**12. Extension of Distribution Mains.** For the purposes of this provision applicants for service shall be considered as follows:

The Company will extend its distribution mains on any dedicated street or highway without cost up to but not more than a distance of one hundred (100) feet for each Applicant.

Upon application for a residential service extension of main in excess of one hundred (100) feet per Applicant, the Company may enter into a line extension agreement providing for a deposit with the Company of a sum deemed adequate by the Company to cover the cost to be incurred by it for that portion of the extension in excess of the footages which the Company will construct without cost to the applicant. The amount of deposit shall be determined by multiplying the excess footage as herein above determined by the average cost per foot to the Company of similar size main installed during the preceding calendar year. The sum so deposited shall be subject to refund on the basis of the cost per foot deposited multiplied by one hundred (100) for each additional Applicant who becomes a bona fide customer connected to the extension but not to laterals therefrom or to further extensions thereof. No refunds shall be paid after the expiration of seven (7) years from the date of the agreement.

Where a main extension is necessary to provide service availability to plots of lots or real estate subdivisions and such main extension is not deemed justified at the Company’s expense, the owners, developers or promoters of such plots of lots or real estate subdivisions may enter into a line extension agreement and deposit with the Company the estimated cost of that portion of the main extension which is not deemed justified at the Company’s expense. In those instances where the main extension is for a Commission-approved economic development project, this deposit may be funded, in whole or in part, by dollars recovered by Columbia’s Infrastructure Development Rider. The deposit will be refunded at the average cost of one hundred (100) feet for each bona fide customer connected to the extension but not to laterals therefrom or to further extensions thereof. Any incremental revenue, resulting from each additional customer connected to the line extension for a Commission-approved economic development project, will first be refunded through a credit to Infrastructure Development Rider. This refund priority will continue until the refund credit to the Infrastructure Development Rider equals that portion of the deposit previously recovered through the Infrastructure Development Rider. No refunds shall be made after the expiration of seven (7) years from the date of the agreement.

Where a main extension is requested for mixed use (combination residential and commercial projects), commercial projects or industrial projects, and all or part of such main extension is not deemed economically justified at the Company's expense, based on a cost-benefit study, the Company shall require the applicant or applicants to enter into a line extension agreement and deposit with the Company the estimated cost of that portion of the main extension which is not deemed economically justified at the Company's expense, based on such study. In those instances where the main extension is for a Commission-approved economic development project, this deposit may be funded, in whole or in part, by dollars recovered by Columbia’s Infrastructure Development Rider. The deposit will be refunded annually, based upon the incremental volumes sold directly from the main extension which are over and above those volumes used to determine the portion of the main extension to be done at the Company's expense. The refund shall be determined by multiplying such incremental volumes by the applicable base rates. Any incremental revenue, resulting from incremental volumes sold directly from the line extension for a Commission-approved economic development project, will first be refunded through a credit to Infrastructure Development Rider. This refund priority will continue until the refund credit to the Infrastructure Development Rider equals that portion of the deposit previously recovered through the Infrastructure Development Rider. No refunds shall be made after the expiration of seven (7) years from the date of the agreement.