
NATURAL GAS TERMS AND CONDITIONS

SECTION 7 – COMPANY’S SERVICE OBLIGATIONS

A. INFORMATION REGARDING SERVICE

Company cooperates with contractors, individuals, other utilities, and the Commission by participating in Kansas811. The purpose of the system is to disseminate fast accurate information at no cost regarding the location of underground facilities. Additionally, Company will furnish information regarding the location of its mains and the character of service available to any location upon request at any of its offices. Such requests made to and acted upon by Company shall not relieve Customer of obligations under the Kansas Underground Utility Damage Prevention Act. Upon request, Company will attempt to locate Customer-owned distribution networks and rural yard lines but provides no assurances as to exact locations of such networks or lines.

B. EQUIPMENT FURNISHED BY COMPANY

Company shall furnish all necessary shut off valves, regulators, relief valves, meters, meter settings and a portion of service lines and yard lines to serve Customers. Payment for service line and yard line installation, maintenance and replacement shall be as specified in Sections 7D, 7E and 7F. All facilities furnished and installed by Company on the premises of Customer for the supplying of service to Customer shall be and remain the exclusive property of Company. All Company-owned facilities on the premises of Customer shall be operated by and maintained at the expense of Company. Such facilities may be replaced by Company at any time and may be removed by Company upon termination of Customer’s service agreement or upon discontinuance of service as provided in Section 5.

C. METER LOCATIONS

(1) New Installations

Company’s general policy is to place new residential and small commercial meters at the building wall in franchised areas. Company may, however, at its sole discretion, place the meter at either the building wall or the property line or in an easement. All new meter set locations for large commercial and industrial Customers will be determined by mutual agreement between Customer and Company. Any such location must provide for an adequate margin of safety from public road and in-plant traffic. Customer shall have the

duty to notify Company in writing of any changes in traffic patterns or other conditions which subsequently render any agreed upon location unsafe. Company shall not be liable to Customer for any damages caused by impact to a meter.

- (2) Existing Outside Meters When replacing a service line, an existing outside meter may be relocated at Company's option in accordance with its policies for new installations as provided in Subsection 7C(1).
- (3) Inside Meters Inside metering shall be prohibited except when, in Company's judgment, it is not practicable to locate the meter outside the building. When replacing a service line, an existing inside meter may be relocated at Company's option in accordance with its policies for new installations as provided in Subsection 7C(1).

D. SERVICE LINES

(1) Service Line Installation

Piping from the gas main to the point of delivery shall be installed by Company or Company-authorized personnel and shall be owned, operated and maintained by Company.

(2) Service Line Maintenance

Company or Company-authorized personnel shall perform, at Company's expense, all maintenance of service lines when the need for such becomes apparent to Company. If a service line is in need of repair, or, if it has been declared to be a potential safety hazard by Company, Company may, at its option, replace the line instead of repairing it.

(3) Service Line Replacement

All replacements of service lines shall be performed by Company or Company-authorized personnel and shall thereafter be owned, operated, and maintained by Company. Replacement of service lines will occur in accordance with Company's schedule and the requirements of regulatory authorities having jurisdiction herein. If it is necessary to replace the service line, Customer shall be deemed to have granted Company an easement for such line unless Customer requests termination of service. This replacement shall be done in accordance with Section 7F.

E. YARD LINES

- (1) Customer-owned yard lines shall be of adequate size to provide sufficient capacity for the appliances installed or to be installed.
 - (a) Yard lines must be made of Company approved materials and meet Company requirements for installations. Upon completion, the yard line must be inspected by the Company, if installed by anyone other than the Company.
 - (b) Yard lines must enter the building above the grade line.
 - (c) Yard lines remain Customer-owned if they are located in a non-franchised area.
- (2) If the Company discovers a hazardous or Class I leak on Customer-owned piping or facilities, or on Customer-owned distribution networks, the Company shall promptly notify the affected Customer(s) or owner of such condition and the Company may, with or without notice, shut off the flow of gas to said piping and facilities until the condition is rectified.
- (3) If a Customer-owned yard line is located in a non-franchised area, the owner of the piping and/or facilities shall be responsible for arranging and paying for any repairs or replacement of said piping and or facilities and all materials, installation and work performed must comply with Company specifications as well as all applicable laws and regulations. The owner of the piping and/or facilities shall provide the Company with an acceptable assurance that all materials, installation, and work performed comply with all applicable specifications, laws, and regulations before gas service will be restored or continued.
- (4)
 - (a) For Customer-owned yard lines located within a franchised area, the Company shall assume ownership and be responsible for all maintenance of yard lines installed after January 1, 1992.
 - (b) If the Customer-owned yard line within the franchised area was installed before January 1, 1992, the Customer will maintain ownership until the yard line needs replaced. Until such time, the owner shall be responsible for arranging and paying for any repairs or maintenance on said line. At such time when the yard line needs replaced, the Company will assume ownership.
- (5) The Customer shall be responsible for obtaining an easement from a third party if a Customer-owned yard line will cross the property of a third party. The easement shall be granted to the Company, not to the Customer securing the easement for the Company.

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- (6) Customer piping installed downstream of the yard line outlet, including a tap off the yard line, will be installed at the Customer's expense by the Customer, the Company or a qualified third party. All Customer piping will be owned and maintained by the Customer.
 - (7) For any yard line installation offered to new and conversion Customers whether in franchised or non-franchised areas, notwithstanding any of the provisions in this Section 7, the amount of the yard line that the Company will provide to the Customer will be determined by running the cost of the yard line and the anticipated load through the Company's economic model. This model will indicate the maximum allowable cost of the yard line. Any costs above the maximum allowable shall be charged to the Customers.

F. COST RESPONSIBILITY FOR SERVICE LINES AND YARD LINES

- (1) Company shall initially furnish and replace as necessary at its own expense, that portion of the service line which lies in the public street or right of way, and which extends from the gas main to the Customer's property line.
- (2) In franchised areas, Company shall also initially furnish and replace as necessary at its own expense, the next one hundred (100) combined feet of service line and yard line. Where such piping is to be installed in frozen ground, in rock, under paved areas, other obstructions, or where construction costs are extraordinarily high due to physical conditions, at Company's discretion Customer shall be billed for Company's incremental or excess costs incurred in such unusual construction conditions. The Customer receiving service shall also be billed for Company's excess cost for installing or replacing that portion of combined service line and yard line over one hundred (100) feet in length at a rate equal to the cost per foot currently charged to Company by contracted pipeline installers, or Company's actual costs, under normal physical conditions. Where physical conditions cause construction costs to be extraordinarily high, the Customer will pay the estimated or actual costs (whichever is lower) for any length over 100 feet. In any case, an estimate of excess costs required to perform the work shall be furnished to Customer prior to construction.
- (3) In situations where the excess costs are estimated to be \$500 or less, Company will present Customer a bill that shall be due and payable upon receipt. Upon payment, Company shall install or cause to be installed, the required lines. In lieu of an immediate up-front payment in full, Customer will be permitted to make an initial payment of \$100 and to pay the remaining balance, if any, in equal monthly installments over a period not to exceed twelve months. In situations where the excess costs exceed \$500, Company may, after giving due

consideration to the total excess costs and Customer's ability to make the required payment, enter into a special payment agreement with Customer to permit payment over a period of up to 36 months. Customer's failure to pay the excess costs in accordance with the pay agreement shall be cause to discontinue service to Customer upon due notice and in accordance with these General Terms and Conditions.

- (4) The term cost or actual cost as used herein will be the actual cost of materials used and labor required, plus cost for use of tools and equipment, storeroom and accounting expense, and superintendence. For ease of administration and Customer understanding, Company at its discretion may substitute its average unit cost for the most recent calendar year. The term excess cost shall be costs in excess of those incurred to install an equivalent length of service line or yard line under normal conditions.

G. COMPANY LIABILITY

Customer shall save Company harmless from all claims for trespass, injury to persons, or damage to lawns, trees, shrubs, buildings or other property that may be caused by reason of the installation, operation, or replacement of the service yard line, and other necessary appurtenances to serve Customer unless it shall affirmatively appear that the injury to persons or damage to property complained of has been caused by willful default or negligence on the part of Company or its accredited personnel. Company may refuse or discontinue service if an inspection or test reveals leakage, escape or loss of gas on Customer's premises. Company will not be liable for any loss, damage or injury whatsoever caused by such leakage, escape or loss of gas from beyond the point of delivery, including taps off of yard lines, house piping, appliances or other equipment.

H. INSPECTION AND TESTING OF CUSTOMER'S FACILITIES

After the commencement of service, the Company will not be obligated, beyond the requirements of the Commission's Office of Pipeline Safety, to inspect Customer's facilities, although at its discretion, Company shall have the right to inspect and test Customer's facilities for suspected unsafe conditions at any time.

I. CONTINUITY OF SERVICE

Company will use reasonable diligence to supply steady and continuous gas service at the point of delivery, but does not guarantee, when it is out of the Company's control, the pressure, quality or supply of natural gas service against irregularities or interruptions, and shall not be liable to Customer for any damages occasioned by irregularities or interruptions, except when directly and proximately caused by the reckless, willful or wanton act of Company, its agents or employees.

J. RELOCATION OF COMPANY'S EQUIPMENT AT CUSTOMER'S REQUEST

Customer shall consult Company before causing or permitting any construction over any Company-owned or Customer-owned facility. Customer shall not enclose any exposed portion of Company-owned facilities. Company shall require Customer reimbursement of any costs due to a change in the location of meters or other equipment made at the request of Customer. Company's equipment will be removed or relocated only by Company authorized personnel. If Customer fails to notify Company of a construction project that results in Company relocating or altering facilities, the Customer will be billed for the full cost of the relocation or alteration, including labor, overheads and materials.

K. COMPANY'S RESPONSIBILITY

Company assumes no responsibility for any loss, damage or injury whatsoever caused by leakage, escape or loss of gas after same has passed through Company's point of delivery and will not be responsible for the inspection or repair of defects in Customer's piping, fixtures or appliances in or on Customer's premises, and will not be responsible for any injury, loss or damage resulting from such defects or improper installation.

In accordance with its normal work procedures, Company shall exercise reasonable care when installing, operating, maintaining, or replacing Company facilities located on Customer's premise. However, beyond such normal procedures, Company assumes no responsibility for trespass, injury to persons, or damage to lawns, trees, shrubs, building or other property that may be caused by reason of or related to installation, operation, maintenance or replacement of Company's facilities to serve Customer, unless it shall be shown affirmatively that the injury to persons or damage to property complained of, has been caused by willful default or negligence on the part of Company, its agents or employees.