

C. Mains and Service Lines: (Cont'd.)

The surcharge shall be reduced by 50 percent of adjusted gas revenues, but the credit shall not exceed the amount of the surcharge as determined above.

- (3) Whenever more than one customer is connected to a main extension, the surcharge shall be so adjusted that the corporation shall not receive in any one calendar year a greater percentage from all customers served from the main extension than that applicable to such extension. The surcharge will be reasonably allocated among the customers being served from the main extension, taking into account the portion of mains and appurtenant facilities which the Company is required to provide without charge to each customer served from such facilities.
- (4) Each surcharge shall cease:
  - (i) Whenever the length of a main extension required to be provided without charge to all customers served from such extension shall equal or exceed the total length of such extension;
  - (ii) Whenever the total adjusted gas revenue from all customers served from a main extension equals or exceeds 40 percent of the cost of such extension in excess of that required to be provided without charge, in each of any two consecutive calendar years; or
  - (iii) After a period of ten years following its commencement.
- (5) If the adjusted gas revenue from all customers served from a main extension exceeds the carrying cost of the entire extension, any surcharges (or contributions) paid by such customers during the preceding five years shall be refunded to such customers.
- (6) No surcharge will be imposed if the total adjusted gas revenue from all customers served from a main extension is estimated to exceed 40 percent of the actual reasonable cost of such extension in each of any two consecutive calendar years.