITY

The purpose of the Gas Balancing Account is to recover, on a dollar-for-dollar basis, purchased gas costs and gas-cost-related expenses. Gas commodity costs are market driven and fluctuate with market prices. Non-gas costs include costs to transport the gas to the customer, the cost of producing company-owned production associated with purchases under the Wexpro Agreement and certain other Commission-approved expenses.

This gas balancing account adjustment provision applies to the Supplier Non-Gas (SNG) component of all applicable rate schedules and the commodity component of all sales rate schedules contained in this Tariff.

For purposes of tracking and collecting CO_2 processing costs from transportation customers only, this account applies to the TS rate schedule. The CO_2 costs applicable to transportation customers shall be tracked and collected separately from the SNG and commodity costs subject to the balancing account accrual described below.

BALANCING ACCOUNT ACCRUAL

Each month a calculation will be made to determine the amount to be accrued into Account No. 191.1 of the Uniform System of Accounts, Unrecovered Purchased Gas Costs (Utah). A positive accrual reflects an under-recovery of costs and is debited to Account No. 191.1. A negative accrual reflects an over-recovery of costs and is credited to Account No. 191.1. Any applicable refund or out-of-period charge which reflects a change in the cost of gas for a prior period will be credited or debited respectively to the balancing account during the month the refund or charge is recorded in the Company books. Account No. 191.1 will be made up of two distinct parts, a commodity balance and an SNG balance, each of which is amortized separately pursuant to the surcharge rate determination described below. The monthly accrual (positive or negative) is determined by calculating the difference between the Cost of Gas and Gas Revenues as is described below.

Accrual = Cost of Gas - Gas Revenues where:

Cost of Gas

The cost of gas is the total of (1) Gas Cost Expenses, plus (2) Additional Gas Cost Expenses, less (3) Exclusions to Gas Costs, less (4) Other Revenues as described below:

(1) Gas Cost Expenses include the following FERC Accounts. Items to be included in the accounts have been modified from FERC descriptions for use by Utah Gas utilities.

758 Gas well royalties - This account shall include royalties paid for natural gas produced by the utility from wells on land owned by others.

759 Other expenses - This account shall include the cost of labor, materials used and expenses incurred in producing and gathering

natural gas and not includible in any of the foregoing accounts. Costs recorded in this account are:

(a) Gathering commodity and demand expenses.
(b) Credits for gathering for others.

800 Natural gas well head purchases - This account shall include the cost at well head of natural gas purchased in gas fields or production areas.

801 Natural gas field line purchases - This account shall include the cost, at point of receipt by the utility, of natural gas purchased in gas fields or production areas at points along gathering lines, and at points along transmission lines within field or production areas, exclusive of purchases at outlets of gasoline plants includible in account 802.

802 Natural gas gasoline plant outlet purchases - This account shall include the cost, at point of receipt by the utility, of natural gas purchased at the outlet side of natural gas products extraction plants.

803 Natural gas transmission line purchases - This account shall include the cost, at point of receipt by the utility, of natural gas purchased at points along transmission lines not within gas fields or production areas, excluding purchases at the outlets of products extraction plants includible in account 802.

804 Natural gas city gate purchases - This account shall include the cost, at point of receipt by the utility, of natural gas purchased which is received at the entrance to the distribution system of the utility.

806 Exchange gas - This account includes debits or credits for the cost of gas in unbalanced transactions where gas is received from or delivered to another party in exchange, load balancing, or no-notice transportation transactions. The costs are to be determined consistent with the accounting method adopted by the utility for its system gas.

808.1 Gas withdrawn from storage-Debit - This account shall include debits for the cost of gas withdrawn from storage during the year.

808.2 Gas delivered to storage-Credit - This account shall include credits for the cost of delivered to storage during the year.

813 Other gas supply expenses - This account shall include the cost of labor, materials used and expenses incurred in connection with gas supply functions not provided for in any of the above accounts. These accounts are to be used for natural gas storage expenses. Costs recorded in this account are:

(a) Liquid extraction and gas processing expenses.
(b) Price stabilization costs.
(c) Firm and peak storage commodity and demand costs.
(d) Wexpro Operator Service Fee.
(e) CO_2 gas processing expenses as provided in Docket No. 05-057-01, Order dated January 6, 2006.

858 Transmission and compression of gas by others - This account shall include amounts paid to others for the transmission and compression of gas of the utility.

(2) Additional Gas Cost Expenses include:

(a) The Carrying cost of working storage gas calculated by using the 13-month average balance in Account No. 164 and applying the pre-tax allowed return to calculate the monthly carrying cost on this investment. (Docket No. 01-057-14; Order dated August 14, 2002.)

(b) Gas supply litigation costs. (Docket No. 95-057-21, Order dated October 10, 1995)

(c) Cost incurred to improve price stability, including mark-to-market costs. (Docket Nos. 00-057-08 and 00-057-10, Order dated May 31, 2001)

(3) Exclusions to Gas Costs which are considered for regulatory purposes in general rate case proceedings are as follows:

(a) 10% of the transportation capacity release credits that are recorded in Account 858. (Docket No. 97-057-03, Order dated February 21, 1997)

(b) A portion of CO_2 processing costs specified in Docket No. 05-057-01, shall be recovered by direct charges to TS customers. (See “CO_2 Cost Recovery from TS Rate Schedule” below.)

(4) Other Revenues include the following FERC Accounts, less related ad valorem taxes, outside interests, royalties on oil and liquid sales, and other applicable costs.

483 Sales for resale - This account shall include the net billings for gas sold where it is not economical to transport the gas to the service area of the utility.

490 Sales of products extracted from natural gas - This account shall include revenues from sales of gasoline, butane, propane, and other products extracted from natural gas, net of allowances, adjustments, and discounts, including sales of similar products purchased for resale.

491 Revenues from natural gas processed by others - This account shall include revenues from royalties and permits, or other bases of settlement, for permission granted others to remove products from natural gas of the utility.

492 Incidental gasoline and oil sales - This account shall include revenues from natural gas gasoline produced direct from gas wells and revenues from oil obtained from wells which produce oil and gas associated with the Wexpro Agreement.

494 Interdepartmental rents (Wexpro oil sharing revenue) - This account shall include credits for rental charges made against other departments of the utility. In the case of property operated under a definite arrangement to allocate actual costs among the departments using the property, any allowance to the gas department for interest or return and depreciation and taxes shall be credited to this account.

495 Other gas revenues - This account includes revenues derived from gas operations not includible in any of the foregoing accounts specifically:

495007 - Overriding royalties
495018 - Income oil sharing from Wexpro.

Gas Revenues

Gas revenues are the sum of the commodity and SNG revenues received from the firm and interruptible sales rate classes, less the allowance for bad debt related to these revenues.

(1) Commodity Revenues = The sum of each schedule's commodity rate multiplied by the respective volumes less the allowance for bad debt related to these revenues.

(2) SNG Revenues = The sum of each firm and interruptible sales schedule's SNG rate multiplied by the respective sales volumes less the allowance for bad debt related to these revenues.

COMMODITY COST RATE DETERMINATION

No less frequently than semi-annually, the Company will file with the Commission an application for determination of the commodity cost rate. This commodity cost rate will be determined by 1) adding the projected test period gas costs from all supply sources (excluding interruptible gas supplies pursuant to § 4.01) less the supplier non-gas costs and other revenue credits, and 2) dividing by the projected test-period Utah sales.

SUPPLIER NON-GAS COST RATE DETERMINATION

Using the procedure established in PSCU Case No. 84-057-07, supplier non-gas cost class allocation levels will be established in general rate cases. Concurrently with the determination of costs (above), supplier non-gas costs will be adjusted by class (from those rate levels established in general rate cases) on a uniform percentage increase or decrease basis to reflect FERC-approved increases or decreases in the supplier non-gas cost related components of upstream pipeline suppliers' rates. The supplier non-gas cost adjustment will reflect the supplier non-gas revenue collected from the interruptible customers and 90% of the credit from released capacity collected from upstream interstate pipelines. The remaining 10% of capacity release credit will be recorded as DNG revenue.

CO2 COST RECOVERY FROM FT-2, IT AND IT-S RATE SCHEDULES

Pursuant to the method approved in Docket No. 05-057-01, a portion of Questar Gas's CO_2 processing costs has been allocated to the TS class. Such costs shall be recovered from those classes through a separately stated charge that will be adjusted as necessary in proceedings that set commodity-cost rates.

The "two-way" carrying charge described below shall apply to over- and under-collections of CO_2 costs under this section.

AFFILIATE EXPENSE STANDARD

Wexpro expenditures included in the Company's 191 Account are governed by the Wexpro Agreement. All other affiliate expenses, unless otherwise approved by the Commission or subject to regulation by another governmental agency, shall be either (1) cost of service based or (2) competitive with the market for similar services at the time the contract for the services was entered into. The Company shall maintain adequate records of requests for proposals, bids, and agreements involving affiliate participation, including copies of date-stamped bids and other correspondence for regulatory audit and review. Nothing in this Tariff requires bidding for all procurements (e.g., spot purchases).

191 ACCOUNT ENTRIES

The Company shall provide 60 days prior notice of 1) an inclusion of a new account or the first time inclusion of other new material items, 2) the first-time inclusion of material costs to be included in approved FERC accounts 759 and 813, and 3) any material change involving the exclusion of costs or revenues previously recorded within Account 191 for balancing account purposes. The notice may be by letter, application to the Commission, or in a pass-through filing made 60 days prior to the requested effective date. All such entries are provisional and subject to Commission approval, prior to their inclusion in any rate change made through the 191 Account process.

AUDIT PROCEDURES

All items recorded in the 191 Account are subject to regulatory audit. Adjustments to the 191 Account may be proposed on a retroactive basis for items identified in such regulatory audits that are not in compliance with 191 Account standards and procedures, not in compliance with prior orders of the Commission, or imprudently incurred.

Proposed adjustments shall be designated no later than one year after the end of the fiscal year being audited, or for Wexpro-related adjustments, no later than one year after completion of the applicable third-party monitors' audits. Proposed adjustments may be adopted by the Company without Commission review. If a proposed adjustment is not adopted by the Company, the proponent of the adjustment may seek Commission resolution of the proposed adjustment.

CONSIDERATION DISCLOSURE

The Company shall give regulatory notice of any consideration received by the Company or any affiliate not stated in any gas supply, transportation, gathering, or storage contract when the associated costs are included in a pass-through application.

SURCHARGE RATE DETERMINATION

No less frequently than annually, the Company will file with the Commission an application for establishment of a surcharge rate (positive or negative) to amortize both the commodity cost balance and supplier non-gas cost balance portions of the unrecovered purchased gas costs in Account 191.1. The new surcharge rate to be included in the total current commodity cost rate will be determined by dividing the commodity balance of Account 191.1 as of December 31 (or other time determined by the Commission) by the test-period sales for Utah. The supplier non-gas balance as of December 31 (or other time determined by the Commission) will be amortized by a uniform percentage increase or decrease of the magnitude necessary to amortize the balance over one year, given the test-year sales by class.

"TWO-WAY" CARRYING CHARGE

An annual interest rate, as described in § 8.07 Calculation of Carrying Charge, will be applied to the monthly balance in Account 191.1, as adjusted for the corresponding tax deferral balance in Account 283. The balance in Account 191.1 will be increased by the carrying charge during months when gas costs are under-collected and reduced when gas costs are over-collected.

2.08 CONSERVATION ENABLING TARIFF (CET)

The CET is a mechanism designed to ensure that the Company only collects from GS customers the Commission-authorized revenue per customer. The CET applies only to the GS rate schedule.

DEFERRED ACCOUNT ACCRUAL

The Company shall record monthly over- or under-recoveries of authorized GS DNG revenue in the CET Deferred Account (Account 191.9). The Company may not accrue more than 5% of Base DNG revenue each calendar year ending October. The allowed revenue for a given month is equal to the allowed DNG revenue per customer for that month times the actual number of customers. The monthly accrual (positive or negative) is determined by calculating the difference between the actual billed GS DNG revenue and the allowed revenue for that month.

The allowed GS DNG Revenue per Customer per Month is as follows:

Jan	=	$49.40	Apr	=	$20.74	Jul	=	$11.10	Oct	=	$17.18
Feb	=	$40.99	May	=	$13.66	Aug	=	$11.06	Nov	=	$31.73
Mar	=	$32.86	Jun	=	$11.64	Sep	=	$12.81	Dec	=	$44.41

The formula for calculating the accrual each month can be shown as follows:

Allowed Revenue (for each month)	=	Actual GS Customers	X	Allowed Revenue per Customer for that month
Monthly Accrual	=	Allowed Revenue	-	Actual GS Revenue

AMORTIZATION OF ACCRUAL

At least annually, the Company will file with the Commission an application to amortize the balance (positive or negative) in Account 191.9. The balance will be amortized by a uniform percentage increase or decrease to the GS DNG block rates of the magnitude necessary to amortize the balance over one year. The Company may not amortize CET accruals amounting on a net basis to more than 2.5% of total Utah jurisdictional Base DNG GS revenues based on the most recent 12-month period at the time of the amortization.

"TWO-WAY" CARRYING CHARGE

An annual interest rate, as described in § 8.07 Calculation of Carrying Charge, shall be applied monthly to the CET Deferred Account balance, as adjusted for the corresponding tax deferral balance in Account 283. The CET Deferred Account will be increased by the carrying charge during months when the balance in the account represents revenue that is under-collected and reduced when over-collected.

Issued by C. C. Wagstaff, President	Advice No.	Section Revision No.	Effective Date
	15-06	7	July 1, 2015

2.09 THERMWISE® ENERGY EFFICIENCY

ENERGY EFFICIENCY PROGRAMS

Since 2007 the Company has designed and implemented cost effective Demand-Side Management (DSM) programs that encourage residential and commercial customers receiving service on the GS rate schedule to purchase and install energy-efficiency products and appliances. The programs currently offered by the Company are detailed in the following sections:

§ 2.10 ThermWise® Appliance Rebates
§ 2.11 ThermWise® Builder Rebates
§ 2.12 ThermWise® Business Rebates
§ 2.13 ThermWise® Home Energy Plan
§ 2.14 ThermWise® Weatherization Rebates
§ 2.15 Low-Income Efficiency Program
§ 2.16 ThermWise® Business Custom Rebates
§ 2.17 ThermWise® Authorized Contractors

Qualifying appliances and/or measures will be eligible for rebates under only one of the above-listed programs. Program participants will be required to provide appropriate documentation as determined by the Company or its program administrator to ensure program eligibility requirements are satisfied.

DEFERRED ACCOUNT ACCRUAL

The Company shall record all energy efficiency-related expenses in the DSM Deferred Account (Account 182.4).

AMORTIZATION OF ACCRUAL

At least annually, the Company will file with the Commission an application to amortize the balance in Account 182.4. The balance will be amortized by a uniform increase or decrease to the GS DNG block rates of the magnitude necessary to amortize the balance over one year.

CARRYING CHARGE

An annual interest rate, as described in § 8.07 Calculation of Carrying Charge, shall be applied monthly to the DSM Deferred Account balance, as adjusted for the corresponding tax deferral balance in Account 283. The DSM Deferred Account will be increased by the carrying charge.

8.03 FEES AND CHARGES

BASIC SERVICE FEE (BSF)

Customers taking service on rate schedules GS, FS, FT-1, MT, TS, and IS will be billed an annual BSF on a monthly basis for each meter installed. In no event will a customer be billed more than one BSF for each meter. A customer will be required to pay the BSF for each month during a temporary discontinuance of service.

The amount of the BSF is based on the meter capacity as shown in the table below:

	Basic Service Fee Classification
BSF Category	Meter Capacity in cu. ft./hr. @ Delivered Pressure
1	0 to 899
2	900 to 6,999
3	7,000 to 23,999
4	Greater than 24,000

CONNECTION FEE

When natural gas service is initiated or changed from one party to another at a premise, there will be a connection fee as set forth below. The connection fee is applicable to all customers. There may be additional charges for shut off non-pay customers in accordance with provisions below. Tax at the applicable state and local rates will be charged on any connection fee.

Full Connection Fee

This fee will be charged when initiation of service or a change of service is requested to a premises. This would normally involve the Company reading the meter, removing the meter seal, conducting a spot test on the premises and checking the appliances. A customer may arrange to pay the full connection fee in three equal monthly installments provided that the first of the three payments is made at the time service is initiated. There are circumstances in initiating or changing service at a premises in which the Company is only required to perform some of the activities listed above. In such cases, the following connection fees may apply.

Limited Connection Fee

This fee will be charged when initiation of service or a change of service is requested and the Company only reads the meter, removes the meter seal and conducts a spot test on the premises.

Read-only Connection Fee

This fee will be charged when only a meter read is required for the initiation or change of service at a premises.

Exemption

Rental property owner (RPO) accounts are exempt from connection fees where the RPO has a valid agreement with Company to leave service on to rental property during the interim between tenants. This exemption does not apply to RPO accounts initiated at the time of execution of the referenced agreement.

MINIMUM CHARGES

Minimum charges for firm or interruptible sales or transportation rate schedules are prorated to the period during which gas service is available. If a customer changes to a different rate schedule or discontinues service, any applicable prorated minimum charge will be due at the date of discontinuance of service or the change to a different rate schedule.

SECURITY DEPOSITS

To secure payment for service, the Company may require a security deposit from either an applicant or an existing customer under the circumstances listed below. When a security deposit is required by the Company, such security deposit will be held to be a guarantee fund. If the customer’s account becomes delinquent, the Company may terminate service to the customer even if the amount of the security deposit and accrued interest is more than enough to pay the delinquent amount. The Company may also terminate service to the customer upon failure to pay a required security deposit.

Residential

The Company may require a security deposit equal to 1.0 times the highest monthly charge at the premises over the last 12 months from a residential customer with poor credit (e.g., a customer whose service has been terminated for non pay, or who has a history of poor credit or delinquency with the Company). A residential customer may also be required to pay a security deposit if service is or has been obtained through fraud and/or service diversion; upon filing bankruptcy; or for refusal to provide valid identification.

A residential customer may pay the security deposit in three equal monthly installments, provided that the first of the three payments is made at the time the deposit is required.

Non-Residential

Payment of a security deposit may be required at application for service if an has not previously established a normal credit status on a non-residential account with the Company. If a security deposit is not required at application for service or has been refunded to the customer, the Company may require a security deposit thereafter when a customer demonstrates poor credit with the Company. A non-residential customer will be deemed to have poor credit if an account becomes 60 days delinquent within the first year of service and/or 90 days delinquent after the first year of service; if service is obtained through fraud and/or service diversion; upon filing bankruptcy or for refusal to provide valid identification. The security deposit for a non-residential customer will equal twice the highest monthly charge at the premises over the last 12 months.

Estimated Security Deposit

If a usage history is unavailable for the premises, the Company will estimate usage using established calculation procedures, which may include the input rating of the customer’s gas equipment and historical temperature data.

Transfers

A security deposit may be transferred from one account to another with the originating customer. However, a security deposit is not transferable from one customer to another.

Refund or Application of Security Deposit

After timely payment of 12 consecutive monthly bills, a customer's security deposit, with interest, will be refunded to the customer. At the time a customer discontinues service, the security deposit plus accrued interest will be applied to any arrears and to the final bill, with any excess refunded to the customer.

Interest

Interest will accrue on a security deposit at the rate set forth below.

FINANCE CHARGES AND INTEREST

	Rate Per Month	Approximate Annual Rate
Finance Charges (Calculated on unpaid balance)		
Past due bills	1.00%	12.00%
Deferred Payment Agreements	1.00%	12.00%

Interest on Security Deposits - Monthly and annual rates based on Calculation Charge as described in § 8.07.

MISCELLANEOUS CHARGES

	Amount Of Charge
Returned check	$ 20.00
Connection Fee	
Full Connection Fee	$ 30.00
Limited Connection Fee	$ 15.00
Read-only Connection Fee	$ 8.00
After-hours Reconnection Fee	$100.00
Additional charges where applicable	
Line plugged	$ 50.00
Meter removed, and/or service disconnected at the main (plus street permit fee)	$300.00
Special test of meter at customer's written request. See § 8.01 as to when this charge is applicable.	Minimum of $25.00
Meter relocation at customer request. See § 8.01.	Labor & materials minimum of $100.00

ENERGY ASSISTANCE FUND

The Energy Assistance Fund is intended to help qualified low-income customers pay for their natural gas utility bills.

Energy Assistance Funding

The Energy Assistance funding will be accomplished through a rate assessed to all customers on all rate schedules except qualified customers receiving Energy Assistance. The Energy Assistance rate is calculated based on an equal percentage for each rate class. A customer's Energy Assistance charge may not exceed $50 per month.

Energy Assistance Eligibility

1. A customer must qualify annually through the Utah Department of Community and Culture or equivalent agency, to receive the Energy Assistance credit.
2. Eligible customers will receive a one-time credit on their monthly bill after the Company receives notification of their qualification.
3. Customers that receive HEAT assistance during a heating season will be exempt from the Energy Assistance rate in that same heating season.
4. Customers who receive the credit will not be assessed the Energy Assistance charge for 12 months following qualification.

Energy Assistance Balancing Account

Items in the Energy Assistance Balancing Account (Account 191.8) will include:

1. Energy Assistance rate collection.
2. Energy Assistance credit.
3. Administrative costs.
4. Interest expense.

No less than once per year, the Company will file with the Commission to adjust the Energy Assistance rate and the Energy Assistance credit to target the $1.5 million funding level established in Docket No. 09-057-16. To the extent the Company collects or pays out more or less than $1.5 million, these differences will be included in the filing.

Two-Way Carrying Charge

An annual interest rate, as described in §8.07 Calculation of Carrying Charge, shall be applied to the Energy Assistance Balancing Account (Account 191.8), as adjusted for the corresponding tax deferral balance in Account 283. Interest will be assessed on the monthly balance of this account.

8.06 INTEGRITY MANAGEMENT DEFERRED ACCOUNT

The purpose of the Integrity Management Deferred Account is to recover on a dollar-for-dollar basis, costs related to transmission and distribution integrity management programs. These programs are required by Pipeline and Hazardous Materials Safety Administration under the U.S. Department of Transportation.

BALANCING ACCOUNT ACCRUAL

Each month all integrity management costs will be accrued into the Uniform System of Account No. 182.313 Other Regulatory Asset – Pipeline Integrity and Account No. 182.314 Other Regulatory Asset – DIMP. All actual integrity management costs are to be recorded in these deferred accounts. Each month a credit entry will be made to these accounts with an offsetting debit entry to expense Account No. 887 that reflects a fixed monthly amount updated in each general rate case. This entry includes an amount related to projected current costs and an amount related to the over or under collection of prior period costs. Interest will be assessed monthly on the balance in the 182.313 and 182.314 accounts, as adjusted for the corresponding tax deferral balance in Account 283 at the Commission approved carrying charge rate as described in § 8.07 – Calculation of Carrying Charge.

8.07 CALCULATION OF CARRYING CHARGE

On or before February 1 of each year, the Company shall calculate an annual carrying charge and file a letter with the Commission reflecting this rate, to be effective on March 1 of each year. This charge shall be based on the average annual Aaa and Baa Corporate interest rates for the preceding calendar year as published by the Federal Reserve Board of Governors. The calculated rate shall be applied to the following accounts:

182.3 Pipeline Integrity Management (TIMP & DIMP)
182.4 Energy Efficiency Account
191.1 Gas Pass Through Costs Account
191.8 Energy Assistance Account
191.9 Conservation Enabling Tariff
235.1 Customer Deposits

9.02 NEW OR ADDITIONAL SERVICE

AVAILABILITY OF NEW OR ADDITIONAL SERVICE

The Company will approve service for a new customer, an increase in gas requirements for an existing customer, and/or a change in rate schedule only when, in the Company's judgment, the service can be provided in a manner that will not impact the Company's ability to serve its existing customers. This discretionary determination preserves the Company's ability to serve existing customers and to provide for the orderly and equitable attachment of new loads to the Company's system, as well as to assure the most efficient utilization of the Company's available natural gas supplies. This determination will consider, but will not be limited to, the following:

(1) A determination, using engineering data and analysis where necessary, that the Company's facilities are of adequate size and capacity to allow such service.

(2) The overall cost of providing such service and the impact on the Company's rates and charges.

(3) The location of required service in the Company's system, including considerations associated with an expanding market area.

(4) The end-use of the natural gas, including type of use (e.g., feedstock, boiler, etc.), efficiency of use (e.g., co-generation, heat recovery applications, etc.) and applicability of customer process to development of an alternate fuel or energy.

The Company may make new or additional service available to customers on the basis of rate schedules in effect and circumstances prevailing at the time of application.

Changes in firm rate schedules may be allowed if the customer demonstrates that a permanent change in the use of natural gas has occurred that will cause the existing schedule to no longer be appropriate, as specified above and provided for in § 2.01. If a commercial or industrial customer chooses service under an interruptible rate schedule, any subsequent use of a firm rate schedule by that customer will be subject to the provisions of this section.

Availability of new or additional service under the above provisions will be at the Company's discretion.

AVAILABILITY OF SERVICE TO NEW SERVICE EXTENSION AREAS

Service to new areas will generally be provided under the main and service line extension provisions of § 9.03 and § 9.04. Where service under these provisions, as well as others provided herein, cannot be economically provided, service will be evaluated under the following terms and conditions.

(1) In situations where the non-refundable payment cannot otherwise be collected, the Company may, at its option, offer an Extension Area Charge (EAC) in lieu of the non-refundable payment.

The EAC will be calculated to provide sufficient revenue to recoup the total non-refundable payment which would otherwise be collected in the new service extension area and allow the Company to recover a return on the deferred portion during the collection period. The Company shall include its justification for the EAC return and an evaluation of the rate in relation to the Company's cost of capital and cost of debt, and the carrying charge interest rate in effect at the time of the filing. Periodically the present value of the projected amount to be collected through the EAC will be compared with the non-refundable payment. If the present value of the projected amount to be collected is higher or lower than the non-refundable payment, the EAC expiration date will be adjusted accordingly.

The residential EAC will be a fixed monthly amount. The commercial EAC will be a variable amount based on the volume of gas used but will not be less than the residential charge.

The EAC will be assessed in conjunction with regular or extension tariff rates. A table describing areas where the EAC applies, the amount of the EAC and the scheduled expiration date is provided later in this section.

(2) Facilities to new service areas may be constructed so long as service to existing customers will not be impaired, including the ability to serve new customers in existing service areas, and resources are available to build and maintain the required facilities in the new service extension area. In no event, will the Company, in any one year, be required to expend funds on new service extension area facilities in excess of 1% of the Company's net book value of gas plant-in-service at the beginning of the year.

(3) In the event that the Company has multiple applications for service within new service extension areas, facilities with the greatest probability of investment payback and system contribution may be constructed first.

EXTENSION AREA CHARGE AND EXPIRATION DATE

The following table describes the areas in which the Extension Area Charge applies, the amount of the charge for residential and commercial customers and the date on which the charge is due to expire for each new extension area.

Extension Area Charges (All Charges Are In Addition To Regular Tariff Rates)				
	Residential	Commercial		
Area Definition	Monthly Charge	Monthly Charge	All Usage Over 45 Dth Per Month	Estimated Expiration Date
Brian Head and the area adjacent to the tap line serving this area.	$30.00	$30.00	$2.7481/Dth	Nov. 1, 2014

Issued by C. C. Wagstaff, President	Advice No.	Section Revision No.	Effective Date
	15-06	6	July 1, 2015