



ENSTAR Natural Gas Company

§2403 Homer Extension Surcharge

§2403a The Homer Extension Surcharge is a surcharge applied to all Gas Sales and Transportation Service bills for Gas delivered in the Homer Extension Surcharge Area until the Net Total Actual Costs associated with the Anchor Point to Homer pipeline (the “Homer Extension”) are recovered.

§2403b The Net Total Actual Costs for the Homer Extension include total net construction costs (direct costs, overheads and AFUDC, less any contributions in aid from the State of Alaska or the City of Homer), rate of return and income taxes. The rate of return used will be the most recent cost of debt for the Company approved or accepted by the Commission. Unrecovered carrying costs (rate of return and income taxes) as of December 31, 2018 will be amortized over the estimated remaining life of the Surcharge as part of Net Total Actual Costs. C
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§2403 Homer Extension Surcharge \$1.00 per Mcf
(\$0.10 Per Ccf)

§2403 The Utility shall file an annual accounting of the collection of the Surcharge at the same time that it files its annual report to the Commission.

§2403 The Homer Extension Surcharge Area is that portion of the Company's certificated service area (Area 6) more fully delineated as:

- Township 4 South, Range 10 West, Sections: 30 and 31
 - Township 4 South, Range 11 West, Sections: 13 - 15, 20 - 28, and 33 - 36
 - Township 5 South, Range 11 West, Sections: 2 - 9 and 17 - 20
 - Township 5 South, Range 12 West, Sections: 7 - 35
 - Township 5 South, Range 13 West, Sections: 7 - 36
 - Township 5 South, Range 14 West, Sections: 13 - 36
 - Township 5 South, Range 15 West, Sections: Those portions of 3 and 4 South and West of the Anchor River, 5, 8, 9, those portions of 10, 11 and 12 South and West of the Anchor River, 13 - 16, 21-27, and 35 - 36
 - Township 6 South, Range 12 West, Sections: 4 - 7
 - Township 6 South, Range 13 West, Sections: 1 - 12, 14 - 23, 26 -29, and 34 - 36
 - Township 6 South, Range 14 West, Sections: 1 - 17, and 22 - 24
 - Township 6 South, Range 15 West, Sections: 1
 - Township 7 South, Range 13 West, Sections: 1 and 2
- (All the above with reference to the Seward Meridian)