



GAS RULE NO. 15
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. DISTRIBUTION MAIN EXTENSION BASIS

a. DESIGN. PG&E will be responsible for planning, designing, and engineering Distribution Main Extensions using PG&E's standards for material, design, and construction. Applicants may elect to use the Applicant Design Option provisions of this Rule to design that portion of the new Distribution Main Extension normally designed by PG&E.

b. CONSTRUCTION AND DESIGN SPECIFICATIONS, STANDARDS, TERMS, AND CONDITIONS OF A NEW EXTENSION OF SERVICE PROJECT.

1) In compliance with Section 783 of the Public Utilities Code, PG&E will apply only those construction and design specifications, standards, terms, and conditions that are applicable to a new extension of service project for the 18 months following the date the application for a new extension of service project is approved.

2) PG&E may adopt modifications to those construction and design specifications, standards, terms, and conditions applicable to a new extension-of-service project only in accordance with any of the following:

a) An order or decision of the California Public Utilities Commission (CPUC) or any other state or federal agency with jurisdiction.

b) A work order issued by PG&E to implement construction or design changes necessitated by a customer-driven scope of work modification.

c) A material-related design change identified by PG&E to remedy a construction material defect that could pose a risk to public safety.

(N)

(N)

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

(Continued)



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Sheet 2

A. GENERAL (Cont'd)

1. DISTRIBUTION LINE EXTENSION BASIS (Cont'd)

b. CONSTRUCTION AND DESIGN SPECIFICATIONS, STANDARDS, TERMS, AND CONDITIONS OF A NEW EXTENSION OF SERVICE PROJECT (Cont'd).

3) Approval date of a new extension of service application refers to the earlier of either the effective date of the contract for the extension of gas service or the date when PG&E first invoices the customer for the extension of gas service. "Invoice" to mean when PG&E presents an offer to the customer for the extension of service in response to an application for an extension of service submitted pursuant to the regulations of the CPUC and applicable specifications of PG&E. (T)
(T)

c. OWNERSHIP. The Distribution Main Extension facilities installed under the provisions of this Rule shall be owned, operated, and maintained by PG&E, except for Substructures and enclosures that are on, under, within, or part of a building or structure.

d. PRIVATE LINES. PG&E shall not be required to serve any Applicant from Distribution Main Extension facilities that are not owned, operated, and maintained by PG&E.

2. DISTRIBUTION MAIN EXTENSION LOCATIONS

a. RIGHTS-OF-WAY. PG&E will own, operate, and maintain Distribution Main Extension facilities only:

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

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

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Sheet 3

A. GENERAL (Cont'd.)

- 3. SPECIAL OR ADDED FACILITIES. Any special or added facilities PG&E agrees to install at the request of Applicant will be installed at Applicant's expense in accordance with Rule 2—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 13—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 16—Gas Service Extensions.
- 6. CONTRACTS. Each Applicant requesting a Distribution Main Extension may be required to execute a written contract(s) prior to PG&E performing its work on the Distribution Main Extension. Such contracts shall be in the form on file with the California Public Utilities Commission (Commission).

B. INSTALLATION RESPONSIBILITIES

- 1. APPLICANT RESPONSIBILITY. In accordance with PG&E's design, specifications, and requirements, Applicant is responsible for:
 - a. SUBSTRUCTURES. Furnishing, installing, and upon acceptance by PG&E, conveying to PG&E ownership of all necessary installed Substructures; and,
 - b. PROTECTIVE STRUCTURES. Furnishing, installing, and upon acceptance by PG&E, conveying to PG&E ownership of all necessary Protective Structures.

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B. INSTALLATION RESPONSIBILITIES (Cont'd.)

- 2. **PG&E RESPONSIBILITY.** PG&E is responsible for the installation of Distribution Main, valves, regulators, and other related distribution equipment required to complete the Distribution Main 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. Eligible Projects approved by the California Public Utilities Commission (CPUC or Commission) (see Section C.2.) that elects to perform trenching will receive a credit equal to PG&E's project-specific estimated cost-per-foot of trench.

3. INSTALLATION OPTIONS

- a. **PG&E-PERFORMED WORK.** Where requested by Applicant and mutually agreed upon, PG&E may furnish and install the Substructures and/or Protective Structures, provided Applicant pays PG&E its total estimated installed cost. Applicants who submit a new application for gas Distribution Main Extension(s) on or after July 1, 2023, must pay PG&E its total estimated cost upon contract execution in advance of PG&E commencing its work. Upon completion of the work and determination of final actual costs, PG&E will provide Applicant with a final invoice or refund to account for a true-up to actual costs (excluding Betterment and Utility Convenience).

An Applicant's failure to pay a final invoice in a timely manner is a violation of PG&E's Gas Rules 15/16 and may result in discontinuance of service.

- b. **APPLICANT-PERFORMED WORK.** Applicant may elect to install that portion of the new Distribution Main Extension normally installed by PG&E, in accordance with PG&E'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 California Public Utilities Commission (CPUC or Commission) (see Section C.2.). For Eligible Projects approved by the Commission, PG&E will complete a Distribution Main Extension without charge provided PG&E's total estimated installed cost in accordance with Section B.3.a., does not exceed the allowances from bona-fide loads to be served by the Distribution Main Extension within a reasonable time, as determined by PG&E. The allowance for Eligible Project applicants will be applied to the combined refundable cost of the Distribution and Service Extensions.

(T)

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C. EXTENSION ALLOWANCES (Cont'd.)

- 3. MIXED-FUEL NEW CONSTRUCTION (Cont'd.) (N)
 - (b) Ongoing mixed-fuel new construction project that is currently in the development process is authorized to receive subsidies if it meets all the criteria below. If the criteria below are not met, then the electric utility will invoice or re-invoice the project without subsidies and at the actual cost.
 - i. The invoice has been paid to the electric investor-owned utility as of July 1, 2024
 - ii. The electric utility contract was signed and received by the electric utility as of July 1, 2024; and
 - iii. The project(s) is field complete/energized no later than 12 months after July 1, 2024.
 - (c) All gas line extension projects for non-residential construction projects exempted under Decision 22-09-026 are authorized to be exempt from electricity line extension elimination as a mixed-fuel new construction project. (N)

- 4. BASIS OF ALLOWANCES. 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: (T)/(L)
 - a. PG&E is provided evidence that construction will proceed promptly and financing is adequate; and (L)
 - b. Applicant has submitted evidence of building permit(s) or lease agreement(s); or
 - c. Where there is equivalent evidence of gas usage satisfactory to PG&E. (L)

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C. EXTENSION ALLOWANCES (Cont'd.)

4. BASIS OF ALLOWANCES (Cont'd.) (T)/(L)

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

$$\text{Allowance} = \frac{\text{Net Revenue}}{\text{Cost-of-Service Factor}}$$

where the Cost of Service Factor is the annualized utility-financed Cost of Ownership as stated in Gas Rule 2. (L)

5. ELIGIBLE PROJECT ALLOWANCES. For Eligible Projects approved by the Commission, the allowance for Distribution Main Extensions, Service Extensions, or a combination thereof, for non-residential Permanent service is determined by PG&E using the formula in Section C.3. (T)/(L)
(L)

Where the Distribution Main Extension of an Eligible Project will serve a combination of residential and non-residential meters, no residential allowances will be added to the non-residential allowances. (T)/(L)
(L)
(L)

6. SEASONAL, INTERMITTENT, AND INSIGNIFICANT NON-RESIDENTIAL 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 non-residential loads shall be determined using the formula in Section C.3. No allowance will be provided where service is used only for emergency purposes, or for Insignificant Loads. (T)/(L)
(L)

D. CONTRIBUTIONS OR ADVANCES BY APPLICANT

- 1. GENERAL. Contributions or Advances by an Applicant to PG&E for the installation of a Distribution Main Extension to receive PG&E service consists of such things as cash payments, the value of the facilities deeded to PG&E, and the value of Trenching performed by Applicant.
 - 2. PROJECT-SPECIFIC COST. PG&E's total estimated installed cost will be based on a project-specific estimated cost with a final invoice or refund to account for a true-up to actual cost, in accordance with Section B.3.a.
 - 3. CASH ADVANCE. A cash advance will only be required if Applicant's excess allowance is less than PG&E's total estimated installed cost to complete a Distribution Main Extension.
- (L)

(Continued)



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D. CONTRIBUTIONS OR ADVANCES BY APPLICANT (Cont'd.)

(L)

- 4. **POSTPONEMENT.** For Eligible Projects approved by the Commission, at PG&E's option, the payment of that portion of such an advance that PG&E estimates would be refunded within six (6) months under provisions of this rule may be postponed for six (6) months if: (1) PG&E is provided evidence the construction will proceed promptly and financing is adequate; (2) Applicant has submitted evidence of building permits(s) or lease agreement(s); or (3) where there is equivalent evidence of gas usage satisfactory to PG&E; and (4) Applicant agrees in writing to pay at the end of six (6) months all amounts not previously Advanced.
- 5. **TAX.** All Contributions and Advances by Applicant are taxable and shall include an Income Tax Component Contribution (ITCC) at the rate provided in PG&E's Preliminary Statement. ITCC Tax will be either refundable or non-refundable in accordance with the corresponding Contribution.
- 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 advance or contribute, before the start of PG&E's construction, the following:
 - a. **REFUNDABLE AMOUNT.** For Eligible Projects approved by the Commission, the Applicant's refundable amount is the portion of PG&E's total installed cost in accordance with Section B.3.a., including taxes, to complete the Distribution Main Extension (including distribution regulators, PG&E's value of the Distribution Trenching, any non-residential service facilities, and excluding Betterment), that exceeds the amount of the Distribution Main Extension allowance determined in Section C; or,
 - b. **NON-REFUNDABLE DISCOUNT OPTION.** For Eligible Projects, in lieu of contributing the refundable amount determined in Section D.6.a, Applicant has the option of contributing, on a non-refundable basis, fifty percent (50%) of such refundable amount, plus
 - c. **OTHER NON-REFUNDABLE AMOUNTS.** Applicant's non-refundable amount is PG&E's value of the Substructures, Protective Structures, required by PG&E for the Distribution Main 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.

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D. CONTRIBUTIONS OR ADVANCES BY APPLICANT (Cont'd.)

(L)

8. PAYMENT ADJUSTMENTS.

- a. CONTRACT COMPLIANCE. If, after six (6) months following the date PG&E 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 PG&E an additional Contribution or Advance, based on the allowances for the revenues actually generated.*
- b. EXCESS FACILITIES. If the loads provided by Applicant(s) result in PG&E installing facilities which are in excess of those needed to serve the actual loads, and PG&E elects to reduce such excess facilities, Applicant shall pay PG&E its total cost to remove, abandon, or replace its excess facilities, less the salvage value of any removed facilities in accordance with Section B.3.a.

* Under the measures of the Emergency Consumer Protection Plan and pursuant to Advice 4446-G/6216-E, residential Applicants whose Ready to Serve date is between September 19, 2019 and June 30, 2021, that included the time period of the COVID-19 restrictions (March 1, 2020 through June 30, 2021) and their revenue review resulted in an additional contribution or Advance, PG&E will apply a second term to set their meters and meet their obligation (a "term" is equal to an additional six months), beginning on July 1, 2021. For non-residential Applicants, the revenue review period would continue pursuant to Advice 3420-G/4288-G but will exclude the months during the COVID-19 restriction period. The deferral would begin on July 1, 2021 and would equal the number of months that the Applicant's "normal" review period would have occurred within the COVID-19 restriction time frame.

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E. REFUND BASIS

- 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 signed. Residential Allowances: the allowance in excess of that needed for the Residential Service Extension in accordance with Rule 16 will be applied to the Distribution Main Extension to which the Service Extension is connected. Non-Residential Allowances: the allowances for non-residential applicants will be applied to the combined refundable cost of the Distribution and Service Extension.
- 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.
- 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 Distribution Main Extension is first ready for service.
 - a. Pursuant to D.23-12-037, the 10-Year Refundable Payment Option set forth in Electric Rules 15 and 16 are removed for Mixed-Fuel New Construction projects effective July 1, 2024. Effective January 1, 2025, customers of all Mixed-Fuel New Construction projects will pay, at the end of project completion, the final actual costs of an electric line extension instead of estimated costs.

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E. REFUND BASIS (Cont'd.)

(L)

- 4. **ELIGIBLE PROJECTS.** For Eligible Projects approved by the Commission, PG&E shall be responsible for reviewing Applicant's actual base annual revenue for the first three (3) years from the date PG&E is first ready to serve. Applicant shall be responsible for notifying PG&E 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.)
- 5. **UNSUPPORTED DISTRIBUTION MAIN 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 PG&E is first ready to serve, Applicant will pay to PG&E a monthly Cost of Ownership charge (Gas Rule 2 applicant-financed Cost of Ownership percentage) on the remaining refundable balance. Monthly Cost of Ownership charges are in addition to the refundable amount, and will normally be accumulated and deducted from refunds due Applicant.
- 6. **REFUND TIMING.** For Eligible Projects approved by the Commission, refunds will be made without interest within the later of ninety (90) days:
 - a. after the date of first service to new permanent loads or,
 - b. after the Commission approval of an Eligible Project or,
 - c. refunds may be accumulated to a fifty dollar (\$50) minimum, or the total refundable balance, if less than fifty dollars (\$50).
- 7. **MAXIMUM REFUND.** No refund shall be made in excess of the refundable amount nor after a period of ten (10) years from the date PG&E is first ready to serve. Any unrefunded amount remaining at the end of the ten (10) year period shall become the property of PG&E.
- 8. **PREVIOUS RULES.** Refundable amounts paid, Contributed, or Advanced under conditions of a rule previously in effect will be refunded in accordance with the provisions of such earlier rule.
- 9. **JOINT APPLICANTS.** When two (2) or more parties make joint Contributions or Advances on the same Distribution Main 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.

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E. REFUND BASIS (Cont'd.)

10. SERIES OF DISTRIBUTION MAIN EXTENSIONS. For Eligible Projects approved by the Commission after July 1, 2023, where there are a series of Distribution Main Extensions, commencing with a Distribution Main Extension having an outstanding amount subject to refund, and each Distribution Main Extension is dependent upon the previous Distribution Main Extension as a direct source of supply, a series refund will be made as follows:

- a. Additional service connections supplied from a Distribution Main Extension on which there is a refundable amount will provide refunds first to the Distribution Main Extension to which they are connected; and
- b. When the amount subject to refund on a Distribution Main Extension in a series is fully refunded, the excess refundable amount will provide refunds to the Distribution Main Extension having the oldest outstanding amount subject to refund in the series.

11. MIXED-FUEL NEW CONSTRUCTION. Pursuant to D.23-12-037, the 10-Year Refundable Payment Option set forth in Electric Rules 15 and 16 are removed for Mixed-Fuel New Construction projects effective July 1, 2024. Effective January 1, 2025, customers of all Mixed-Fuel New Construction projects will pay, at the end of project completion, the final actual costs of an electric line extension instead of estimated costs.

F. APPLICANT DESIGN OPTION

1. COMPETITIVE BIDDING. When Applicant selects competitive bidding, the Distribution Main Extension may be designed by Applicant's qualified contractor or sub-contractor, but the design must be in accordance with PG&E's design and construction standards. All applicant design work of gas and electric facilities must be performed by or under the direction of a licensed professional engineer and all design work submitted to PG&E 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 service and is not available for replacement, reinforcement, or relocation of existing systems, where there is no applicant for new line or service extension work. Under this option, the following applies:

- a. Applicant shall notify PG&E, in a manner acceptable to PG&E.
- b. Applicant designs shall conform to all applicable federal, state and local codes and ordinances for utility installations (such as, but not limited to the California Business and Professions Code).

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Sheet 13

F. APPLICANT DESIGN OPTION (Cont'd.)

(L)

1. COMPETITIVE BIDDING (Cont'd.)

- c. PG&E may require applicant designers to meet its pre-qualification requirements prior to participating in applicant design.
- d. Applicant designers shall obtain PG&E's design and construction standards and specifications prior to performing applicant design. PG&E may charge for any of these services.
- e. PG&E will perform one plan check on each applicant design project at no expense to Applicant. All subsequent plan checks will be at Applicant's expense.
- f. For designs performed by a non-utility designer, PG&E will credit Applicant with the amount of PG&E's design bid less appropriate charges such as for plan checking, changes, or revisions.
- g. In the case of Applicant designed projects requiring an advance, PG&E will deduct the design credit from Applicant's advance.
- h. For Eligible Projects approved by the Commission, if no advance is required, PG&E will reimburse/refund the Applicant for the cost of the design after the Distribution Main Extension is first ready to serve.
- i. PG&E shall perform all project accounting and cost estimating.

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G. APPLICANT INSTALLATION OPTION

(L)

1. COMPETITIVE BIDDING. When Applicant selects competitive bidding, the Distribution Main Extension may be installed by Applicant's qualified contractor or subcontractor in accordance with PG&E design and specifications. Under this option, the following applies:
 - a. Upon completion of Applicant's installation, and acceptance by PG&E, ownership of such facilities will transfer to PG&E.
 - b. Applicant shall provide to PG&E, prior to PG&E preparing the line extension contract, the Applicant's Contract Anticipated Costs subject to refund to perform the work normally provided by PG&E. The Applicant shall submit, on a form provided by PG&E, a statement of such costs. If the Applicant elects not to provide such costs to PG&E, the Applicant shall acknowledge its election on the form and PG&E will use its estimated costs.
 - c. Applicant shall pay to PG&E, subject to the refund and allowance provisions of Rules 15 and 16, PG&E's cost of work performed by PG&E for the Distribution Main Extension, including the costs of design, administration, and installation of any additional facilities.
 - d. The lower of PG&E's estimated refundable costs, or Applicant's Contract Anticipated Costs, as reported in G.1.b., for the work normally performed by PG&E, shall be subject to the refund and allowance provisions of Rules 15 and 16.
 - e. Applicant shall pay to PG&E the cost of PG&E's inspection in accordance with Section B.3.a. For applications before July 1, 2023, inspection cost shall be a fixed amount not subject to reconciliation. For non-residential applications for gas Distribution Main Extensions submitted on or after July 1, 2023, such inspection costs may be subject to otherwise available allowances up to the difference between the Applicant's Contract Anticipated Costs as reported in G.1.b. and PG&E's estimated costs for performing the same work, but not to exceed PG&E's estimated costs.
 - f. Only duly authorized employees of PG&E are allowed, to connect to, disconnect from, or perform any work upon PG&E's facilities.

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- G. APPLICANT INSTALLATION OPTION (Cont'd.) (L)
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. (L)

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Sheet 16

H. SPECIAL CONDITIONS

(L)

1. FACILITY RELOCATION OR REARRANGEMENT. Any relocation or rearrangement of PG&E's existing facilities, at the request of or to meet the convenience of an Applicant or customer, and agreed upon by PG&E, normally shall be performed by PG&E at Applicant's expense. 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.

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

2. PERIODIC REVIEW. PG&E will periodically review the factors it uses to determine its allowances, nonrefundable discount option percentage rate, and cost of service factor stated in this rule. If such review results in a change of more than five percent (5%), PG&E will submit a tariff revision proposal to the Commission for review and approval. Such proposed changes shall be submitted no sooner than six (6) months after the last revision.

Additionally, PG&E shall submit by advice letter proposed tariff revisions, which result from other relevant Commission decisions, to the allowance formula for calculating line and service extension allowances.

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H. SPECIAL CONDITIONS (Cont'd.) (L)

3. EXCEPTIONAL CASES. When the application of this rule appears impractical or unjust to either party or the ratepayers, PG&E 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 TRANSMISSION LINES. PG&E 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.

I. DEFINITIONS FOR RULE 15 (L)

ACTUAL COSTS: PG&E's total costs incurred, including direct indirect and overhead costs billed in accordance with PG&E's systems for allocating charged to customers. Direct, indirect and overhead costs include, without limitation, payroll, payroll taxes, external charges, benefits, Allowance for Funds Used During Construction, Administrative and General Costs, estimating, mapping, surveying, land rights acquisition, transportation, service planning, contract management, sourcing, stores and tool expense, material and supplies, public liability and property damage insurance, as set forth in PG&E's tariffs, estimated state and federal income tax, and other costs charged under such systems, as may be modified from time to time. (L)

ADVANCES: Cash payments made to PG&E prior to the initiation of any work done by PG&E which is not covered by allowances. (L)

APPLICANT: A person or agency requesting PG&E to supply gas service.

APPLICANT'S CONTRACT ANTICIPATED COST: The cost estimate provided by the Applicant's contractor to the Applicant for performing the applicable refundable work, as stated on the Statement of Applicant's Contract Anticipated Costs (Form 79-1003), or in the case where the work is performed by the Applicant, the Applicant's own cost estimate on the signed form.

BETTERMENT: Facilities installed for PG&E'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 PG&E. (L)

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I. DEFINITIONS FOR RULE 15 (Cont'd.)

(L)

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

COST-OF-SERVICE FACTOR: The annualized utility-financed Cost of Ownership as presented in monthly format and stated in Gas Rule 2 that includes taxes, return, depreciation and is applied to the Net Revenue to determine PG&E's investment in distribution facilities.

DISTRIBUTION 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 Distribution Main Extension consists of new distribution facilities of PG&E 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. PG&E's Distribution Main Extension includes any required Substructures and facilities for transmission taps but excludes service connections, services, and meters.

DISTRIBUTION MAINS: Mains which are operated at distribution pressure, and supply three (3) or more services or run parallel to the property line in a public right-of-way.

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Advice 4862-G
Decision D.23-12-037

Issued by
Shilpa Ramaiya
Vice President

Submitted January 29, 2024
Effective February 28, 2024
Resolution



GAS RULE NO. 15
GAS MAIN EXTENSIONS

Sheet 19

I. DEFINITIONS FOR RULE 15 (Cont'd.)

DISTRIBUTION MAINS: Mains which are operated at distribution pressure, and supply three (3) 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 outlined in section C.2. may receive line extension allowances (either a 10-year refundable payment option or a 50-percent discount payment option) if the Commission approves the Applicant's project as an Eligible Project in PG&E's annual application filing to receive such allowances, refunds, or discounts pursuant to D.22-09-026.

EXCAVATION: All necessary Trenching, backfilling, and other digging to install Distribution Main Extension facilities, including furnishing of any imported backfill material and disposal of spoil as required, surface repair and replacement and landscape repair and replacement.

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

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

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

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

MIXED-FUEL NEW CONSTRUCTION: A new end-use load, or consistent with the definition of New Construction in the CEC 2022 Building Energy Efficiency Standards, a building that has never been used or occupied for any purpose, or any renovation where 50 percent or more of the exterior weight-bearing walls are removed, that uses gas and/or propane in addition to electricity.

MONTHLY OWNERSHIP CHARGE: Cost of Ownership charges (from Gas Rule 2 customer-financed Cost of Ownership percentage) as a percentage rate applied against the outstanding unrefunded refundable balance after thirty six (36) months from the date PG&E is first ready to serve. Serves to recover the cost of operating and maintaining customer-financed facilities that are not fully utilized.

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GAS RULE NO. 15
GAS MAIN EXTENSIONS

Sheet 20

I. DEFINITIONS FOR RULE 15 (Cont'd.)

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NET REVENUE: That portion of the total rate that supports PG&E's Distribution Main and Service Extension costs and excludes such items as fuel costs, transmission, public purpose programs, and other costs that do not support the Distribution Main and Service Extension costs.

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

OWNERSHIP CHARGE: Monthly charge as a percentage rate applied against the outstanding unrefunded refundable balance after thirty-six (36) months from the date PG&E is first ready to serve. Serves to recover the cost of operating and maintaining customer-financed facilities that are not fully utilized.

PERMANENT SERVICE: Service which, in the opinion of PG&E 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 PG&E.

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 PG&E'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.

UTILITY CONVENIENCE: When, in the judgment of Utility, the relocation or rearrangement of a service is necessary for the maintenance of adequate service, or for the operating convenience of Utility, Utility normally will perform such work at its own expense.

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