RIDER SCHEDULE GAFC-2

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# ADDITIONAL FACILITIES CHARGE RIDER

### I. AVAILABILITY

This Facilities Charge Rider is available to Customers taking service under the Company's Residential, Small General Service, Large General Service, and the Company's Small or Large Municipal Gas Service gas service rate schedules.

#### II. APPLICATION

When the Company installs facilities other than those normally furnished for like levels of service to similar customers ("Additional Facilities"), the Customer will enter into a Facilities Agreement with the Company and pay to the Company a net monthly charge based on the investment by Company in such facilities and the monthly percentages from either Option A or Option B below, as appropriate. At the execution of each Facilities Agreement, the Customer will have a one-time election to select either Option A or Option B for the definition of the monthly rate associated with Company's investment in the Additional Facilities. Any subsequent capital additions, replacements, or modifications of facilities will be treated as described in Option A and Option B below.

#### A. OPTION A

Customers that select Option A for Additional Facilities must pay a net monthly facilities charge of 1.455% per month of the installed cost of all facilities included in the Facilities Agreement. Subsequent capital modifications or additions to such facilities will be subject to the above rate as applied to the cost of the additions or modifications. Subsequent replacement of an Additional Facilities component will be subject to the above rate, as applied to the excess of the cost of replacement over the original installed cost of the replaced facilities.

#### **B. OPTION B**

Customers that select Option B for Additional Facilities must define in the Facilities Agreement the number of years (the "Recovery Term") that will define the appropriate monthly rates to be applied to the Company's investment. The Recovery Term cannot be longer than 10 years. The following table specifies the monthly percentages for application during the selected Recovery Term and any years following the Recovery Term. These percentages will apply monthly to the installed cost of all facilities included in the Facilities Agreement. Prepayment of any charges associated with the Facilities Agreement prior to expiration of the selected Recovery Term is not allowed.

Selected Recovery <u>Term (Years</u> )	Monthly % During <u>Recovery Term</u>	Monthly % Post- <u>Recovery Term</u>
1	9.449%	0.578%
2	5.271%	0.578%
3	3.885%	0.578%
4	3.197%	0.578%
5	2.787%	0.578%
6	2.517%	0.578%
7	2.327%	0.578%
8	2.187%	0.578%
9	2.08%	0.578%
10	1.995%	0.578%

Subsequent modifications and additions to Additional Facilities covered by a Facilities Agreement shall be subject to a new Option B Facilities Agreement covering the installed cost of such facilities, wherein Customer must select a Recovery Term that will define the appropriate monthly rate for such cost.

Subsequent replacement of an Additional Facilities component shall be subject to a new Facilities Agreement covering the installed cost of such item and the customer may select either Option A or Option B for such item. If the Facilities Agreement covering the replaced item remains in effect because there was not a total replacement of the Additional Facilities covered by the Facilities Agreement, the costs covered by such agreement shall be reduced by the original cost of the replaced facility. If the replacement occurs prior to the end of the Recovery Term for the replaced facility, the replacement installed cost shall be reduced by the salvage value of the replaced facility, if any.

## III. PAYMENT

The Net Monthly Bill is due and payable each month. The Gross Monthly Bill, which is the Net Monthly Bill plus 2%, becomes due after the Gross Due Date shown on the bill, which shall not be less than twenty (20) days from the date of billing.

## IV. CONTRACT PERIOD

The initial contract period of any contract for Additional Facilities provided hereunder shall be for not less than ten (10) years and shall be automatically extended thereafter for successive periods of one (1) year each until terminated by written notice given by one party to the other not more than six (6) months nor less than three (3) months prior to the expiration of the initial contract period or any anniversary thereof.