



MIDAMERICAN ENERGY COMPANY

Gas Sales Tariff

Nebraska Rate Area Number 1

Filed with South Sioux City and Dakota City City Councils

Second Revised Sheet No. 32

Cancels First Revised Sheet No. 32

---

## SERVICE RULES AND REGULATIONS FOR GAS SERVICE

### 20. Extension of Facilities

T

Gas mains, services, and related facilities will be extended or enlarged if necessary for orderly development of the gas system to permit gas service to be supplied to permanent customers at premises not currently served, provided the customers or developers, in accordance with a mutual agreement, deposit with the Company an advance for construction equal to the estimated construction cost of the extended facilities less an estimated base revenue credit for customers who will attach to the system within an agreed upon attachment period, but not to be less than 30 days or greater than one year following the date the required additions to the system are placed in service. In the event no attachment period is agreed upon, the attachment period will be 30 days. The Company will refund to the depositor a base revenue refund for each service attachment to the main extension covered by the deposit agreement for a period of ten years from the date of the original deposit. In no case will the total of base revenue credits and base revenue refunds exceed the original deposit, nor will interest accrue thereon. At the end of the ten-year period, any amount remaining on deposit with the Company shall be deemed a non-refundable contribution in aid of construction.

Refunds will not accrue for customers served by further extension of mains covered by the agreement.

Deposit agreements remaining open as of November 17, 1982, and which provided for deposit refunds for less than a ten-year period will be considered as having a ten-year refund period, with the provisions of this rule controlling the refund calculations for the extended period.

The base revenue credit and base revenue refund amounts are five times the estimated annual base revenues, calculated by subtracting the cost of purchased gas from the estimated annual revenue, based on similarly situated customers. The estimated annual revenues shall be based upon, but not limited to, the following factors:

- a. The size of the facility to be used by the customer.
- b. The size and type of equipment to be used by the customer.
- c. The average annual amount of service required by the equipment.
- d. The average number of hours per day and days per year the equipment will be in use.



---

## SERVICE RULES AND REGULATIONS FOR GAS SERVICE

### 20. Extension of Facilities - Continued

T

Estimated construction costs shall be based upon cost experience for actual construction during the prior calendar year for main extensions to serve new customers to the extent such cost basis does not exceed the current costs using current construction methodologies, resources and material, and adjusted for working conditions such as frozen ground.

Advances for construction costs are subject to refund for a ten-year period. The advance may be by cash, surety bond, or equivalent surety acceptable to the Company. In the event a surety bond or an equivalent surety is used, the bonded amount shall have added to it a surcharge equal to the annual interest rate paid by the utility on customer bill deposits times the bonded amount. The bond shall be called by the utility at the end of one year or when the earned refunds are equal to the bonded amount, less the surcharge, whichever occurs first. If, prior to or upon termination of the surety bond, there are sufficient earned refunds to offset the amount of the surety bond, less the surcharge, the depositor shall provide the utility the amount or prorated amount of the surcharge. If, upon termination of the surety bond, there are not sufficient earned refunds to offset the full amount of the surety bond, less the surcharge, the depositors shall provide the utility a cash deposit equal to the amount of the surety bond, less refunds accumulated during the bonded period, plus the surcharge, or the depositor may pay the surcharge on the previous year's bond and rebond the balance due to the utility for a second or third one-year period. Upon receipt of such cash deposit, the utility shall release the surety bond. The cash deposit, less the surcharge, shall be subject to refund by the utility for the remainder of the ten-year period.

For administrative purposes, the Company may evaluate and use the normal length of main extension supported by estimated base revenue credit for the most commonly encountered similarly situated customers, and multiples thereof. The Company may elect to forego a construction deposit or may elect to distribute the deposit balance early where the amount is \$100.00 or less.

Advances shall be computed in a manner to reflect the grossed-up effect for income taxes using the following formula:

Refundable Advances for construction cost shall be grossed-up to reflect income taxes. The grossed-up effect is the required advance (before taxes) divided by [1 minus the composite income tax rate.]



MIDAMERICAN ENERGY COMPANY  
Gas Sales Tariff  
Nebraska Rate Area Number 1  
Filed with South Sioux City and Dakota City City Councils

Second Revised Sheet No. 33A  
Cancels First Revised Sheet No. 33A

---

## SERVICE RULES AND REGULATIONS FOR GAS SERVICE

### 20. Extension of Facilities - Continued

T

The Company shall finance and construct a service line extension without requiring a contribution in aid of construction or any payment by the applicant where the length of the service extension to the riser is up to fifty feet on private property.

Where the length of the service extension exceeds 50 feet on private property, the applicant shall be required to provide a contribution in aid of construction, grossed-up for income taxes, for that portion of the service extension on the private property, exclusive of the riser, in excess of fifty feet within thirty days after completion. The contribution in aid of construction for that portion of the extension shall be computed as follows:

$$\frac{\text{(Estimated Cost of Construction)} \times \text{(Total Length in Excess of 50 Feet)}}{\text{(Total Length of Service Extension)}} + \text{Income Taxes}$$

Non-refunded contribution in aid of construction shall be grossed-up to reflect the income taxes.



---

## SERVICE RULES AND REGULATIONS FOR GAS SERVICE

### 20. Extension of Facilities - Continued

T

Refunds. The Company shall refund to the depositor, for a period of ten years from the date of the original advance, a pro rata share for each service attachment to the distribution main extension. The pro rata refund shall be computed in the following manner:

- (1) If the combined total of five times estimated base revenue for the depositor and each customer who has attached to the distribution main extension exceeds the total estimated construction cost to provide the extension, the entire amount of the advance provided by the depositor shall be refunded to the depositor.
- (2) If the combined total of five times estimated base revenue for the depositor and each customer who has attached to the distribution main extension is less than the total estimated construction cost to provide the extension, the amount to be refunded to the depositor shall equal five times estimated base revenue of the customer attaching to the extension.
- (3) In no event shall the total amount to be refunded to a depositor exceed the amount of the advance for construction made by the depositor. Any amounts subject to refund shall be paid by the Company without interest. At the expiration of the above-described ten-year period, the customer advance for construction record shall be closed and the remaining balance shall be credited to the respective plant account.

Extensions not required. The Company shall not be required to make extensions as described in this rule, unless the extension shall be of a permanent nature.

Extension permitted. This rule shall not be construed as prohibiting any Company from making a contract with a customer in a different manner, if the contract provides a more favorable method of extension to the customer, so long as no discrimination is practiced among customers or depositors.