

Rule No. 20  
GAS MAIN EXTENSIONS

Sheet 1

**APPLICABILITY:** This rule is applicable to the extension of Gas Distribution Mains\* necessary to furnish Permanent Service to Applicants, and will be made in accordance with the following provisions:

A. GENERAL

1. EXTENSION BASIS

- a. **DESIGN.** Utility will be responsible for planning, designing, and engineering extensions using the Utility's standards for material, design, and construction. Applicant may elect to design that portion of the new extension normally designed by utility in accordance with the Applicant Design provisions of this Rule.
  - (1) Construction and Design Specifications, Standards, Terms, and Conditions of a New Extension-of-Main Project.
    - (a) In compliance with Section 783 of the Public Utilities Code, SoCalGas will apply only those construction and design specifications, standards, terms, and conditions that are applicable to a new extension-of-main project for the 18 months following the approval date the application for a new extension-of-main project is approved.
    - (b) SoCalGas may adopt modifications to those construction and design specifications, standards, terms, and conditions applicable to a new extension-of-main project in accordance with any of the following:
      - i. An order or decision of the California Public Utilities Commission (Commission) or any other state or federal agency with jurisdiction.
      - ii. A work order issued by SoCalGas to implement construction or design changes necessitated by a customer-driven scope of work modification.
      - iii. A material-related design change identified by SoCalGas to remedy a construction material defect that could pose a risk to public safety.
    - (c) Approval date of a new extension-of-main application refers to the earlier of either the effective date of the contract for the extension of gas main or the date when SoCalGas first invoices the customer for the extension of gas main. "Invoice" to mean when SoCalGas presents an offer to the customer for the extension of gas main in response to an application for an extension of gas main submitted pursuant to the regulations of the Commission and applicable specifications of SoCalGas.

\* Certain words beginning with capital letters are defined either within the provisions of this rule or in Section I of this rule.

(Continued)

(TO BE INSERTED BY UTILITY)  
ADVICE LETTER NO. 5730  
DECISION NO.

ISSUED BY  
**Dan Skopec**  
Vice President  
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)  
SUBMITTED Nov 20, 2020  
EFFECTIVE Nov 20, 2020  
RESOLUTION NO. \_\_\_\_\_

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Sheet 2

(Continued)

A. GENERAL (Continued)

1. EXTENSION BASIS (Continued)

- b. OWNERSHIP. The extension facilities installed under the provisions of this rule shall be owned, operated, and maintained by the Utility, except for substructures and enclosures that are on, under, within, or part of a building or structure.
- c. PRIVATE LINES. Utility shall not be required to serve any Applicant extension facilities that are not owned, operated, and maintained by the Utility.

2. EXTENSION LOCATIONS

a. RIGHTS-OF-WAY. Utility will own, operate, and maintain extension facilities only:

- (1) along public streets, alleys, roads, highways, and other publicly dedicated ways and places which the Utility has the legal right to occupy (franchise areas), and
- (2) on public lands and private property across which easements and permits satisfactory to the Utility may be obtained without cost to or condemnation by the Utility.

b. NORMAL ROUTE OF LINE. The length and normal route of an extension will be determined by the Utility and considered as the distance along the shortest, most practical, available, and acceptable route which is clear of obstructions from the Utility's nearest permanent and available distribution facility to the point from which the service facilities will be connected.

3. SPECIAL OR ADDED FACILITIES. Any special or added facilities the Utility agrees to install at the request of Applicant will be installed at Applicant's expense in accordance with Section O, of Rule No. 02, Description of Service.

4. TEMPORARY SERVICE. Facilities installed for temporary service or for operations of speculative character or questionable permanency shall be made in accordance with the fundamental installation and ownership provisions of this rule, except that all charges and refunds shall be made under the provisions of Rule No. 22, Temporary Service.

5. SERVICES. Service facilities connected to the Distribution Mains to serve a customer's premises will be installed, owned, and maintained as provided in Rule No. 21, Gas Service Extensions.

6. CONTRACTS. Each Applicant requesting an extension may be required to execute a written contract(s) prior to the Utility performing its work on the extension. Such contracts shall be in the form on file with the Commission.

(Continued)

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Sheet 3

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**B. INSTALLATION RESPONSIBILITIES**

1. **APPLICANT RESPONSIBILITY.** In accordance with the Utility's design, specifications, and requirements, Applicant is responsible for:

- a. **SUBSTRUCTURES.** Furnishing, installing, and upon acceptance by the Utility, conveying to the Utility ownership of all necessary installed Substructures, and,
- b. **PROTECTIVE STRUCTURES.** Furnishing, installing, and upon acceptance by the Utility, conveying to the Utility ownership of all necessary Protective Structures.

2. **UTILITY RESPONSIBILITY.** Utility is responsible for the installation of Distribution Main, valves, regulators, and other related distribution equipment required to complete the extension, including all necessary Trenching, backfilling, and other digging as required.

The Applicant may elect to provide the trench, as discussed in Section B.3.b. If Applicant chooses to perform the trenching, it must also secure permits from the governmental authority having jurisdiction. Application providing trench will receive a credit for the Utility's project-specific estimated cost-per-foot for trench. If Applicant qualifies for an extension allowance under Section C, the Utility may provide Applicant with a reimbursement or credit for the Utility's project-specific estimated cost-per-foot of trench.

3. **INSTALLATION OPTIONS**

- a. **UTILITY-PERFORMED WORK.** Where requested by Applicant and mutually agreed upon, the Utility may furnish and install the substructures and/or Protective Structures, provided Applicant pays the Utility its total installed cost.
- b. **APPLICANT-PERFORMED WORK.** Applicant may elect to install that portion of the new extension normally installed by the Utility, in accordance with the Utility's design and specifications, using qualified contractors. (See Section G, Applicant Installation Option.)

**C. EXTENSION ALLOWANCES**

1. **GENERAL.** New applications for gas line extensions submitted on or after July 1, 2023 will not qualify for allowances, except for Eligible Projects approved by the Commission (see Section C.2.) For Eligible Projects approved by the Commission. Utility will complete an extension without charge provided the Utility's total estimated installed cost does not exceed the allowances as determined, from permanent, bona-fide loads to be served by the extension within a reasonable time, as determined by the Utility, and if the Utility's actual installed cost does not exceed its total estimated installed cost and the allowances (excluding Betterments). The allowance will first be applied to the Service Extension (including the Meter Set Assemblies), in accordance with Rule No. 21. Any excess allowance will be applied to the Distribution Main Extension to which the Service Extension is connected.

(Continued)

(TO BE INSERTED BY UTILITY)  
ADVICE LETTER NO. 6157-G  
DECISION NO. D.22-09-026

ISSUED BY  
**Dan Skopec**  
Sr Vice President Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)  
SUBMITTED Jun 30, 2023  
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Sheet 4

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**C. EXTENSION ALLOWANCES** (Continued)

2. **BASIS OF ALLOWANCES.** New applications for gas line extensions submitted on or after July 1, 2023 will not qualify for allowances, except for Eligible Projects approved by the Commission. For Eligible Projects approved by the commission, allowances shall be granted to an Applicant for non-residential Permanent Service; or to an Applicant for a non-residential subdivision or development under the following conditions:

- a. The non-residential project shows a demonstrable reduction in greenhouse gas emissions; and
- b. The non-residential project’s gas line extension is consistent with California’s climate goals, including those articulated in Senate Bill 32 (Pavley, 2016); and,
- c. The non-residential project demonstrates that it has no feasible alternatives to the use of natural gas, including electrification; and,
- d. Utility is provided evidence that construction will proceed promptly and financing is adequate; and,
- e. Applicant has submitted evidence of building permit(s) or lease agreement(s); or,
- f. Where there is equivalent evidence of gas usage satisfactory to the Utility.

The allowances in Section C.3 and C.4 are based on a revenue-supported methodology using the following formula:

$$\text{ALLOWANCE} = \frac{\text{NET REVENUE}}{\text{COST-OF-SERVICE FACTOR}}$$

3. **RESIDENTIAL ALLOWANCES.** No allowance will be provided for Distribution Main Extensions, Service Extensions, or a combination thereof for Permanent Residential Service on a per-unit basis is as follows if the application for these residential project types is submitted on or after July 1, 2023:

WATER HEATING .....	\$0
SPACE HEATING .....	\$0
COOKTOP & OVEN .....	\$0
DRYER STUB .....	\$0
SPACE COOLING .....	\$0

4. **NON-RESIDENTIAL ALLOWANCES.** For Eligible Projects approved by the Commission, the total allowance for both gas Main and Service extensions for Permanent Non-Residential service is determined by the Utility using the formula in Section C.2. Utility, at its election, may apply a Non-Residential Allowance Net Revenue Multiplier of three point four (3.4) as defined in Section I, when it serves as a reasonable proxy for the formula in section C.2.

Where the extension of an Eligible Project approved by the Commission will serve a combination of residential and non-residential meters, no residential allowances will be added to the non-residential allowances.

(Continued)

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Sheet 5

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C. EXTENSION ALLOWANCES (Continued)

5. SEASONAL, INTERMITTENT, INSIGNIFICANT, AND EMERGENCY LOADS. When Applicant of an Eligible Project approved by the Commission requests service that requires an extension to serve loads that are seasonal or intermittent, the allowance for such loads shall be determined using the formula in Section C.2. No allowance will be provided to an Eligible Project approved by the Commission where service is used only for emergency purposes, or for Insignificant Loads.

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D. CONTRIBUTIONS OR ADVANCES BY APPLICANT

1. GENERAL. Contributions or Advances by an Applicant to the Utility for the installation of an extension to receive Utility service consists of such things as cash payments, the value of the facilities deeded to the Utility, and the value of Trenching performed by Applicant.

2. PROJECT-SPECIFIC COST ESTIMATE. The Utility's total estimated installed cost will be based on a project-specific estimated cost.

3. CASH PAYMENT. A cash payment is required in advance of Utility commencing work for the Utility's total estimated installed cost (excluding Betterments), and is required after Utility commences work if the Utility's actual installed cost exceeds its total estimated installed cost. Applicant shall be reimbursed by the Utility if the total estimated installed cost exceeds the final actual cost (excluding Betterments). For Eligible Projects approved by the Commission, a cash payment will only be required in advance of Utility commencing work if Applicant's allowance is less than the Utility's total estimated installed cost (excluding Meter Set Assemblies, services, and Betterments), and after the Utility commences work if the Utility's actual installed cost exceeds its total estimated installed cost and the allowances (excluding Meyer Set Assemblies, services, and Betterments).

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4. POSTPONEMENT. For Eligible Projects approved by the Commission, at the Utility's option, the payment of that portion of such an Advance that the Utility estimates would be refunded within six (6) months under other provisions of this rule may be postponed for six (6) months if: (1) the Utility is provided evidence the construction will proceed promptly and financing is adequate; (2) Applicant has submitted evidence of building permit(s) or lease agreement(s); or (3) where there is equivalent evidence of gas usage satisfactory to the Utility; and (4) Applicant agrees in writing to pay at the end of six (6) months all amounts not previously advanced.

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5. TAX. All Contributions and Advances by Applicant are taxable and shall include an Income Tax Component Contribution and Advances (ITCCA) at the rate provided in the Utility's Preliminary Statement. ITCCA Tax will be either refundable or non-refundable in accordance with the corresponding contribution and Section C.

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(Continued)

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Sheet 6

(Continued)

D. CONTRIBUTIONS OR ADVANCES BY APPLICANT (Continued)

6. REFUNDABLE AND NON-REFUNDABLE AMOUNTS. New applications for gas line extensions submitted on or after July 1, 2023 will not qualify for refunds, except for Eligible Projects approved by the Commission. For Eligible Projects approved by the Commission, the Applicant shall contribute or advance, before the start of Utility's construction, the following:

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a. REFUNDABLE AMOUNT. For Eligible Projects approved by the Commission, the Applicant's refundable amount is the portion of the Utility's total estimated installed cost, including taxes, to complete the extension (excluding Meter Set Assemblies, services, and Betterments), including the estimated value of the Trenching, that exceeds the amount of extension allowance determined in Section C; or,

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b. NON-REFUNDABLE DISCOUNT OPTION. In lieu of contributing the refundable amount determined in Section D.6.a, and at the Utility's option, Non-Residential Applicants have the option of contributing, on a non-refundable basis, fifty percent (50%) based on expected revenues of such refundable amounts.

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c. OTHER NON-REFUNDABLE AMOUNTS. Applicant's non-refundable amount is the Utility's estimated value of the Substructures and Protective Structures required by the Utility for the extension under Section B.1.

7. JOINT APPLICANTS. The total Contribution or Advance from a group of Applicants will be apportioned among the members of the group in such manner as they may mutually agree.

8. PAYMENT ADJUSTMENTS.

a. CONTRACT COMPLIANCE. If, after three (3) years following the date the Utility is first ready to serve Non-Residential loads for which allowances were granted, Applicant of an Eligible Project approved by the Commission fails to take service, or fails to use the service contracted for, Applicant shall pay the Utility an additional Contribution or Advance, based on the allowances for the revenues generated from loads actually installed.

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b. EXCESS FACILITIES. If the loads provided by Applicant(s) result in the Utility installing facilities which are in excess of those needed to serve the actual loads, and the Utility elects to reduce such excess facilities, Applicant shall pay the Utility its total cost to remove, abandon, or replace its excess facilities, less the estimated salvage value of any removed facilities.

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Sheet 7

(Continued)

E. REFUND BASIS (Continued)

- 1. GENERAL. New applications for gas line extensions submitted on or after July 1, 2023 will not qualify for refunds, except for Eligible Projects approved by the Commission. For Eligible Projects approved by the Commission, refunds are based on the allowances and conditions in effect at the time the contract is entered into. LN  
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- 2. TOTAL REFUNDABLE AMOUNT. For Eligible Projects approved by the Commission, the total amount subject to refund is the sum of the refundable amounts made under Section D.6. LN  
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- 3. REFUND PERIOD. For Eligible Projects approved by the Commission, the total refundable amount is subject to refund for a period of ten (10) years after the extension is first ready for service. LN  
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- 4. RESIDENTIAL. If the application for these residential line extension project types is submitted on or after July 1, 2023, refunds will not be made on the basis of a new customer's Permanent Load which produces additional revenues to the Utility. DN  
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- 5. NON-RESIDENTIAL. For Eligible Projects approved by the Commission, Utility shall be responsible for reviewing the non-residential Applicant's actual base annual revenue for the first three (3) years from the date the Utility is first ready to serve. Applicant shall be responsible for notifying the Utility if new, permanent load is added from the fourth (4th) through the tenth (10th) year from the date first ready to serve. Such review shall determine if the additional revenue supports any refunds to the Applicant. (See Section E.11 for series refund provisions.) N  
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- 6. UNSUPPORTED EXTENSION COST. For Eligible Projects approved by the Commission, when any portion of a refundable amount has not qualified for a refund at the end of thirty-six (36) months from the date the Utility is first ready to serve, the non-residential Applicant will pay to the Utility an Ownership Charge, as defined in Section I, on the remaining refundable balance. Monthly ownership charges are intended to offset the refundable amount, and will normally be accumulated and deducted from refunds due Applicant. This provision does not apply to individual residential Applicants. N
- 7. REFUND TIMING. For Eligible Projects approved by the Commission, refunds will be made without interest within ninety (90) days after the date of first service to new permanent loads, except that refunds may be accumulated to a fifty dollar (\$50) minimum, or the total refundable balance, if less than fifty dollars (\$50). N
- 8. MAXIMUM REFUND. No refund shall be made in excess of the refundable amount nor after a period of ten (10) years from the date the Utility is first ready to serve. Any unrefunded amount remaining at the end of the ten (10) year period shall become the property of the Utility.
- 9. PREVIOUS RULES. See Special Conditions H.5. DN  
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(Continued)

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Sheet 8

(Continued)

E. REFUND BASIS (Continued)

- 10. JOINT APPLICANTS. When two (2) or more parties make joint Contributions or Advances on the same extension of an Eligible Project approved by the Commission, refunds will be distributed to these parties in the same proportion as their individual Contributions or Advances bear to the total refundable amount, or as they may mutually agree.
- 11. SERIES OF EXTENSIONS. For gas line extension applications submitted before July 1, 2023 and for Eligible Projects approved by the Commission, where there are a series of extensions, commencing with an extension having an outstanding amount subject to refund, and each extension is dependent upon the previous extension as a direct source of supply, a series refund will be made as follows:
  - a. Additional service connections supplied from an extension on which there is a refundable amount will provide refunds first to the extension to which they are connected; and,
  - b. When the amount subject to refund on an extension in a series is fully refunded, the excess refundable amount will provide refunds to the extension having the oldest outstanding amount subject to refund in the series.

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F. APPLICANT DESIGN OPTION FOR NEW INSTALLATIONS

When Applicant selects competitive bidding, the Distribution Line Extension may be designed by Applicant's qualified contractor or sub-contractor in accordance with Utility's design and construction standards. All Applicant Design work of gas facilities must be performed by or under the direction of a licensed professional engineer and all designed work submitted to Utility must be certified by an appropriately licensed professional engineer, consistent with the applicable federal, state, and local codes and ordinances. The applicant design option is available to Applicants for new main extensions. Under this option, the following applies:

- 1. Applicant shall notify Utility, in a manner acceptable to the Utility.
- 2. Applicant designs shall conform to all applicable federal, state and local codes and ordinances for utility installation design (such as, but not limited to the California Business and Professions Code).
- 3. Utility may require applicant's designer to meet the Utility's pre-qualification requirements prior to participating in applicant design.
- 4. Applicant designers shall obtain Utility construction standards and design specifications prior to performing applicant design. The Utility may charge for any of these services.

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(Continued)

(TO BE INSERTED BY UTILITY)  
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Sheet 9

(Continued)

F. APPLICANT DESIGN OPTION FOR NEW INSTALLATIONS (Continued)

- 5. Utility will perform one plan check on each applicant design project at no expense to Applicant. Utility will perform all subsequent plan checks at Applicant's expense. L  
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- 6. For designs performed by non-utility designers, Utility will credit Applicant with the amount of Utility's design bid less any appropriate charges such as for plan checking, changes, or revisions. L  
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- 7. In the case of applicant designed projects requiring an advance, Utility will apply the design credit against the Applicant's advance. L  
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- 8. For Eligible Projects approved by the Commission, if no advance is required, Utility will refund/reimburse the Applicant for the Utility's cost of design after the (Line/Main) Extension project accounting is completed. N  
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- 9. Utility shall perform all Utility's project accounting and cost estimating.

G. APPLICANT INSTALLATION OPTION

- 1. **COMPETITIVE BIDDING.** When Applicant selects competitive bidding, the extension may be installed by the Applicant's qualified contractor or subcontractor in accordance with the Utility's design and specifications. Under this option, the following applies:
  - a. Upon completion of Applicant's installation, and acceptance by Utility, ownership of all such facilities will transfer to Utility.
  - b. Applicant shall provide to Utility, prior to Utility preparing the gas main extension contract, the Applicant's Contract Anticipated Costs to perform the work normally provided by Utility. The Applicant shall submit, on a form provided by Utility, a statement of such costs. If the Applicant elects not to provide such costs to Utility, the Applicant shall acknowledge its election on the form and Utility will use its estimated costs. N  
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  - c. Applicant shall pay to the Utility, subject to the provisions of Rules 20 and 21, the Utility's estimated cost of work performed by Utility for the Gas Main Extension, including the estimated costs of design, administration, and installation of any additional facilities. After Utility commences work, if the Utility's actual cost of work performed by Utility exceeds the estimated cost of work performed by Utility (excluding Betterments), Applicants shall pay Utility the cost difference. N  
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  - d. The lower of Utility's estimated costs or Applicant's Contract Anticipated Costs, as reported in G.1.b, for the work normally performed by Utility, shall be subject to the provisions of Rules 20 and 21. D  
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(Continued)

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Sheet 10

(Continued)

G. APPLICANT INSTALLATION OPTION (Continued)

1. COMPETITIVE BIDDING (Continued)

- e. Applicant shall pay to the Utility the estimated cost of Utility's inspection. After Utility commences work, if the Utility's actual inspection cost exceeds the estimated inspection cost, Applicant shall pay Utility the cost difference. For Eligible Projects approved by the Commission, such inspection costs may be subject to otherwise available allowances up to the difference between the Applicant's Contract Anticipated Cost as reported in G.1.b and Utility's estimated costs for performing the same work, but not to exceed the Utility's estimated costs.
- f. Only duly authorized employees of the Utility are allowed to connect to, disconnect from, or perform any work upon the Utility's facilities.

2. MINIMUM CONTRACTOR QUALIFICATIONS. Applicant's contractor or subcontractor (QC/S) shall:

- a. Be licensed in California for the appropriate type of work, such as, but not limited to, gas and general.
- b. Employ workmen properly qualified for the specific skills required (plastic fusion, welding, etc.).
- c. Comply with applicable laws (Equal Opportunity regulations, OSHA, EPA, etc.).

3. OTHER CONTRACTOR QUALIFICATIONS. An Applicant for service who intends to employ a QC/S also should consider whether the QC/S:

- a. Is technically competent.
- b. Has access to proper equipment.
- c. Demonstrates financial responsibility commensurate with the scope of the contract.
- d. Has adequate insurance coverage (worker's compensation, liability, property damage, etc.).
- e. Is able to furnish a surety bond for performance of the contract, if required.

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Sheet 11

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H. SPECIAL CONDITIONS (Continued)

1. **FACILITY RELOCATION OR REARRANGEMENT.** Any relocation or rearrangement of the Utility's existing facilities, at the request of or to meet the convenience of an Applicant or customer, and agreed upon by the Utility, normally shall be performed by the Utility at Applicant's expense. If the existing facilities relocation or rearrangement is designated as a special facility, refer to Rule No. 02, Section O for the appropriate ownership charge rate. Where new facilities can be constructed in a separate location, before abandonment or removal of any existing facilities, and Applicant requests to perform the new construction work, it can be performed under the applicable provisions of Section G, Applicant Installation Options.

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In all instances, the Utility shall abandon or remove its existing facilities at the option of the Utility. Applicant or customer shall be responsible for the costs of all related relocation, rearrangement, and removal work.

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2. **PERIODIC REVIEW.** Utility will periodically review the factors it uses to determine its allowances, non-refundable discount option percentage rate, Non-Residential Net Revenue Multiplier and cost-of-service factor stated in this rule. If such review results in a change of more than five percent (5%), the Utility will submit a tariff revision proposal to the Commission for review and approval. Such proposed changes shall be submitted to the Commission for approval with Eligible Projects by July 1 of each year starting in 2023.

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Additionally, Utility shall review and submit proposed tariff revisions to implement relevant Commission decisions from other proceedings that affect this Rule.

3. **EXCEPTIONAL CASES.** When the application of this rule appears impractical or unjust to either party or the ratepayers, the Utility or Applicant may refer the matter to the Commission for a special ruling, or for the approval of special condition(s) which may be mutually agreed upon.

4. **SERVICE FROM HIGH PRESSURE LINES.** The Utility will not tap a gas transmission line except at its option when conditions in its opinion justify such a tap. Such taps are made in accordance with the provisions of this rule.

5. **PREVIOUS RULES.** For applications submitted before July 1, 2023 under conditions of a rule previously in effect, the provision of the previous rule would apply.

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I. DEFINITIONS

**ADVANCES.** Cash payments made to the Utility prior to the initiation of any work done by the Utility which is not covered by allowances.

**APPLICANT.** A person or agency requesting Utility to supply gas service.

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(Continued)

I. DEFINITIONS (Continued)

APPLICANT'S CONTRACT ANTICIPATED COST. The cost estimate provided by the Applicant's contractor to the Applicant for performing the applicable work, as stated on the Applicant's cost statement form (Form 66602), or in the case where the work is performed by the Applicant, the Applicant's own cost estimate on the signed form.

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BETTERMENTS. Facilities installed for the Utility's operating convenience such as, but not limited to, the following: to improve gas flow or correct poor pressure conditions, to increase line capacity available to an existing system, to permit pressure conversion of an area, or to install proportionally larger pipe than necessary to provide for future load growth, will be installed at the expense of the Utility.

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CONTRIBUTION. In-kind services, and/or the value of all property conveyed to the Utility at any time during the Utility's work on an extension which is part of the Utility's total installed cost of its facilities, or cash payments not covered by Applicant's allowances.

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COST-OF-SERVICE FACTOR. The Cost-of-Service (COS) factor is divided into the Net Revenue to determine the Utility's line extension allowance. The COS factor includes depreciation, authorized return, income taxes, property taxes, Operation and Maintenance (O&M) expense, Administrative and General (A&G) expense, Franchise Fees and Uncollectibles (FF&U), property insurance, and replacement of facilities, if needed, for 60 years at no additional cost to customer. For the purpose of calculating allowances, a COS factor of 16.97% will be used.

CUSTOMER-DRIVEN SCOPE OF WORK MODIFICATION. The modifications required to accommodate the construction design needs of a new extension-of-main project for a specific customer.

DATE THE APPLICATION IS APPROVED. The earlier of either the effective date of the contract for the extension of gas main or the date when the Utility first invoices the customer for the extension of gas main.

DISTRIBUTION MAINS. Mains which are operated at distribution pressure, and supply two (2) or more services or run parallel to the property line in a public right-of-way.

ELIGIBLE PROJECT. A non-residential project meeting the criteria in section C.2 may receive line extension allowances and/or a 10-year refundable payment option or a 50-percent discount payment option if the Commission approves the Utility's application filing for the Eligible Project to receive such allowances, refunds, or discounts.

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EXCAVATION. All necessary trenching, backfilling, and other digging to install extension facilities, including furnishing of any imported backfill material and disposal of spoil as required, surface repair and replacement, and landscape repair and replacement.

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(Continued)

(TO BE INSERTED BY UTILITY)  
ADVICE LETTER NO. 6157-G  
DECISION NO. D.22-09-026

ISSUED BY  
**Dan Skopec**  
Sr Vice President Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)  
SUBMITTED Jun 30, 2023  
EFFECTIVE Jul 1, 2023  
RESOLUTION NO. \_\_\_\_\_

Rule No. 20  
GAS MAIN EXTENSIONS

Sheet 13

(Continued)

I. DEFINITIONS (Continued)

FRANCHISE AREA. Public streets, roads, highways, and other public ways and places where Utility has a legal right to occupy under franchise agreements with governmental bodies having jurisdiction.

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INSIGNIFICANT LOADS. Small operating loads such as log lighters, barbecues, outdoor lighting, etc.

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INTERMITTENT LOADS. Loads which, in the opinion of the Utility, are subject to discontinuance for a time or at intervals.

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INVOICE. When a gas corporation presents an offer to the customer for the extension of gas main in response to an application for an extension of gas main pursuant to Section 783(f) of the Public Utilities Code.

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JOINT TRENCH. Excavation that intentionally provides for more than one service, such as gas, electricity, cable television, or telephone, etc.

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MAIN EXTENSION. The length of main and its related facilities required to transport gas from the existing distribution facilities to the point of connection with the service pipe.

A Main Extension consists of new distribution facilities of the Utility that are required to extend service into an open area not previously supplied to serve an Applicant. It is a continuation of, or branch from, the nearest available existing permanent Distribution Main, to the point of connection of the last service. The Utility's Main Extension includes any required Substructures and facilities for transmission taps but excludes service connections, services, and meters.

METER SET ASSEMBLY. Meter, service pressure regulator, and associated fittings.

NET REVENUE. That portion of the total rate that supports Utility's extension costs and excludes such items as fuel costs, transmission, storage, public purpose programs, and other energy adjustment costs that do not support the extension costs.

NON RESIDENTIAL ALLOWANCES NET REVENUE MULTIPLIER. This is a revenue-supported factor determined by Utility that is applied to the net revenues expected from non-residential loads to determine non-residential allowances.

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(Continued)

(TO BE INSERTED BY UTILITY)  
ADVICE LETTER NO. 6157-G  
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Rule No. 20  
GAS MAIN EXTENSIONS

Sheet 14

(Continued)

I. DEFINITIONS (Continued)

**OWNERSHIP CHARGE.** The monthly ownership charge is a percentage rate applied against the remaining refundable balance after thirty-six (36) months from the date the Utility is first ready to serve. This charge recovers the cost of operating and maintaining customer-financed facilities that are not fully utilized. The Ownership Charge includes property taxes, Operation and Maintenance (O&M), Administrative and General (A&G), Franchise Fees and Uncollectibles (FF&U), property insurance, and replacement for 60 years at no additional cost. For the purpose of calculating Ownership Charge, a 0.67% per month factor will be used.

**PERMANENT SERVICE.** Service which, in the opinion of the Utility, is of a permanent and established character. This may be continuous, intermittent, or seasonal in nature.

**PROTECTIVE STRUCTURES.** Fences, retaining walls (in lieu of grading), barriers, posts, barricades, and other structures as required by the Utility.

**RESIDENTIAL DEVELOPMENT.** Five (5) or more dwelling units in two (2) or more buildings located on a single parcel of land.

**RESIDENTIAL SUBDIVISION.** An area of five (5) or more lots for residential dwelling units which may be identified by filed subdivision plans or an area in which a group of dwellings may be constructed about the same time, either by a builder or several builders working on a coordinated basis.

**SEASONAL SERVICE.** Gas service to establishments which are occupied seasonally or intermittently, such as seasonal resorts, cottages, or other part-time establishments.

**SUBSTRUCTURES.** The surface and subsurface structures which are necessary to contain or support the Utility's gas facilities. This includes, but is not limited to, equipment vaults and boxes, required sleeves for street crossings, and enclosures, foundations, or pads for surface-mounted equipment.

**TRENCHING.** See Excavation.

(TO BE INSERTED BY UTILITY)

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