Section 600 - Company's Installation

§601 Service Connections and Facilities on Customer's Premises

§601a Access, Location and Sizing

§601a(1) Access and Location
The Company will have access to all of its facilities located on the Customer's premises, as provided in Section 406 above. The location of the Service Connection, which includes the meter, meter assembly and the attendant Service Line, will be approved by the Company taking into consideration convenience and unimpeded access for meter reading and maintenance of the Company's facilities. Generally, the Service Connection will be located on the front 1/3 side of a residence. If requested by the Customer, and agreed to by the Company, the Service Connection may be located elsewhere for the convenience of the Customer if the Customer pays for any additional costs, including the cost of constructing the additional length of the Service Line, as provided in Section 601b below, and any automated meter reading (AMR) equipment, as provided in Section 601c below.

§601a(2) Sizing
The Company will use information supplied by the Customer, or the Customer's agent, to determine the size and type of service line and meter needed to serve the Customer. The Customer shall notify the Company of any future load changes. Load changes may require the Company to change the equipment needed to meet the Customer's load demand. It is critical that the Customer inform the Company before any additional gas-fired equipment is added to the service line. The Customer will be responsible for any and all costs and damages associated with failure to notify the Company of any load change.

§601b Service Lines
The Company will install the Service Line generally along the shortest practical and available route, as determined by the Company, from the nearest Gas Distribution Main to the metering equipment at the Point of Delivery.
§601b(1) Service Line Installation Fees

§601b(1)(a) Service Line Piping Smaller Than 2 Inches in Diameter

§601b(1)(a)(i) Under normal, frost-free conditions, the Company will install up to one hundred (100) feet of Service Line from the Customer's property line to the Company's preferred meter location, or to each Company-preferred meter location if more than one, for the Basic Service Line Installation Fee, as provided in the Schedule of Fees and Charges.

§601b(1)(a)(ii) The Customer must pay a Service Line Excess Footage Charge in addition to the Basic Service Line Installation Fee, as provided in the Schedule of Fees and Charges, for the length of the Service Line, if any, that is in excess of one hundred (100) feet, or for the additional length of the Service Line installed to accommodate the Customer's preferred meter location, whichever is greater.

§601b(1)(a)(iii) If, in the Company's judgment, the installation of a Service Line will entail costs in excess of the Company's normal Service Line installation cost to satisfy a request of the Customer, those costs will be considered excess costs. The Customer will pay the Company for the excess costs. Excess costs may include, but are not limited to, costs incurred for difficult construction problems such as rock, excessive pavement, or frost.

§601b(1)(b) Service Line Piping 2 Inches Or Greater in Diameter
If the size of the service piping that is required for service is two inches or greater, the initial Service Line Installation Fee will be one half the Company’s estimate of actual construction costs. The final fees assessed will be adjusted to one half of the actual cost of construction.
ENSTAR Natural Gas Company

§601b(1)(c) The Customer shall pay the Basic Service Line Installation Fee at the time the Customer submits a service line application, except as provided in Section 601b(1)(d) below. In the case of service lines that are 2 inches in diameter or greater, the Company will give the Customer an initial estimate of the Service Line Installation Fee (based upon estimated footage and construction costs) which must be paid at the time the application is submitted, except as provided in Section 601b(1)(d) below. After the service line has been constructed the final fees assessed will be adjusted to reflect actual footage, excess footage charges, excess costs, and, in cases where the service piping is sized 2 inches or greater, one half of the actual installation costs as provided in Section 601b(1)(b).

§601b(1)(d) The Company may offer to accumulate and bill monthly the fees set out in Section 601b(1)(c) above (in accordance with Sections 403, 408 and 705) as an option for Customers that regularly apply for multiple service lines.

§601b(1)(e) The Company may accommodate a Customer’s request for a Service Connection during periods in which the ground is frozen by installing a temporary Service Line and assessing the Customer for the cost of installation and removal pursuant to Section 603 below, or by constructing a permanent service and assessing the Customer the excess installation costs as provided in Section 601b(1)(c) above.

§601b(1)(f) Any payments made by Customers under this section will be non-refundable contributions in aid of construction. Ownership of the Service Line will remain with the Company.

§601b(2) Construction Heat
The Company may accommodate a Customer’s request for gas service during the construction of a building by requiring the Customer to pay the cost of any facilities in excess of the Company’s costs that otherwise would be incurred to install the facilities required for the permanent gas load of the building during frost-free conditions. Such excess facilities will be considered temporary service facilities, and will be installed as provided in Section 603 below.

§601b(3) Maintenance of Service Lines
The Company will maintain the Service Line at no cost to the Customer, except as provided in Section 601d below.

Tariff Advice No. 287-4

Effective: September 16, 2016

Issued By: ENSTAR Natural Gas Company, A Division of SEMCO Energy, Inc.

By: /s/ Daniel M. Dieckgraeff     Title: Director of Rates and Regulatory Affairs
§601b(4) Excess Flow Valve Installation

Effective April 14, 2017, the Company is required by Federal Pipeline Safety Regulations 49 CFR 192.383 to install an Excess Flow Valve (EFV) in all new and renewed service lines that serve residential structures.

§601b(4)(a) An Excess Flow Valve (EFV) is a device placed inside the natural gas service line near the gas main that shuts off the flow of natural gas automatically if the Company’s service line is broken or otherwise has excessive flow, thereby restricting the flow of gas and mitigating the potential for property damage. Such excessive flow can be caused by damage due to excavation, damage caused by a natural disaster such as an earthquake, or excessive flow due to additional gas-fired equipment being added to the service line that exceeds the design capacity of the EFV. EFV’s are designed for a specific flow range with some tolerance for additional load, and will be sized based on information provided by the Customer at the time application is made for a new or renewed service line. The cost of the initial installation of the EFV is included in the service line charge. Installation of an EFV will not protect against Customer appliance gas leaks, small service line punctures or gas meter leaks. An EFV may not protect against damages due to earthquakes or flooding.

§601b(4)(b) It is critical that the Customer inform the Company before any additional gas-fired equipment is added to the service line. Failure to do so could cause the EFV to close, disrupting natural gas service to the home. If a larger EFV needs to be installed to handle the Customer’s increased load, the Customer will be responsible for the Company’s cost to replace the EFV.

§601b(4)(c) Should a Customer increase the load on the service line without notifying the Company causing the EFV to close, the Customer will be responsible for any and all costs and damages associated with the closed EFV, including but not limited to the Company’s cost to repair and/or replace the EFV.

§601b(4)(d) If a Customer requests the installation of an EFV in an existing service line, the Customer will be responsible for the Company’s cost to install the EFV as provided by Section 604.

(The next Sheet is Sheet 55)
§601c Meters
The Company will install and maintain metering and pressure regulating equipment for the purpose of delivering and metering gas to the Customer. Generally, these facilities are located on the Customer's premises, as provided in Section 500 above.

§601c(1) Sizing
The Company will furnish metering equipment of such size and type that it determines will adequately serve the expected deliverability requirements of the premise at the time of installation based upon information supplied by the Customer or the Customer's T agent. The Customer must notify the Company of any material change in those requirements in accordance with Section 405 above. If the Customer fails to give such notice, the Customer will be subject to charges for the repair or replacement of metering equipment damaged due to the change in those requirements.

§601c(2) Automated Meter Reading Equipment
The Company may install, offer to install, or require installation of certain automated meter reading (AMR) equipment such as data telemetry equipment.

Installation of AMR equipment for the Customer's convenience or as a requirement of service (as provided in Sections 601c(4)(b) and 1620e(3) below) will be at the Customer's expense as provided in the Schedule of Fees and Special Charges (or at cost, including installation and applicable overheads, if the AMR equipment is not listed on the Schedule of Fees and Special Charges.) Such fees and charges will be non-refundable contributions in aid. The equipment will remain the property of the Company. Some AMR equipment is not transferable to another location.

Tariff Advice No. 184

Effective April 9, 2010

Issued By: ENSTAR Natural Gas Company, A Division of SEMCO ENERGY, Inc.

By: Daniel M. Dieckgraeff

Title: Manager, Rates and Regulatory Affairs
§601c(3) Relocation
If relocation of the meter and related facilities is made necessary by acts of the Customer or as a result of the inaccessibility of the facilities or is performed for the convenience of the Customer, such relocation will be performed by the Company at the expense of the Customer as provided in Section 604 below. Meters are not to be located in living quarters, garages, carports, covered patios, boiler rooms, or in unventilated or inaccessible locations.

§601c(4) Access

§601c(4)(a) The Company has the right of access to the meter and meter facilities at all reasonable times, including the right of ingress to and egress from the Customer’s premises. The Customer will permit and make provision for unimpeded access for the purposes of meter reading, as well as inspecting, maintaining, testing, relocating, connecting, or removing of the facilities.

§601c(4)(b) Inaccessibility of or impediment of access to the meter for meter reading may result in the Company’s estimating usage as provided in Section 703 below. Repeated inaccessibility of or impediment of access to the meter for meter reading may result in the Company’s requiring relocation of the facilities or installation of an ERD or other AMR equipment. Such a relocation or installation will be at the expense of the Customer as provided for in Sections 601c(2) and 601c(3) above. Examples of situations which block access and can be considered an impediment to access to a meter for meter reading are locked or blocked gates, security fencing or animals that impede access.

§601c(5) Meter Set Installation Fees

§601c(5)(a) The Company will assess a Meter Installation Charge for each meter installed as provided for in the Schedule of Fees and Charges. On or before May 1 of each year, the Utility will, by tariff advice letter, file the Meter Installation Charges applicable for the next calendar year.

Issued By: ENSTAR Natural Gas Company, A Division of SEMCO ENERGY, Inc.

By: Daniel M. Dieckgraeff Title: Manager, Rates and Regulatory Affairs

Effective MAY 14, 2012
§601c(5)(b) The Company will calculate a Meter Allowance to be applied against the Meter Installation Charge. This allowance is an estimate of the amount of meter set expenditures that can be incurred for an "average" Customer of each class without significant adverse affect to the existing Customer base.

§601c(5)(b)(i) In calculating the Meter Allowance to apply against the Meter Installation Charge, the Company will use the Standard Meter Allowances set out in Section 2701 applicable for the year of installation. The Standard Meter Allowance will be the actual average embedded plant cost per Customer (by Class) for meter assemblies as of the Company’s most recent accepted cost of service study. For computing average loads, the Utility will use the average loads set out in Section 602c(1).

§601c(5)(b)(ii) The Meter Allowance will be the product of the Customer’s estimated permanent annual load at that meter location multiplied by the applicable Standard Meter Allowance in effect.

§601c(6) Meter Upgrades
If a meter is replaced with a larger meter as the result of an increase in deliverability requirements, the Customer will receive a credit against the Meter Installation Charge of the new meter equal to the current Meter Installation Charge for the meter size being replaced (subject to Section 601c(1)) plus a Meter Allowance for the estimated incremental annual load being added calculated in accordance with Section 601c(5)(b).

§601c(7) Testing
Testing of metering equipment will be in accordance with Section 700 below.

§601c(8) Ownership
These facilities will remain the property of the Company, regardless of any contribution made by the Customer, and may be repaired, replaced or removed by the Company at any time. The Customer may not charge the Company rent, or any other charge, for placing or maintaining these facilities. The Company will have the right to remove its facilities installed on the Customer's premises at the discontinuance of service.

L - Section 601d previously published on Sheet 57 has been relocated to Sheet 58.
§601d Protection of Company-Owned Facilities on Customer's Premises
While the Company will approve the location of and install the Company-owned facilities located on the Customer's premises, it is the responsibility of the Customer to exercise reasonable care to prevent damage to the facilities (including damage by snow and ice from roofs or vehicular damage). The Customer may be held responsible for any such injury or damage as further provided in Section 606 below. The Customer must notify the Company immediately if any damage, defect or leakage of gas is discovered.

§601e Interference with Company-Owned Facilities (Unauthorized Use of Service)
Meter housings may be sealed by the Company. Additionally, meters may be locked from time to time to prevent the delivery of gas. Only authorized employees of the Company may disturb the meter seals, unlock, disconnect, bypass, adjust a meter or relocate Company-owned facilities. Unauthorized interference with the metering equipment, its connections, the Service Line, or any other property of the Company may result in the discontinuance of service (as provided in Section 408c above), additional charges, fees and penalties up to three times the value of the service received plus three times the actual damages as provided by AS 42.20.030. In addition, prosecution to the fullest extent of the law may be pursued.

§601f Customer Responsible for Equipment to Receive Gas
The Customer is responsible for Customer's facilities required for receiving gas such as the piping and equipment that is located beyond the Company's Point of Delivery, as provided in Section 500 above.

§601g Service Connections Made by Company's Employees
Only duly authorized employees or subcontractors of the Company shall be allowed to connect Service Lines to the Company's gas Mains, install Service Connections and meters, or unlock meters.

L - Section 601d was previously published on the Original of Sheet 57.
§602 Extension of Mains

§602a General
The Utility will construct the facilities necessary to extend a Gas Distribution Main (a "Main Extension") to any location within its certificated area if the Main Extension is economically feasible and does not cause an unreasonable added cost burden to be borne by existing Customers. With the exception of Feeder Mains described in Section 602f(4) below, each Main Extension must be considered individually for economic feasibility. A Main Extension may involve one or more Participants.

§602b Costs to Construct
The Utility will calculate the costs to construct each Main Extension. These costs are based on the facilities necessary to provide service and include Mains, underground service pipes, meters, regulators, etc., as well as the engineering and supervision necessary to design and construct the facilities to meet all legal and safety requirements (including applicable overhead costs).

§602b(1) Standard Construction Costs
In calculating the costs to construct a Main Extension, the Utility will use the Standard Construction Costs (Sheet 236) applicable for the year of construction. On or before May 1 of each year, the Utility will, by tariff advice letter, file the Standard Construction Costs applicable for the next calendar year. The Standard Construction Costs filed will be calculated by using the actual average cost per foot of the construction of two-inch Main Extensions for the previous three years.
§602b(2) Charges in Excess of Standard Costs
The Utility may include Charges in Excess of Standard Costs in its calculation of the cost to construct a Main Extension for items which are particularly unique to that Main Extension and which could cause an undue additional cost burden to be borne by existing Customers if only Standard Construction Costs were used. Examples of such unique charges would include, but are not limited to, costs for: the construction of river or stream crossings; construction in swamp, hard rock, or frozen ground areas; construction and permitting in ecologically fragile areas; road bores, open cut crossings, asphalt removal and replacement; or, construction in the right-of-way of a limited access highway. Charges for these items will be based on the Utility’s current engineering cost estimates.

§602b(3) Mains in Excess of Two Inches
If the size of the Main Extension that is required for service is in excess of two inches, the cost to construct will be based on the Utility’s estimate of actual construction costs. If the actual cost of construction is less than the Utility’s estimate, then the difference will be refunded to the Participant.

§602b(4) Cost of System Upgrade
Charges in excess of Standard Construction Costs may include the cost of a system upgrade if it is incidentally the result of a potential Customer’s (or Participant’s) addition to the system and the potential Customer has a load requirement that is not comparable to those in the area being served by the facilities requiring upgrade.

Issued By: ENSTAR Natural Gas Company, A Division of SEMCO ENERGY, Inc.

By: Daniel M. Dieckgraeff
Title: Vice President, Rates and Planning
§602b(5) Calculation
For Main Extensions utilizing Standard Construction Costs, the costs to construct a Main Extension will be the total of the footage for a two-inch Main necessary to provide service multiplied by the applicable Standard Construction Cost plus any Charges in Excess of Standard Costs. For Main Extensions requiring pipe in excess of two inches, the costs to construct the Main Extension will be calculated in accordance with Section 602b(3) above.

§602c Free Main Allowance
In determining if a Main Extension is economically feasible, the Utility will calculate a Free Main Allowance. This allowance is an estimate of the amount of Main expenditure that can be incurred for an “average” Customer of each class without significant adverse effect to the existing Customer base.

§602c(1) Standard Load Allowances
In calculating the Free Main Allowance for a Main Extension, the Utility will use the Standard Load Allowances (Sheet 236) applicable for the year of construction. On or before May 1 of each year, the Utility will, by tariff advice letter, file Standard Load Allowances and supporting documentation applicable for the next calendar year. The Standard Load Allowances will be the actual average embedded plant cost per Customer for each Customer class as of the end of the prior calendar year less that prior calendar year’s cost per Customer (by class) for meter assemblies and Service Lines. These per Customer costs will be calculated using the methodology accepted by the Commission in the Utility’s most recent cost of service study. For computing average loads the Utility will use the following:

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<td>§602c(1)(a)</td>
<td>Average G1 load</td>
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<td>146 Mcf per year</td>
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<td>§602c(1)(b)</td>
<td>Average G2 load</td>
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<td>§602c(1)(c)</td>
<td>Average G3 load</td>
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<td>§602c(1)(d)</td>
<td>Average G4 load</td>
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<td>7,473 Mcf per year</td>
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Tariff Advice No. 293-4  
Effective: June 19, 2017

Issued By: ENSTAR Natural Gas Company, A Division of SEMCO ENERGY, Inc.
By: /s/ Daniel M. Dieckgraith  Title: Director of Rates and Regulatory Affairs
§602c(2) Calculation
The Utility will compute a Free Main Allowance for each Participant that is anticipated to connect directly to and begin taking service (thereby becoming a consuming Customer) from the proposed Main Extension at the time of construction. The allowance is the product of the Participant's estimated permanent annual load multiplied by the applicable Standard Load Allowance in effect.

§602d Evaluation of Economic Feasibility

§602d(1) If the costs to construct a Main Extension as computed in Section 602b above do not exceed the sum of the Free Main Allowance for all Participants anticipated to become consuming Customers on the Main Extension at the time of construction, the Main Extension is considered economically feasible.

§602d(2) If the costs to construct a Main Extension as computed in Section 602b above exceed the total of the Free Main Allowance for all Participants anticipated to become consuming Customers on the Main Extension at the time of construction, the Utility may require an Advance of the cost of the Main Extension above the total of the Free Main Allowances from the Participants.

Issued By: ENSTAR Natural Gas Company, A Division of SEMCO ENERGY, Inc.

By: Daniel M. Dockegraeff

Title: Manager, Rates and Regulatory Affairs
§602e Main Extension Advances
Main Extension Advances may be in the form of a Main Extension Deposit or a Main Extension Contribution in Aid of Construction. The Utility may require a Contribution in Aid of Construction when the estimated total load during the life of the Main Extension is insufficient to avoid an undue cost burden on existing Customers.

§602e(1) Calculation of Initial Advance
The initial Main Extension Advance is calculated by taking the excess of the costs to construct over the total of the Free Main Allowance for all Participants anticipated to become consuming Customers on the Main Extension at the time of construction. This is the total Advance required for the entire Main Extension.

Normally, the total Advance required for the entire Main Extension is divided by the total number of Participants. However, the Participants can agree to unequal individual Advances, as long as the sum of all of the Advances equals the total Advance required for the entire Main Extension. The individual Advances for a Feeder Main are calculated as provided in Section 602f(4) below.
ENSTAR Natural Gas Company

§602e(2) Customer Additions

§602e(2)(a) Any previously paid Main Extension Advances for a completed Main Extension, except a Feeder Main, must be recomputed when a new consuming Customer who was not a Participant in the Main Extension is added in the calendar year of construction and for two full calendar years following. The new consuming Customer will become a Participant and will be required to pay, as a Main Extension Advance, a prorated share of the original Main Extension Advance. The Utility will calculate the new consuming Customer’s Free Main Allowance using the applicable Standard Load Allowances in effect at the time the new consuming Customer joins the system.

§602e(2)(b) Any new consuming Customers added to the Main Extension after two full calendar years following the calendar year of construction will not be required to pay a prorated share of the original Main Extension Advance.

§602e(3) Refunds

§602e(3)(a) Refunds will be calculated for those Participants who made Main Extension Advances except for Feeder Mains, prorata, equal in total to the amount of Advances received from new Participants plus the Free Main Allowance from new consuming Customers directly served by the Main Extension during the calendar year of its construction and for two full calendar years following. These refunds will be calculated and paid by the Utility annually by April 1 based upon the prior year’s Participant and Customer additions to the Main Extension.

Pursuant to: U-99-93(2) / U-99-94(2)

Effective May 16, 2001

Issued By: ENSTAR Natural Gas Company, A Division of SEMCO ENERGY, Inc.

By: Daniel M. Dieckgraeff

Title: Vice President, Rates and Planning
§602e(3)(b) After the two full calendar years following the calendar year of construction, refunds will be calculated for those Participants who have Main Extension Advances on the Main Extension except for Feeder Mains, prorata, equal in total to the amount of the Free Main Allowance for each new consuming Customer directly served by the Main Extension until all of the Advance has been refunded or until the end of ten full calendar years following the calendar year of construction, which ever occurs earlier. These refunds will be calculated and paid by the Utility quarterly within one month following the end of the calendar quarter based upon the previous calendar quarter's Customer additions to the Main Extension.

§602e(3)(c) After the end of ten full calendar years following the calendar year of construction:

§602e(3)(c)(i) For Main Extension Deposits, the entire remaining Advance shall be refunded by the first of April of the eleventh year.

§602e(3)(c)(ii) For Main Extension Contributions in Aid of Construction, all remaining portions of the Advance become non-refundable.

§602e(3)(d) In no case may the amount of the refund or the amount totally refunded exceed the amount of the original Advance.

§602e(3)(e) After April First of each year, any Participant with an outstanding Main Extension Advance may request a report of Customers added to the Main Extension in the preceding calendar year.

§602e(4) Interest
The Utility shall not pay interest on Main Extension Advances.
§602f  Types of Main Extension Advances
Main Extension Advances generally fall into one of the following general categories. Each type can be either a Deposit or a Contribution in Aid of Construction.

§602f(1) Standard Main Extension Advance
A standard Main Extension Advance generally involves a group of property owners who have joined together to request gas service to their properties without the help of a Governmental agency. The costs to construct are calculated in accordance with Section 602b above and the total Advance is calculated as provided for in Sections 602c through 602e above.
§602f(2) Developing Subdivisions
Main Extensions into an area that is being subdivided or developed (a "Developing Subdivision") for either residential or commercial construction, which contemplate the installation of an integrated system to serve an entire subdivision or a portion of a subdivision being developed in stages, will be constructed at the sole discretion of the Utility. The agreements for this type of Main Extensions are generally entered into with a developer.

§602f(2)(a) The Utility will calculate the costs to construct in accordance with Section 602b above.

§602f(2)(b) The Utility will calculate any necessary Advances in accordance with Sections 602c through 602e above except that:

§602f(2)(b)(i) The total Advance calculated in accordance with Section 602e(1) (i.e., for the entire project) shall be paid by the developer.

§602f(2)(b)(ii) The refunds provided for in Section 602e(3) shall be calculated for and paid to the developer. If an additional Customer generates a refund of Free Main Allowance only, the refund will be paid on a quarterly basis similar to that outlined in Section 602e(3)(b).

Issued By: ENSTAR Natural Gas Company, A Division of SEMCO ENERGY, Inc.

By: Daniel M. Dieckgraeff Title: Vice President, Rates and Planning

Effective May 16, 2001
§602f(3) Special Assessment or Local Improvement Districts

Under AS 29.46, local governmental bodies may form a special assessment district, also known as a local improvement district (LID). The Utility may enter into an agreement with a sponsoring government body (SGB) for the purpose of extending natural gas service into a LID.

§602f(3)(a) The Utility will calculate the costs to construct in accordance with Section 602b above.

§602f(3)(b) The Utility will calculate any necessary Advances in accordance with Sections 602c through 602e above, except that:

§602f(3)(b)(i) The total Advance calculated in accordance with Section 602e(1) (i.e., for the entire project) shall be paid by the SGB.

§602f(3)(b)(ii) The refunds provided for in Section 602e(3) shall be calculated for and paid to the SGB. If a new consuming Customer generates a refund of Free Main Allowance only, the refund will be paid on a quarterly basis similar to that outlined in Section 602e(3)(b).

§602f(3)(c) The SGB shall pay the Advance within thirty days of receipt of notification of completion and an invoice for the Advance from the Utility. Any amount of the Advance not paid to the Utility and outstanding after thirty days will be subject to interest.

§602f(3)(d) Annually, the SGB will provide the Utility with a sworn verification that refunds made to SGB for the previous year under Section 602e(3) have been applied on behalf of the individual Participants in accordance with the SGB's ordinances and resolutions that authorized the LID and this Section 602f(3).

Pursuant to:
U-99-93(2) / U-99-94(2)

Effective May 16, 2001

Issued By: ENSTAR Natural Gas Company, A Division of SEMCO ENERGY, Inc.

By: Daniel M. Dieckmann
Title: Vice President, Rates and Planning
§602f(4) Feeder Mains
A Feeder Main is a Gas Distribution Main that extends through a sparsely inhabited area and links a populated area downstream to the Utility’s system supply. It is not economically feasible on its own, and in the view of the Utility, would result in an inequitable apportionment of costs if the Advance necessary were borne exclusively by the Participants directly connecting to the Feeder Main.

To prevent inequity, the Utility will allocate the Feeder Main Advance to the Participants directly connecting to the Feeder Main and to Participants on Main Extensions constructed downstream of the Feeder Main.

§602f(4)(a) The Utility will calculate the costs to construct in accordance with Section 602b above.

§602f(4)(b) The provisions of Section 602e above will generally apply to Feeder Main Extension Advances except as provided below:

§602f(4)(b)(i) The Utility will estimate the number of Participants it expects to connect directly to the Feeder Main, and the number of Participants it expects on Main Extensions constructed downstream of the Feeder Main in the year of construction and for four full calendar years thereafter.

§602f(4)(b)(ii) The total Advance for the Feeder Main calculated in accordance with Section 602e(1) will be divided by the total number of estimated Participants determined in Sub-Section 602f(4)(b)(i) above to determine the “Feeder Main Component”.

Pursuant to: U-99-93(2) / U-99-94(2) Effective May 16, 2001

Issued By: ENSTAR Natural Gas Company, A Division of SEMCO ENERGY, Inc.

By: Title: Vice President, Rates and Planning
§602f(4)(b)(iii) The Feeder Main Component will be collected from each Participant who directly connects to the Feeder Main or participates in any Main Extension constructed downstream of the Feeder Main who relies upon the Feeder Main for gas service until the total Advance is collected.

§602f(4)(b)(iv) The Feeder Main Component will be a non-refundable Contribution in Aid of Construction. There will be no refunds of the Feeder Main Component.

§602f(4)(c) Participants on Main Extensions constructed downstream of the Feeder Main will not be required to have a separate Main Extension Agreement for the Feeder Main Component. The Feeder Main Component will be separately identified and explained in the Agreement for the downstream Main Extension.

§602f(4)(d) A Developing Subdivision or a Local Improvement District Main Extension constructed downstream of the Feeder Main must add to its cost a Feeder Main Component for each of the lots or Participants (as appropriate) involved in such Main Extension.

Issued By: ENSTAR Natural Gas Company, A Division of SEMCO ENERGY, Inc.

By: Daniel M. Dieckgraef
Title: Vice President, Rates and Planning
§602g Participant Construction

The Utility may, at its discretion, allow Participants, or their appointed agents, to perform a portion of the trenching and backfilling of a Main Extension. The Utility will establish in writing, standards of performance, safety, inspection, insurance and bonding which must be complied with prior to commencement and acceptance of any Participant trenching and backfilling.

The Utility will credit the Participant’s Main Extension Advance or Contribution in Aid of Construction for the amount of work performed by the Participant and accepted by the Utility. In no case will this credit be in excess of the Utility’s estimated cost to trench and backfill the extension less the cost of inspection nor will the credit exceed the amount of the total Main Extension Deposit or Contribution in Aid of Construction for that given extension.

Failure of a Participant, or the Participant’s appointed agent, to comply with the standards as set forth by the Utility may result in additional charges by the Utility against the Main Extension cost to construct and the Participant’s Main Extension Deposit or Contribution in Aid of Construction. The Utility is not obligated to accept or provide gas service through any facilities that do not meet its construction standards.

Pursuant to: U-99-93(2) / U-99-94(2) Effective May 16, 2001

Issued By: ENSTAR Natural Gas Company, A Division of SEMCO ENERGY, Inc.

By: Daniel M. Dieckgraeff Title: Vice President, Rates and Planning
§602h Ownership
At all times the Utility shall own, operate and maintain all gas distribution facilities up to the Point of Delivery regardless of whether the facilities have been constructed using Participant supplied trenching and backfilling, Main Extension Deposits, or Contributions in Aid of Construction, or were part of a LID.

§602i Initiation of Line Construction
No line construction or clearing or right-of-way shall be initiated under this section until all required Advances, contributions, Deposits, easements, permits and related documents have been received by the Utility, properly signed and executed, except as provided in Section 602f(3)(c).

§602j Easements and Rights-of-Way
The Participant shall grant the Utility specific easements and rights-of-way necessary for a proper gas Service Connection to that Participant’s location. Failure on the part of the Participant to grant such easements and rights-of-way constitutes grounds for the Utility to refuse to construct the Main Extension.

Pursuant to: U-99-93(2) / U-99-94(2)  Effective May 16, 2001

issued By: ENSTAR Natural Gas Company, A Division of SEMCO ENERGY, Inc.

By: Daniel M. Dieckmeff  Title: Vice President, Rates and Planning
§602k Main Extension Agreement
Each Main Extension requiring payment shall be in writing and shall set forth the amount of the Deposit or Contribution required, the terms and conditions of payment, the terms under which refunds will be made and other relevant information. The agreement will also provide that a Participant who has made a Deposit may request an annual report of the consuming Customers added to the Main Extension. The agreement shall be signed by the Utility and by the Participant (or the Participant’s authorized representative), or in the case of a LID Main Extension, the SGB’s authorized representative.

§602l Waivers
In those unusual circumstances where the Utility believes that application of its Gas Main Extension policy outlined above will result in an inequitable apportionment of costs to one or more Participants (or its existing Customers), the Utility may modify the application of its tariff provision as necessary to remove the inequity by entering into an agreement with the Participant(s) and reporting the agreement to the Commission.

Pursuant to:  
U-99-93(2) / U-99-94(2)  
Effective  May 16, 2001

Issued By:  ENSTAR Natural Gas Company, A Division of SEMCO ENERGY, Inc.

By:  Daniel M. Dieckstaedt  
Title:  Vice President, Rates and Planning
§603 Temporary Service
Temporary service means service which is not expected to be permanent or service that is delivered through facilities that are expected to be replaced or moved.

If, in the opinion of the Company, temporary service will not cause an undue hardship or burden on existing Customers, temporary service will be provided if:

§603a The applicant pays in advance or otherwise, as the Company may elect, the cost of installing and removing any facilities necessary to provide temporary service.

§603b Each applicant for temporary service shall be required to Deposit with the Company a sum of money equal to the estimated amount of the Company’s bill for such service, or to otherwise secure, in a manner satisfactory to the Company, the payment of any bills which may accrue by reason of such service so furnished or supplied.

§603c Nothing in this Rule & Regulation shall be construed as limiting or in any way affecting the right of the Company to collect from the Customer any other or additional sum of money which may become due and payable to the Company from the Customer by reason of the temporary service furnished hereunder.

§603d In the event that a Customer shall have operated the gas equipment or apparatus originally installed by him, or its equivalent, for a period of twelve (12) consecutive months from the date service is first delivered under this Rule, and, provided the Customer’s business has proved its permanency to the entire satisfaction of the Company, the payment made by Customer pursuant to subparagraph 603a hereof, shall be adjusted to the basis of paragraphs 601a and 602 above then in effect, provided the Customer complies with the rules applicable to gas service.
Reserved for Future Use

Pursuant to: U-99-93(2) / U-99-94(2)  Effective May 16, 2001

Issued By: ENSTAR Natural Gas Company, A Division of SEMCO ENERGY, Inc.

By: Daniel M. Dieckgraeff  Title: Vice President, Rates and Planning
§604 Change in Location of Existing Service Facilities
Any change requested by the Customer in the Point of Delivery or location of the service pipe, provided such change is approved by the Company, will be made at the expense of the Customer, who shall pay in Advance the Company’s estimated cost of such change.

§605 Delayed-Use Facilities
Whenever, at the request of a Customer, a Main extension and/or service pipe is provided under paragraphs 601 and 602 above, through which service is not immediately desired, said Customer shall bear the entire reasonable expense of providing, placing, and constructing the supply facilities. Whenever gas service is begun, Customer shall be entitled to a refund for such part of the expense as the Company is hereinafter required to assume. Such a refund shall be the cost of said service pipe and accessories, less depreciation at the rate of three percent (3%) per annum for the period which said pipe has been in the ground.

§606 Protection by Customer
Customer shall protect all of Company’s property on Customer’s premises. Customer shall not tamper with or remove any of such property and shall permit no one but Company’s authorized employees or agents to inspect or handle same. In the case of loss or damage to the property of Company caused by or arising from carelessness, neglect, or misuse by the Customer or his agents or employees, Customer shall pay Company the amount of such loss or damage to the property.
Reserved for Future Use

Pursuant to: U-99-93(2) / U-99-94(2)

Effective May 16, 2001

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By: Daniel M. Dieckgraeff

Title: Vice President, Rates and Planning