

Decision No. 60938

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Investigation of natural gas and electric
extension rules of California-Oregon Power
Company, California-Pacific Utilities
Company, California Electric Power Company,
Pacific Gas and Electric Company, San Diego
Gas and Electric Company, Sierra Pacific
Power Company, Southern California Edison
Company, Southern California Gas Company,
Southern Counties Gas Company of California,
and Southwest Gas Corporation.

Case No. 5945

FIRST SUPPLEMENTAL OPINION

Reason for Supplemental Opinion and Order

Ordering Paragraph No. 7, of Decision No. 59801, under the above-entitled investigation states: "The problem of how to distinguish between a temporary and a permanent customer and the definition of premises will be the subject of a supplemental decision." This supplemental decision is in response to the United States Government's contentions¹ that the order instituting this proceeding, which is broad in nature, makes no differentiation between permanent, temporary, or other types of customers, but relates to all extensions; that a customer is entitled to know what rate is applicable to his service, whether or not a line extension rule is applicable to him, whether or not he is a permanent and established customer and if not, what are the procedures he is required to follow to be so determined, and whether or not his operations embrace one or more premises and whether or not he is entitled to an extension to one or more premises. In the tariffs of respondent utilities different rules are generally applicable to extensions to temporary customers.

Public Hearing

During the twenty-three days of hearing upon Case No. 5945,

¹ Transcript pages 761 and 762.

and allied matters (Applications Nos. 37604 and 37605), the issue of temporary service and premises were considered at the hearings on May 8, 9 and 14, September 22, 23, October 29 and December 3, 1958, and May 4, 1959. On the last named date these special phases of the extension rule case were submitted subject to filing of late-filed exhibits and closing statements. Closing and reply statements were received by May 24, 1960 and these specific matters are now ready for decision.

Position of United States Government

The government's basic position is that no extension rule is fair and reasonable which relies upon the discretion of the individual utility company to determine whether a customer is permanent and established and whether or not he has one or several premises to be served. The government does not object to being classified as a temporary customer where the installations served are obviously and concededly temporary in nature. Controversies have arisen where the government contends that an installation is permanent and the utility has classified it as temporary.

The government represents that in view of the minuscule amount of the disconnects in number and dollar amounts, based on a nine-year study of Navy accounts, it was clearly unfair and discriminatory to classify as temporary any installation stated by the government to be permanent in nature at the time service was requested; that the losses, if any, from government disconnects properly should be considered no different than other losses incurred by the utilities, such as, uncollected customers' accounts; and that these losses which occur due to customers' bankruptcies, changes in planning, etc., come about as part of the risks incurred by utilities in doing business. The government desires to be treated as the utilities' other non-government customers are treated in the matter of temporary or permanent classification.

With regard to the premises definition, the government points out that industrial enterprises of all sorts, as well as government installations, often are located on large tracts of land and frequently are divided by highways or railways. If the rules of the utility permit it to consider such an industrial or governmental customer as being two or more separate premises, the disadvantages of two or more metering points and two or more billings will result. It states the discrimination against such a customer becomes evident when one considers another customer, similar in all respects, except that his installation is not divided by a highway or a railroad. In the latter instance, the utility company would consider the installation as a single premises with all of the advantages that ensue therefrom. The lack of a definition also puts a customer in the extremely disadvantageous position of not knowing the extent of the applicability of a utility's extension or other rules in which the term is used.

Temporary Service Rule Proposed By Government

The government represents that the time factor should be the principal consideration in arriving at a fair test of the temporary or permanent classification of customers where the utility has classified such customers as temporary, and that such a test would require that only obviously temporary customers with a known service period of less than one year be considered as temporary service customers.

The government's proposed rule, which is set forth in Exhibit No. 5945-93, selected portions of rules heretofore authorized by the Commission and filed by Southern California Edison Company and The California-Oregon Power Company. The government used the total Edison Company rule except for Section C-1 where it added a refund provision at the rate of 20 percent of the annual gross revenue, as set forth in the California-Oregon rule. The following temporary service rule is suggested by the government:

A. Establishment of Temporary Service

The company will, if no undue hardship to its existing customers will result therefrom, furnish temporary service under the following conditions:

1. The applicant shall pay, in advance or otherwise as required by the company, the estimated cost installed plus the estimated cost of removal, less the estimated salvage of the facilities necessary for furnishing service.
2. The applicant shall establish credit as required by Rule No. 6, except that the amount of deposit prescribed in Rule No. 7 will not exceed the estimated bill for the duration of service.

B. Change to Permanent Status

1. If the electrical machinery or apparatus originally installed, or its equivalent, is operated for a period of 36 consecutive months from the date service is first delivered under this rule, and if the business has proved its permanency to the satisfaction of the company, the payment made by the applicant, pursuant to Section A hereof, shall be adjusted to the basis of the company's filed rules in effect at the time of adjustment, covering extensions for electric service of a permanent and established character, provided the customer then complies with all of the rules applicable to electric service.
2. At the end of the 36-month period referred to above, or at any date prior thereto, the company may refund the remaining amount of the customer's advance and accept the customer's obligation to pay such remaining amount under a facilities contract as evidence that the service to be supplied thereafter may become permanent.
3. In no event shall an installation be classed as temporary for more than six years.

C. Refunds

1. After the first 12 months of continuous service the payment made by the applicant, pursuant to Section A hereof, shall be refunded at the option of the applicant exercised when payment is made, under either (a) or (b) below:
 - (a) At the rate of 1-2/3 percent of the payment for each month of service in excess of the first 12 months of continuous service.

- (b) At the rate of 20 percent of the gross revenues received from the applicant after the first 12 months of continuous service. Any unrefunded balance of such payment shall be refunded at the end of six years.

Refunds will be made annually except when partial year payment may be required upon termination of service.

- 2. If payment is not made in advance, applicant's obligation will be reduced by 1-2/3 percent for each month of service in excess of the first 12 months of continuous service.
- 3. The remaining amount of a customer's advance shall be immediately refunded, or his obligation to pay shall be canceled at any time the company deems the service to be of a permanent nature.
- 4. In no case shall the total refund exceed the lesser of the following:
 - (a) The total advance provided for in Section A, or,
 - (b) The total advance provided for in Section A, less the advance required by Rule No. 15 in effect at the time of refund.
- 5. No interest will be paid on the amount advanced.

It will be noted that the basic Edison rule proposed by the government contains a 36-month test period for determination of permanent status in contrast to the period of 12 months suggested in the government's closing statement.

Premises Definition Proposed By Government

The government represents that the unfair and inequitable situation resulting from a utility not having a premises definition, calls for the incorporation of a uniform definition, substantially as quoted below, in the rules of all of the utility companies in the state:

For Gas Utilities:

"Premises: All of the real property and apparatus employed in a single enterprise on an integral parcel of land undivided (except in the case of industrial, agricultural, oil field and resort enterprises, and public or quasi-public institutions) by public highways or railways."

For Electric Utilities:

"Premises: All of the real property and apparatus employed in a single enterprise on an integral parcel of land undivided, excepting in the case of industrial, agricultural, oil field, resort enterprises, and public or quasi-public institutions, by a dedicated street, highway, or other public thoroughfare or a railway. Automobile parking lots constituting a part of and adjacent to a single enterprise may be separated by an alley from the remainder of the premises served, provided the customer's wiring across the alley is underground and copies of all permits for the alley crossing, as required by public authorities, are filed with the utility."

Position of California-Oregon Power Company

The California-Oregon Power Company points out that the problem which the government has is that extension rules apply only to service of a permanent nature and many defense installations are considered not to be permanent. However, it represents that the government's proposed temporary service rule would not solve the problem of classification as between temporary and permanent, but would only provide options for the repayment of extension advances made because the installation was considered by the utility to be temporary. California-Oregon's present temporary service rule is similar to the Edison Rule, in some respects, the main difference being that the refunds are based on a percentage of revenue received by the utility rather than a flat 1-2/3 percent per month after 12 months. It represents that in the 15-year period analyzed by the government, in Exhibit No. 5945-118, not a single government installation was improperly classified by it as temporary.

On the matter of premises definition, the government takes no exception to the one presently in effect in California-Oregon's territory. It includes the exception for parking lots across alleys;

however, California-Oregon takes exception to the requirement that underground service is necessary across alleys to parking lots by stating that the basis exists independently of the nature of electrical connection and that no change in its present definition has been shown to be justified or required.

Position of California-Pacific Utilities Company.

The California-Pacific Utilities Company did not present a closing statement of position with regard to the matters here under consideration. It presently has on file temporary service rules². The electric rule covers the establishment of temporary service and change to permanent status after 36 months if permanency is proven to the satisfaction of the utility. This rule was filed in 1947. The gas rule covers service to circuses, bazaars, fairs, etc., and does not have provisions for change to permanent status or refunds. Its electric definitions contain the older definition of premises that does not cover the parking lot situation. Its gas definitions do not contain a definition of premises.

Position of California Electric Power Company

The California Electric Power Company expresses the view that its definition of temporary service contained in Rule No. 1 and its present temporary service Rule No. 13 are wholly satisfactory and nondiscriminatory to all parties, as evidenced by the very lack of complaints to the Commission. Its temporary service definition is: "Service to premises, enterprises or activities which are temporary in character and where it is known in advance that the service will be of limited duration." Its temporary service rule (Rule No. 13)

² Rule and Regulation No. 13 applicable to electric service and Rule No. 22 applicable to gas service.

covers the establishment of temporary service and change to permanent status after 36 months, but does not provide for any refunds. It represents that the government's proposed rule with refunds would constitute a substantial burden on its permanent customers. Its Exhibit No. 5945-120 shows that for 28 government installations listed as temporary since 1948, option (a) would require a refund of \$20,000.56 and option (b) a refund of \$21,008.79. For these 28 installations the estimated net cost of installation was \$149,254.81, the deposit was \$111,261.81 and the actual revenue to June 5, 1959, or date of disconnection, was \$311,759.74. In addition, California Electric Power Company lists 42 Government extensions installed without deposit since 1948 at an estimated installation cost of \$577,606.00.

Regarding the premises definition, California Electric Power Company represents that its definition in Rule No. 1 is in accord with the government's request, however, it does not contain the parking lot exception.

Position of Pacific Gas and Electric Company

The Pacific Gas and Electric Company takes the position that adoption of the proposals of the government would produce discriminatory and preferential treatment as they would transfer the risks associated with temporary service from the customer receiving such service to the permanent customers of the utility; that the use of a 12 months of service period to determine permanency is contrary to the rules of all of the utilities involved in this case; and that many customers who are obviously temporary in nature require service for more than one year, for example: dredging activities, mining ventures, lumbering operations, temporary buildings, construction camps, etc., are not entitled to the windfall benefits of the government's proposal.

Pacific submitted Exhibit No. 5945-122 to show that many Government accounts obviously are temporary yet run beyond the 12-month period before disconnection. Still, it recognized the fact that there may be some inequities under its present temporary service rules (Rule No. 13 gas and Rule No. 13 electric) and proposed the possible addition of a paragraph to its existing rules providing for refunds to questionable permanency customers who have operated the facilities installed by them for six years or more. Refunds of payments in excess of amounts required by Rule No. 15 would be made, without interest, at the rate of 1/48th per month for each month of continuous bona fide service in excess of the first 72 consecutive months.

Regarding the premises definition, the Pacific Gas and Electric Company notes that the word "premises" appears a dozen times in three rules³ prescribed by Decision No. 59801, yet it contends that the term is not necessary, as it is either surplusage, or the phrase "customer's property", or other appropriate language can be substituted therefor to bring more clarity or understanding to the extension rules. It contends that the word "premises" does affect certain utility-customer relationships outside of the extension rules, namely the issue of combining accounts which is clearly a Rule No. 18 matter.

It states that by combining meter readings and billings at certain groups of government installations, sizeable bill reductions would result. This saving to the government would result in a loss of revenue to the utility due to a change in rate application which ultimately could have a definite effect upon its other rate-payers. Additionally, there would be further effect upon the utility as facilities presently installed to supply electric power or gas at different points of delivery would be rendered useless, and, further,

³ Electric Rule No. 15 and Gas Rules Nos. 15 and 16

re-enforcing facilities might become needed at a new single point of delivery. Since this process may burden the rates of regular customers, Pacific Gas and Electric Company suggests that the word "premises" should be deleted from the extension rules, that this procedure would accomplish the objective of having substantially uniform extension rules and would not create confusion between those utilities which do have a definition of premises applicable to all of their rules and those which do not.

Position of San Diego Gas & Electric Company

San Diego Gas & Electric Company states that if there is a problem as to how to distinguish between a temporary and permanent customer, the government's refund proposal presents no solution for the problem nor has any evidence or proposal been submitted which would solve this problem on a uniform basis for all utilities. Basically, the temporary nature of an applicant's need for utility service is apparent at the time of application. The applicant may want service for a hula-hoop factory or a radar outpost or a tent camp. In the absence of specific knowledge of the facts surrounding the proposed use of the contemplated service, it would be impossible for the Commission to determine at this time whether an applicant ten years, or even one month, hence desires or needs utility service of a permanent or temporary nature. The real issue it states is whether the utilities should be required to uniformly adopt the refund proposal for temporary customers presented by the government.

If when applying for service to a temporary installation, the government has any doubts as to the amount of energy it will require, it may choose Option (a), the time refund provision, pay the minimum charge for six years (whether it takes energy or not), receive the refund of installation and removal payment, to the net

loss of the permanent customers of the utility. Or in cases where the government realizes that a large amount of energy may be taken for a very short period it may choose Option (b), the revenue refund provision, and receive a refund of the entire connection and removal charges within the first couple of years, despite the fact that the service rendered may result in a net loss to permanent customers.

With regard to the subject of the premises definition, San Diego already has in its tariffs the definitions desired by the government and neither party raises this question in the San Diego area.

Position of Sierra Pacific Power Company

The Sierra Pacific Power Company did not present any closing statement other than a brief letter to indicate its interest in the subjects of temporary or permanent customers and the definition of premises, and its desire to be informed as to the suggestions of other utilities or the Commission's desires. Sierra Pacific does not now have a definition of premises in its Rule No. 1. Its Rule No. 22 covers temporary service, but this is the older form of rule filed back in 1930.

Position of Southern California Edison Company

The Southern California Edison Company opposes the government's proposed modification of temporary service rules for the following main reasons:

- a. Its proposal is irrelevant to the issue of the practical determination of whether an applicant is temporary or permanent.
- b. Its proposal does not define, or even purport to define, a temporary customer, or a permanent customer, or the difference between the two or establish a criterion by which such determination can be made.

- c. It would establish machinery for accelerated automatic refunding of payments for temporary service.
- d. The gross revenue paid by a customer really has nothing to do with the matter of whether a customer is permanent or temporary.
- e. The government's proposed gross revenue refund basis would have an upward rate level impact because it would require additional refunds compared to the present rule.

Edison's position is that the concept of whether or not a customer is permanent or temporary is basically a matter of the passage of time and that the amount of the revenue dollar available for the installation and removal of facilities to serve temporary customers is substantially less than 20 percent of the monthly bills.

With regard to the definition of premises, Edison's Rule No. 1 now contains the definition requested by the Government.

Position of Southern California Gas Company
and Southern Counties Gas Company of California

Southern California and Southern Counties Gas companies state that the government's proposal is unreasonable and that inequities would result for gas utilities and their customers. Specifically, they point out that the requirement of 12 months of continuous service before refunds could be started is not practical for a gas utility because certain gas customers, including some of the largest users of gas, do not operate gas equipment continuously the year round. Also, the 20 percent refund provision in some cases would accelerate refunds to the point that the gas utility's investment to serve a temporary customer, who would use gas for only two or three years would be as large as that made to serve a permanent customer with equivalent gas usage. This is unfair because investments in main and service to serve permanent customers are predicated upon use of these facilities for substantially more than two, three or even six years. Also, they point out that subparagraph (b) of the Government's proposed rule is ambiguous in that it could be interpreted to mean that the advance

payment would be refunded in full at the end of six years, regardless of whether or not the customer had terminated service prior to that time.

These gas companies propose the following definition for temporary service: "Services to premises or enterprises, the temporary nature of which can be determined in advance from the known limited duration of the contemplated operations or enterprises whose period of operation is subject to abnormal risk or unpredictable duration."⁴ Also, by Exhibit No. 5945-113, they propose a temporary service rule which provides a basis for the extension of gas mains and services to supply temporary service. The proposed rule requires the applicant to pay, in advance or otherwise as the utility may elect, the estimated net cost of installing and abandoning or removing any necessary facilities to render such service. Refunds are provided if service is supplied on a continuous, intermittent or seasonal basis for a period of 12 consecutive months. If operations then have proven their permanency to the satisfaction of the utility, an appropriate adjustment will be made in accordance with the regular extension rule. For governmental agencies, establishments and associated housing projects, annual refunds shall be determined from earnings based on gross revenue received during the preceding year and the investment the utility has made to supply the service. Total refunds are not to exceed the amount of money deposited and any unrefunded amount remaining at the end of ten years will become the property of the utility.

With regard to the definition of premises, the definition proposed in the gas companies' Exhibit No. 5945-100 is the same as that sought by the Government.

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Exhibit No. 5945-100

Position of Southwest Gas Corporation

The Southwest Gas Corporation did not present a closing statement of position with regard to the matters here under consideration. It presently has on file a temporary service rule, Rule No. 13, that provides for payment in advance of the net cost of installing and removing facilities but does not contain any refund provision nor mention of applicability to extensions. Its Rule No. 1 contains the definition of premises sought by the Government.

Staff's Study of Premises Definition

By Exhibit No. 5945-73 the Commission staff presented its study of the premises definition in the present rules of all gas and electric companies in the state. Of 15 gas companies 6 did not have a premises definition. As to these latter 6 companies, the term was used in as many as 11 of their rules and not less than 8 rules. Of 13 electric companies 7 did not have a premises definition. As to the electric companies which had a definition of premises, the term was used in as many as 13 of the rules and in no less than 7 of the rules of a particular utility. The seven electric companies that did not define premises used the term in as many as 13 rules and in no case less than 6 rules.

Findings and Conclusions

After considering the evidence of record the Commission finds and concludes:

1. It is reasonable to require that for the future a substantially uniform temporary service rule and premises definition be adopted by respondent electric and gas utilities. In view of the fact that certain of these utilities may not in the past have had temporary service rules and premises definitions that apply specifically to extensions it would be unreasonable to require them to go back and reclassify customers. Accordingly, such rules and

definitions should apply only to new services and to applications for extensions made on and after the effective date of this order.

2. That the temporary service rule should contain specific reference to extensions.

3. That it is difficult to distinguish as between a temporary or a permanent classification for certain applicants, and, therefore, the risk exists that improper classification might burden the rates of the regular customer. Under such circumstances it is proper that the utility need not necessarily take the applicant's statement as to permanent or temporary status, but use its judgment and make its own determination and classification based upon available facts.

4. That in consideration of the fact the utility occasionally may improperly classify a permanent customer as a temporary customer, length of service should be used as a guide and when a customer takes continuous service for more than three years refunds of the difference between the extension advance required of a temporary and permanent customer be made on a graduated time basis. Apparently, some of the utilities also would like a revenue restriction so that they would not be burdened with refunds to minimum charge customers, but in the Commission's opinion, the number of such customers is sufficiently small so that risk is minimized and such complicating feature can be left out of the rule and handled as an exceptional case.

5. That the Government's proposal to use a 12-month period to start to distinguish as between permanent and temporary customer is inadequate and that a 36-month period is more reasonable.

6. That the present Southern California Edison Company temporary service rule provides a reasonable pattern to follow provided it is revised to show that it applies to line extensions to temporary customers.

7. That all motions not consistent with the findings, rules and definitions provided herein should be denied and respondents' proposed definitions and rules should not be authorized.

8. That increases and/or decreases in rates, charges and conditions which might result from the revision of rules or definitions as prescribed and authorized herein are justified and present rules, in so far as they differ from those herein prescribed, are, for the future, unjust and unreasonable for application to new services, and an order should be issued authorizing and directing changes in temporary service rules and definitions as hereinafter set forth.

FIRST SUPPLEMENTAL ORDER

The Commission having on March 22, 1960 issued Decision No. 59801 which left for supplemental decision the problem of how to distinguish between a temporary and a permanent customer and the matter of definition of premises, these supplemental matters having been considered at public hearings, briefs and closing statements having been filed, the matters having been submitted and the Commission being fully advised, therefore,

IT IS ORDERED as follows:

1. Each respondent providing electric service shall, on or before November 15, 1960, in accordance with the procedure prescribed by General Order No. 96, file with this Commission the rule and definitions set forth in Appendix A attached to this decision. Such rule and definitions shall become effective on not less than five days' notice to the Commission and to the public for new applications for service received by such respondents on and after November 21, 1960 and shall cancel and supersede the corresponding existing rules and definitions respecting temporary service and premises, unless such rule or definitions as worded herein already are on file or none presently is on file.

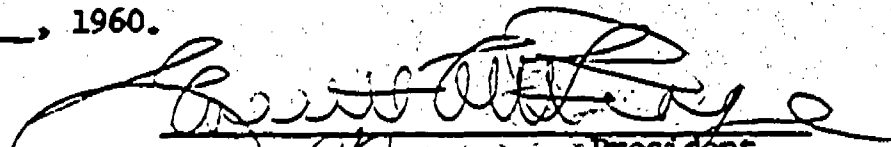
2. Each respondent providing gas service shall, on or before November 15, 1960, in accordance with the procedure prescribed by General Order No. 96 file with this Commission the rule and definitions set forth in Appendix B attached to this decision. Such rule and definitions shall become effective on not less than five days' notice to the Commission and to the public for new applications for service received by such respondents on and after November 21, 1960, and shall cancel and supersede the corresponding existing rules and definitions respecting temporary service and premises, unless such rule or definitions as worded herein already are on file or none presently is on file.

3. All motions not consistent with the findings in the opinion part of this decision, and not consistent with the rules and definitions provided in Appendices A and B herein are denied, and respondents' proposed definitions and rules are not authorized.

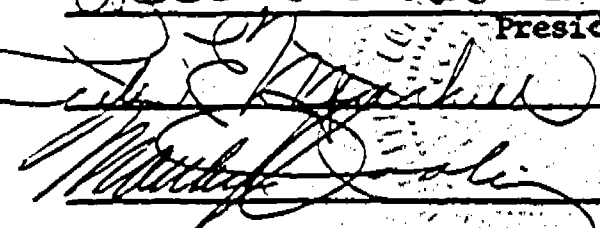
4. Decision No. 59801 remains in full force and effect and pursuant to the authorization of Ordering Paragraph No. 7 thereof is supplemented by this decision.

The effective date of this order shall be twenty days after the date hereof.

Dated at San Francisco, California, this 25th day of OCTOBER, 1960.



President



Commissioner

Commissioner

Commissioners

E. Lyn Fox

Commissioner Theodore H. Jenner, being necessarily absent, did not participate in the disposition of this proceeding.

APPENDIX A
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DEFINITIONS:

Respondent ELECTRICAL utilities shall include in their definitions of tariff terms (preferably in Rule No. 1) the following:

Premises: All of the real property and apparatus employed in a single enterprise on an integral parcel of land undivided, excepting in the case of industrial, agricultural, oil field, resort enterprises and public or quasi-public institutions, by a dedicated street, highway or other public thoroughfare or a railway. Automobile parking lots constituting a part of and adjacent to a single enterprise may be separated by an alley from the remainder of the premises served.

Temporary Service: Service for enterprises or activities which are temporary in character or where it is known in advance that service will be of limited duration. Service, which in the opinion of the utility, is for operations of speculative character or the permanency of which has not been established, also is considered temporary service.

Temporary Service Rule: Respondent electric utilities shall file the following rule:

Rule No. ____ *

TEMPORARY SERVICE

A. Establishment of Temporary Service

The utility shall, if no undue hardship to its existing customers will result therefrom, furnish temporary service under the following conditions:

1. The applicant shall pay, in advance or otherwise as required by the utility, the estimated cost installed plus the estimated cost of removal, less the estimated salvage of the facilities necessary for furnishing service.

* Utility to insert appropriate number.

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2. The applicant shall establish credit as required by Rule No. ____,* except that the amount of deposit prescribed in Rule No. ____* shall not exceed the estimated bill for the duration of service.

B. Change to Permanent Status

1. If service to the electrical machinery or apparatus as originally installed or its equivalent is supplied a temporary customer on a continuous, intermittent or seasonal basis for a period of 36 consecutive months from the date electric service first was delivered under this rule, the customer shall be classified as permanent and, the payment made in excess of that required for permanent service or under the line extension rule for permanent customers shall be refunded in accordance with the provisions of Section C.2 following, provided the customer then complies with all of the rules applicable to electric service.
2. If at any time the character of a temporary customer's operations changes so that in the opinion of the utility the customer may be classified as permanent, the amount of payment made in excess of that required for permanent service immediately shall be refunded to the customer in accordance with Section C.1 following.
3. In no event will a customer be classified as temporary for more than six years.

C. Refunds

1. The amount of refund upon reclassification of a customer from temporary to permanent will be made on the basis of the extension rule in effect at the time temporary service was first rendered to the customer.
2. The payment made by the applicant in excess of any that may be required under the extension rule for permanent service in effect at the time of original temporary service shall be refunded at the rate of 1-2/3% for each month of service in excess of the first 12 months. Refunds shall be made annually except when partial year payment may be required upon termination of service.
3. If payment has not been made in advance, applicant's excess obligation shall be reduced by 1-2/3% for each month of service in excess of the first 12 months.
4. Total refunds shall not exceed the amount deposited and no interest shall be paid on the amount advanced.

* Utility to insert appropriate number.

APPENDIX B
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DEFINITIONS:

Respondent GAS utilities shall include in their definitions of tariff terms (preferably in Rule No. 1) the following:

Premises: All of the real property and apparatus employed in a single enterprise on an integral parcel of land undivided, excepting in the case of industrial, agricultural, oil field, resort enterprises and public or quasi-public institutions, by a dedicated street, highway or other public thoroughfare or a railway. Automobile parking lots constituting a part of and adjacent to a single enterprise may be separated by an alley from the remainder of the premises served.

Temporary Service: Service for enterprises or activities which are temporary in character or where it is known in advance that service will be of limited duration. Service which, in the opinion of the utility, is for operations of a speculative character or the permanency of which has not been established, also is considered temporary service.

Temporary Service Rule: Respondent gas utilities shall file the following rule:

Rule No. ____ *

TEMPORARY SERVICE

A. Establishment of Temporary Service

The utility shall, if no undue hardship to its existing customers will result therefrom, furnish temporary service under the following conditions:

1. The applicant shall pay, in advance or otherwise as required by the utility, the estimated cost installed plus the estimated cost of removal, less the estimated salvage of the facilities necessary for furnishing service.

* Utility to insert appropriate number.

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2. The applicant shall establish credit as required by Rule No. _____, * except that the amount of deposit prescribed in Rule No. _____ * shall not exceed the estimated bill for the duration of service.

B. Change to Permanent Status

1. If service to the gas equipment or apparatus as originally installed or its equivalent is supplied a temporary customer on a continuous, intermittent or seasonal basis for a period of 36 consecutive months from the date gas service first was delivered under this rule the customer shall be classified as permanent and the payment made in excess of that required for permanent service or under the extension rules for permanent customer shall be refunded in accordance with the provisions of Section C.2 following, provided the customer then complies with all of the rules applicable to gas service.
2. If at any time the character of a temporary customer's operations changes so that in the opinion of the utility the customer may be classified as permanent, the amount of payment made in excess of that required for permanent service immediately shall be refunded to the customer in accordance with Section C.1 following.
3. In no event will a customer be classified as temporary for more than six years.

C. Refunds

1. The amount of refund upon reclassification of a customer from temporary to permanent will be made on the basis of the extension rule in effect at the time temporary service was first rendered to the customer.
2. The payment made by the applicant in excess of any that may be required under the extension rule for permanent service in effect at the time of original temporary service shall be refunded at the rate of 1-2/3% for each month of service in excess of the first 12 months. Refunds shall be made annually except when partial year payment may be required upon termination of service.
3. If payment has not been made in advance, applicant's excess obligation shall be reduced by 1-2/3% for each month of service in excess of the first 12 months.
4. Total refunds shall not exceed the amount deposited and no interest shall be paid on the amount advanced.

* Utility to insert appropriate number.