

ATTORNEYS AT LAW

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June 2, 2015

Brenda A. Howe  
Secretary to the Commission  
Indiana Utility Regulatory Commission  
101 W Washington St. Internal Operations  
Indianapolis, IN 46204

Re: Community Natural Gas Company, Inc. – 30 Day Filing

Dear Ms. Howe,

Pursuant to Indiana Code § 8-1-2-42(a) and the Commission's Rules as found at 170 IAC 1-6-1, et seq., Community Natural Gas Company, Inc. (hereinafter "Community Gas"), is by this letter requesting the processing of a change to its existing tariff through the Commission's 30 day filing process. Specifically Community Gas seeks to add language to its current Rule 3 "Service Connections" found on Sheet No. 5. Such additional language is designed to provide notice to its customers that Community Gas will use a 20-year period for estimated revenue review for extensions of natural gas mains into new township sections where natural gas mains have not previously been installed. Such extension of natural gas mains is different than the demand by a customer that Community Gas extend its lines beyond the point Community Gas was prepared to extend its lines in township sections already served. In those instances of customers making such demand, such as an individual customer seeking an extension of an additional half mile to serve one residence, Community Gas will continue to apply its existing Rule 3 which would require a 6-year estimated margin analysis prior to Community Gas extending such mains without contribution to the cost of such extension. By adding the proposed language to its Rule 3, Community Gas believes it will avoid confusion among customers in the future.

In support of such requested change in its current tariff, Community Gas has provided the following: a revised Sheet No. 5 containing the proposed new language of Rule 3 (both a clean copy and a redlined copy); a copy of the existing Sheet No. 5 containing the existing Rule 3; and the verification of Community Gas' representative Dean J. Kieffer explaining the need for the additional language, and how the revised Rule 3 will be applied. Community Gas also provides a copy of the contents of a legal Notice to Customers published in the Spencer Evening World and the South Gibson Star-Times, newspapers of general circulation published within Community Gas' service territory. Further, Community Gas will provide a copy of this Notice

Received: June 2, 2015

IURC 30-Day Filing No.: 3360

Indiana Utility Regulatory Commission

**McKINNEY  
& EVANS LLP**

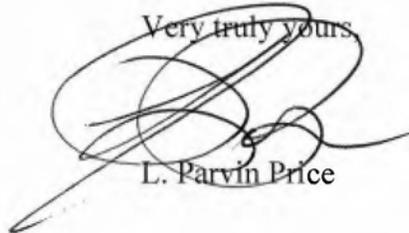
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June 2, 2015  
Page Two

or describe the information contained in this Notice to all potential customers seeking extension of natural gas mains. A copy of this Notice has also been posted at Community Gas' offices located in Owensville, Spencer, and Dale, Indiana.

Counsel for Community Gas has provided a copy of this letter and all attachments to the Office of Utility Consumer Counselor and individually to its Director of its Natural Gas Division; and to the Director of the Natural Gas Division of the IURC. To the extent that you have any questions or need additional information, please contact me at the number listed above.

Very truly yours

A handwritten signature in black ink, appearing to be "L. Parvin Price", written over the typed name.

L. Parvin Price

LPP/dwc

Enclosures

cc: Office of Utility Consumer Counselor  
Leja Courter  
Jane Steinhauer

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### 3. SERVICE CONNECTIONS

Service connection shall be made at the Company's expense if no unusual demands or requirements are made by the customer or the customer location and if the estimated margin (non-gas revenue) from the estimated sale of gas to the customer for a six year period commencing within a reasonable period of time following installation of such service exceeds the cost of installation. Easements for the installation of facilities and the operation and maintenance of facilities shall be provided by the customer to the Company at no cost.

For new township sections where natural gas mains have not previously been extended by the Company, the Company shall use a period of twenty years of estimated margin revenue to determine if the extension should be made without a deposit from the potential customers of such new township section. Where the estimated twenty years of margin appears to result in a positive contribution to the utility's overall cost of service, the cost of extending mains shall be borne by the Company until a future decision on such investment is made by the Commission.

The Company will own and maintain all service pipes from the street main to the meter installation, even if the customer is required to contribute to the cost of the original installation. The facilities installed by the Company shall run to the location determined appropriate by the Company following discussion with the customer.

Where relocation of service connections, or of other equipment of the Company installed upon the customer's premises, becomes necessary because of the customer's requirements, the cost of all changes made necessary thereby shall be borne by the customer.

Issued: May \_\_\_\_\_, 2015  
2774536\_1

Effective: \_\_\_\_\_, 2015

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Issued: May \_\_\_\_\_, 2015

2774536\_2

Effective: \_\_\_\_\_, 2015

Received: June 2, 2015

IURC 30-Day Filing No.: 3360

Indiana Utility Regulatory Commission

COMMUNITY NATURAL GAS CO., INC.

IURC NO. G-3

SHEET NO. 5

GENERAL TERMS AND CONDITIONS  
APPLICABLE TO ALL GAS SERVICE  
(Continued)

3. SERVICE CONNECTIONS

Service connection shall be made at the Company's expense if no unusual demands or requirements are made by the customer or the customer location and if the estimated margin (non-gas revenue) from the estimated sale of gas to the customer for a six year period commencing within a reasonable period of time following installation of such service exceeds the cost of installation. Easements for the installation of facilities and the operation and maintenance of facilities shall be provided by the customer to the Company at no cost.

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Where relocation of service connections, or of other equipment of the Company installed upon the customer's premises, becomes necessary because of the customer's requirements, the cost of all changes made necessary thereby shall be borne by the customer.

ISSUED PURSUANT TO

4 4 2 9 8

INDIANA UTILITY REGULATORY COMMISSION  
GAS DIVISION.

Issued: July 31, 2013

Effective: August 1, 2013

Issued by: Mandy G. Leach  
Base rates as approved, Cause No. 44298, July 31, 2013

EFFECTIVE

AUG 01 2013

INDIANA UTILITY  
REGULATORY COMMISSION

## NOTICE

To all customers of Community Natural Gas Company, Inc.: Please take note that the Company has initiated a 30 day filing process with the Indiana Utility Regulatory Commission to provide for a review of estimated margin revenue prior to extension of natural gas mains into township sections where its mains have not been previously extended. Such review will be over a 20-year period and may lead to main extensions without contribution from potential customers. In those township sections where its natural gas mains have already been extended, Community Gas will continue to review estimated margin revenue over a 6-year period for determination of customer contributions.

If you have any questions about this filing, please contact the Company at 933 W. 3<sup>rd</sup> Street, Mount Carmel, Illinois 62863 or (618) 263-3328. Alternatively, you may contact the Indiana Utility Regulatory Commission at 101 W. Washington Street, Suite 1500 East, Indianapolis, Indiana 46204 or (317) 232-2701.

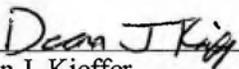
**VERIFICATION  
OF  
DEAN J. KIEFFER**

I affirm under the penalties of perjury that the following statements are true to the best of my knowledge, information, and belief:

1. In Cause No. 44492, Community Natural Gas Co., Inc. (“Community Gas” or “Company”) requested and was granted authority to extend its distribution mains into new township sections it had not previously served.
2. During the course of the above proceedings, it appeared confusion existed on the application of the Company’s Rule 3. To avoid such confusion in the future, Community Gas believes that additional language in its existing Rule 3 is appropriate to recognize that the Company periodically makes corporate decisions to invest in new utility plant to extend its service into new township sections, not previously served.
3. The Company’s existing Rule 3 is designed to deal with the request by a customer that the Company extend its line beyond the point the Company has stopped its corporate investment in natural gas mains. In those instances, the Company, absent unusual demands or requirements, will extend the main free of charge provided that the new customer’s estimated margin revenue over a 6-year period is expected to cover the cost of installation. Where the individual customer’s margin revenue does not appear to cover the cost of the extension, a deposit is requested from that individual customer. This is similar to the Commission’s own rules on extensions of natural gas mains (170 IAC 5-1-27).

4. As the Commission's own rules provide in Paragraph (F) of 170 IAC 5-1-27, the free extension rule is not designed to prohibit a gas utility from making extensions without charge provided it is not discriminating in the application of the rule. Here, the Company's additional language will segregate those groups of customers in township sections not previously served, from the individual customer that requests an extension of the Company's natural gas mains beyond where the Company has prudently stopped the extension of natural gas mains.
5. Community Gas believes that the Indiana Legislature, through its recent Senate Enrolled Act 560, recognized a similar segregation of potential customers between those existing in areas already served from those existing in areas where no service had previously been extended. The Legislature, in establishing Ind. Code 8-1-39-11, indicated that gas utilities such as Community Gas are encouraged to extend their mains into unserved rural areas if the revenue from such extension would have a positive contribution to the gas utility's cost of service over a 20-year period.
6. In the recent Cause No. 44492, I testified that I had examined the township sections and considered the potential revenue from existing property owners as being sufficient to cause a positive contribution to the Company's cost of service over a 20-year time period as encouraged by the Indiana Legislature. Had the proposed additional language of Paragraph 3 been in place during Cause No. 44492, I do not believe that the confusion I mentioned above would have occurred in that Cause. More importantly, I believe that with this redrafted Rule in place, we will avoid confusion among our customers in the future.

7. Community Gas bases its corporate decisions on seeking new service area and on extension of mains into previously unserved areas on the basis of the expected recovery of its investment over a reasonable period of time. Thus if Community Gas does not believe that a significant number of new customers would connect to Community Gas' extended distribution mains, Community Gas would not extend such mains; and would not seek a necessity certificate.
8. The existing 6-year rule providing for free extensions has been and will continue to be applied in a non-discriminatory fashion by Community Gas where an individual customer is demanding that Community Gas extend a main to provide service beyond the point where mains have been prudently extended.
9. The new language of Rule 3 will be applied by Community Gas to all customers as the Company is first extending its mains into previously unserved areas.
10. Community Gas believes that the additional language of Rule 3 as proposed will avoid confusion among its customers, and will allow the Company to continue to make appropriate corporate decisions on extending its natural gas mains.

  
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Dean J. Kieffer