

**CASE**

**NUMBER:**

99 - 041

Contracts

RATE TO DOUG LEWIS d/b/a 3L ENTERPRISES, INC.

IN THE MATTER OF A PETITION OF BURKESVILLE GAS COMPANY,  
INC., FOR APPLICATION OF A SPECIAL RATE PURSUANT TO  
KRS 278.170

SEQ NBR	ENTRY DATE	REMARKS
0001	01/29/99	Application.
0002	02/05/99	Acknowledgement letter.
0003	02/12/99	Data Request Order, info due 2/22/99.
M0001	02/24/99	RON GREINER BURKESVILLE GAS CO INC-RESPONSE TO PSC TO QUESTIONS 1-7,8,7B,7C
0004	03/16/99	Order scheduling an informal conference on 3/23/99 at 10:00 in Hearing Room 2.
0005	03/24/99	Order cancelling IC set for 3/23/99 & scheduling IC on 4/21/99 at 9:30 in CR 1.
M0002	03/25/99	KENNETH MEREDITH 3L ENTERPRISES-REQUEST FOR CONTINUANCE OF HEARING TILL APRIL 21,99
0006	04/06/99	Letter to Kenneth Meredith asking clarification on time of 4/21 inf. conf.
0007	04/13/99	Letter advising informal conference to start at 11:00a.m. instead of 9:30a.m.
M0003	04/13/99	KENNETH MEREDITH-RESPONSE TO LETTER OF APRIL 6,99 & REQ FOR INFORMAL CONFERENCE DATE
M0004	04/20/99	KENNETH MEREDITH BURKESVILLE GAS-RESPONSE TO LETTER OF APRIL 13,99 CONCERNING DATE OF CONFE
0008	04/28/99	IC memo sent to parties; comments, if any, due 5/6/99.
M0005	05/14/99	TOM SHIREY BURKESVILLE GAS CO-RESPONSE TO MEMO OF APRIL 28,99
M0006	05/27/99	STEVE ROBERTS ENERGY MANAGEMENT-SPREAD SHEETS
M0007	06/11/99	KENNETH MEREDITH 3L ENTERPRISES-UNSIGNED DRAFT OF NATURAL GAS SERVICE AGREEMENT
M0008	06/23/99	KENNETH MEREDITH BURKESVILLE GAS-UPDATE TO LETTER OF JUNE 9,99 NATURAL GAS SERVICE AGREEMEN
0009	08/03/99	Final Order approving petition for a special rate for 3-L.
M0009	08/19/99	KENNETH MEREDITH BURKESVILLE GAS-NOTICE OF FILING

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

AUG 19 1999  
PUBLIC SERVICE  
COMMISSION

In the Matter of:

A PETITION OF BURKESVILLE GAS )  
COMPANY, INC., FOR APPLICATION )  
OF A SPECIAL RATE PURSUANT TO ) CASE NO. 99-041  
KRS 278.170 )

**NOTICE OF FILING**

Please take notice, that in compliance with the Commissioner's order of August 3, 1999, Burkesville Gas Company, Inc., does in fact attach hereto a copy of the natural gas service agreement executed between Burkesville Gas Company, Inc., and Doug Lewis d/b/a 3-L Enterprises dated April 1, 1999.

Notice is further provided to the Public Service Commission at the present time the customer Doug Lewis d/b/a 3-L Enterprises, Inc., has discontinued the use of natural gas and is currently using propane. In the event that Doug Lewis d/b/a 3-L Enterprises, Inc., request in the future to be once again provided natural gas service by Burkesville Gas Company, Inc., an amended agreement will be filed with the Commission for its approval.

This the 17th day of August, 1999.

*Kenneth A. Meredith, II*

---

Kenneth A. Meredith, II  
Attorney for Burkesville Gas  
316 East Main Street  
P.O. Box 194  
Bowling Green, KY 42102-0194  
(270)781-6194

CERTIFICATION

This is to certify that a true and exact copy of the foregoing was this day placed in the U.S. Mail addressed to:

Ms. Helen C. Helton  
Public Service Commission  
730 Schenkel Lane  
P.O. Box 615  
Frankfort, KY 40602

This the 17th day of August, 1999.

*Kenneth A. Meredith, II*

---

Kenneth A. Meredith, II

RECEIVED

AUG 19 1999

PUBLIC SERVICE  
COMMISSION

NATURAL GAS SERVICE AGREEMENT

THIS NATURAL GAS SERVICE AGREEMENT , made and entered into on the  
1 day of APRIL, 1999 by and between Burkesville Gas Company, Inc., a  
Kentucky corporation whose address is 119 Upper River Street, P.O. Box 69, Burkesville,  
Kentucky 42717, hereinafter referred to as Burkesville; and Doug Lewis d/b/a 3-L  
Enterprise, Inc., whose address is 1031 Allen Creek Road, Burkesville, Kentucky 42717;  
hereinafter referred to as 3-L;

THAT WHEREAS, Burkesville is a local distribution company regulated by the  
Kentucky Public Service Commission pursuant to KRS 278.010, and is in business to sell  
a quantity of natural gas to customers in Cumberland County, Kentucky; and

THAT WHEREAS, 3-L has recently purchased natural gas from Burkesville  
pursuant to an agreement dated January 25, 1999, and desires to extend such agreement;  
and

THAT WHEREAS, Burkesville has applied for a petition before the Public  
Service Commission in case number 99-041 to charge a special rate to 3-L for such  
delivery of gas;

NOW, THEREFORE, that for and in consideration of the recitals set forth  
hereinabove, and the mutual terms and conditions set forth hereinbelow, the parties  
hereby agree as follows:

1. 3-L agrees to purchases from Burkesville, subject to the provisions or the  
referenced tariffs, the related rules and regulations governing natural gas service, and

subject further to the terms of this agreement, natural gas for its use in Cumberland County, effective April 1, 1999, through July 31, 1999

2. The maximum volume of gas to be furnished to 3-L by Burkesville shall not exceed 8,000 cubic feet of natural gas per hour. Burkesville shall have no obligation to provide natural gas sales or transportation service to 3-L in excess of such maximum volume specified herein. However, in the event that 3-L's actual requirements exceed the maximum volume set forth herein, Burkesville will allow a nomination equal to 3-L's requirements and, if the capacity is available, shall authorize and provide an increase in the maximum daily contractual volumes equal to the excess daily requirement provided however that 3-L demonstrates that the increase requirements are representative of 3-L future use. The authorized volume delivered to Burkesville in excess of Burkesville's contractual pipeline capacity will be redelivered to 3-L if operationally possible.

3. 3-L shall pay the sum of \$5.95 per mcf for all gas that it has received or will be received at its place of business at 1031 Allen Creek Road, Burkesville, Kentucky 42717. Such rate, excluding the simple margin set forth herein, shall be subject to change as permitted by law. Any Federal, State or other taxes (other than those based upon or measured by Burkesville's income) which apply and are charged to 3-L now or may hereafter be imposed upon 3-L or upon the services performed herein by Burkesville shall be paid by 3-L in addition to the rate specified herein provided, however, that where any such taxes are reduced or eliminated, the charges to 3-L should be adjusted downward to reflect that fact. The simple margin for all volumes delivered under this agreement shall be as follows:

To an extent that any charges are imposed upon Burkesville by virtue of proceedings before the Federal Energy Regulatory Commission, Burkesville shall impose such charge on 3-L only to the extent approved or accepted by the Kentucky Public Service Commission. 3-L retains the right to contest the applicability of any amount of such charge.

4. This agreement shall become effective on April 1, 1999, or the first day of the month during which it is accepted by the Kentucky Public Service Commission, if later, and shall continue in full force and effect until October 1, 1999. Thereafter the agreement may be extended by either party upon adopting a contract similar in nature to this agreement and, the same shall be enforceable only if reduced to writing and signed by the respective entities. If a subsequent agreement is not reduced to writing, then termination shall become effective at the end of the current term stated herein.

5. 3-L agrees that while this agreement is in effect, all natural gas consumed by 3-L under this agreement shall be delivered by Burkesville or its nominated representative. In the event that 3-L makes a filing with the Federal Energy Regulatory Commission, or directs another party to make a filing on its behalf to receive direct gas service, 3-L should notify Burkesville of such filing contemporaneously with the filing. In any event, 3-L shall not commence construction of by-pass facilities prior to submitting notice of termination of this agreement under the terms and conditions herein.

6. Burkesville shall provide 3-L with an invoice for all gas that is consumed on a periodic basis and 3-L shall remit payment at the rate of \$5.95 per mcf within 10 days from receipt of invoice thereof.

7. The gas so provided to 3-L by Burkesville shall meet the specifications of "pipeline gas" with the specific understanding, however, that Burkesville passes on no warranties as to intended use or fitness of such gas for a particular purpose as used by 3-L in its business operations.

8. Any notice required to be given under this agreement or any notice which either party may hereto desire to give the other party shall be in writing and shall be considered duly delivered when hand delivered or when deposited in the United States mail postage pre-paid, registered or certified addressed as follows:

If to Burkesville: Burkesville Gas Company, 119 Upper River Street, P.O. Box 69, Burkesville, Kentucky 42717, or to Mr. Thomas Shirey, Consolidated Financial Resources, Inc., Rt. 4 Box 2A, P O Box 962, Greenville, TX 75403-0962

If to 3-L: Mr. Doug Lewis, 3-L Enterprise, Inc., 1031 Allen Creek Road, Burkesville, Kentucky 42717

9. The point of receipt and delivery point shall be identified as the measuring station at 1031 Allen Creek Road, Burkesville, Kentucky 42717. If not presently installed the necessary regulating and metering equipment at such location shall be constructed by 3-L to the specifications of Burkesville so that future delivery of gas can be assured at a suitable pressure and operation. Burkesville shall have the right to operate, maintain or alter any such equipment as necessary to comply with the delivery of gas at such location.



Each party agrees to maintain any equipment owned by it and used in the performance of its obligations herein in a good, safe and efficient operating condition and repair.

10. It is understood and agreed this agreement is subject to all applicable and valid statutes, ordinances, rules, regulations, and orders of the Kentucky Public Service Commission. This agreement shall not be effective until accepted by the Kentucky Public Service Commission. Except for specific deviations noted in this agreement, all terms and conditions of Burkesville's tariff charged to 3-L shall be included herein by reference.

11. The title to all gas under this agreement shall pass from Burkesville to 3-L upon delivery thereof to the point of delivery designated as the service address of 3-L. Thereafter the title to all gas so transported shall remain with 3-L. Prior to delivery, Burkesville shall be deemed in exclusive control and possession of such gas. At all other times, 3-L shall be deemed in exclusive control and possession of such gas and responsible for any damages, losses, or injuries caused by 3-L handling, delivery, or receipt thereof. Each party agrees to indemnify, defend, and hold the other party harmless from and against any and all claims, liabilities, damages, lawsuits, costs, or expenses, including attorneys fees, incurred by the indemnified party arising from or relating to any damages, losses, or injuries for which the indemnifying party is responsible pursuant to the provisions of this agreement, except to the extent that such damages, losses, or injuries are caused by the negligence of the indemnified party.

12. In the event that either Burkesville or 3-L is rendered unable, wholly, or in part, by reason of an event of force majeure, to perform its obligation under this agreement, other than to make payment due thereunder and such party has given notice

and full particulars of such force majeure in writing to the other party as soon as possible after the occurrence of the cause relied on, then the obligations of the parties, in so far as they are affected by such force majeure, shall be suspended during the continuance of such inability, but for no longer period as such cause shall, and so far as possible, be remedied with all reasonable dispatch; provided, however, that the settlement of strikes or lock-outs shall be entirely within the discretion of the party having such difficulty, and the above requirement that any force majeure will be remedied with all reasonable dispatch shall not require the settlement of strike or lock-outs by acceding to the demands of the opposing party when such course is inadvisable in the discretion of the party having the difficulty. The term "force majeure" as used herein shall mean any cause not reasonably within the control of the party claiming suspension and includes, but is not limited to, acts of god; strikes; lock-outs; wars; riots; orders or decrees of any lawfully constituted Federal, State or Local Body; fires; storms; floods; wash-outs; explosions; breakage or accident to machinery, or lines of pipes; or any other cause of similar nature not reasonably within the control of the party whether of the kind herein enumerated or otherwise.

13. It is understood and agreed this agreement shall be considered as a "interruptible agreement" in that if the volume so utilized or nominated on behalf of 3-L causes a constraint to the system of Burkesville, so as to seriously jeopardize the ability of Burkesville to provide natural gas service to its customers "downline" to 3-L, then Burkesville is authorized to implement an Emergency Curtailment Plan so as to restrict the amount of gas provided to 3-L until such time as the constraint has been remedied. 3-L shall receive notice immediately of such a condition existing by Burkesville, and its gas

usage shall be curtailed in accordance with the terms of the current curtailment plan of Burkesville Gas until such time as further notice is given as to the remedy of the situation.

14. In the event that the default hereunder by either party, in addition to all rights and remedies of law or in equity to which the non-defaulting party may be entitled, the defaulting party agrees to reimburse the non-defaulting party for all attorneys fees, court cost and other expenses incurred. Further, each party agrees to indemnify and hold the other harmless with regard to any and all fees, costs and expenses, including attorneys fees, incurred by the non-defaulting party in relation to all claims, disputes, and suits, which arise under or are related to the defaulting party's default under this agreement except to the extent the non-defaulting party was negligent in the performance of its duties as expressly defined in this agreement.

Neither party may assign any of its rights and obligations hereunder to any other person or entity without the prior written consent of the other with the exception that Burkesville may nominate some other company to transport gas to the delivery point for 3-L, and may further nominate some third party entity to supply such source of gas. This agreement shall be binding upon the parties hereto and their successors and permitted assigns.

15. This agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral or written, between the parties hereto with respect to the subject matter hereof. No amendment or other modification hereto shall be binding upon any party unless executed in writing by both parties.

This the \_\_\_\_\_ day of \_\_\_\_\_, 1999.

David Thomas Shirey  
Burkesville Gas Company, Inc.  
By: David Thomas Shirey, President

ATTESTED BY:

Ron Greiner  
Ron Greiner, Secretary, Burkesville Gas

COMMONWEALTH OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )

SUBSCRIBED AND SWORN to before me by David Thomas Shirey on this the \_\_\_\_\_ day of \_\_\_\_\_, 1999 in \_\_\_\_\_ County,

Debra A. Hoffman  
NOTARY PUBLIC, STATE AT LARGE  
My Commission Expires: 03/01/2002

Doug Lewis  
3-L Enterprise, Inc.  
By: Doug Lewis, Authorized Agent

COMMONWEALTH OF KENTUCKY )  
COUNTY OF CUMBERLAND )

SUBSCRIBED AND SWORN to before me by Doug Lewis, Authorized Agent for 3-L Enterprise, Inc. on this the 16 day of June, 1999 in Burkesville, Cumberland County, Kentucky.

Jacques Mc Carter  
NOTARY PUBLIC, STATE AT LARGE  
My Commission Expires: APRIL 2003



COMMONWEALTH OF KENTUCKY  
**PUBLIC SERVICE COMMISSION**  
730 SCHENKEL LANE  
POST OFFICE BOX 615  
FRANKFORT, KY. 40602  
(502) 564-3940

CERTIFICATE OF SERVICE

RE: Case No. 99-041  
BURKESVILLE GAS COMPANY

I, Stephanie Bell, Secretary of the Public Service Commission, hereby certify that the enclosed attested copy of the Commission's Order in the above case was served upon the following by U.S. Mail on August 3, 1999.

Parties of Record:

Beverly Barnes  
Administrative Manager  
Burkesville Gas Company  
Route 4, Box 2A  
Greenville, TX. 75403 0962

Honorable Kenneth A. Meredith  
Attorney for Burkesville Gas  
316 East Main  
P.O. Box 194  
Bowling Green, KY. 42102 0194

*Stephan Bell*

Secretary of the Commission

SB/hv  
Enclosure

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

A PETITION OF BURKESVILLE GAS )  
COMPANY, INC., FOR APPLICATION )  
OF A SPECIAL RATE PURSUANT TO ) CASE NO. 99-041  
KRS 278.170 )

O R D E R

On January 29, 1999, Burkesville Gas Company, Inc. ("Burkesville") filed a petition with the Commission seeking approval of a special rate for 3-L Enterprise, Inc. ("3-L"). The special rate of \$5.95 per Mcf was to remain in effect only through March 31, 1999. The intent of the contract was to give the customer the opportunity to determine if the use of natural gas would be economically feasible in the long-run.

A data request was issued February 12, 1999, and a response received on February 24, 1999. An informal conference was held on April 21, 1999. The subject of the request and the informal conference was the capability of Burkesville to serve not only its existing customers but also the additional load of 3-L using its existing capacity. Burkesville was also asked to address the issue of the contract and its terms and whether it would be extended past the March 31, 1999 expiration date.

On June 11, 1999, Burkesville filed an unsigned natural gas service agreement with 3-L to provide a maximum of 8,000 cubic feet of natural gas per hour at 3-L's meter station at Allen Creek Road, Burkesville, Kentucky on an interruptible basis. The rate

will be \$5.95 per Mcf up to October 1, 1999. Thereafter the agreement may be extended by either party.

After reviewing the evidence of record and being otherwise sufficiently advised, the Commission finds that:

1. Burkesville has shown that it has sufficient capacity to serve all its customers, including 3-L. Burkesville's petition for a special rate for 3-L should be approved.

2. Burkesville should file an executed contract with 3-L for the Commission's approval.

IT IS THEREFORE ORDERED that:

1. Burkesville's petition for a special rate for 3-L effective until March 31, 1999, is hereby approved.

2. Burkesville shall file with the Commission a signed agreement with 3-L, with related cost support showing that the rate covers the cost to serve the customer, within 30 days from the date of this Order.

Done at Frankfort, Kentucky, this 3rd day of August, 1999.

By the Commission

ATTEST:

  
Executive Director

KENNETH A. MEREDITH, II  
ATTORNEY AT LAW  
316 East Main  
P.O. Box 194  
Bowling Green, KY 42102-0194

RECEIVED

JUN 23 1999

PUBLIC SERVICE  
COMMISSION  
COMMUNICATIONS  
(502) 783-0681

TELEPHONE  
(502) 781-6194

June 9, 1999

Ms. Helen C. Helton  
Public Service Commission  
730 Schenkel Lane  
P.O. Box 615  
Frankfort, KY 40602

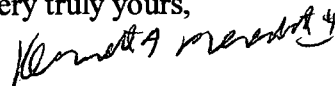
Re: Public Service Commission Case No. 99-041  
Burkesville Gas Company, Inc. vs. Doug Lewis d/b/a 3L Enterprises, Inc.  
Client File No. M-0714

Dear Director Helton:

As an update to my letter of June 9, 1999, enclosed please find an executed copy of a natural gas service agreement dated April 1, 1999 between Burkesville Gas Company, Inc., and Doug Lewis d/b/a 3-L Enterprise, Inc. Previously J. R. Goff, the staff attorney for the Public Service Commission, had requested an executed copy of this contract be forwarded to your office to be made part of this file. This enclosure is in compliance with that request.

Should your office or any staff attorney have further questions concerning this executed contract, please do not hesitate to contact my office to discuss same further.

Very truly yours,



Kenneth A. Meredith, II

KAM:dah  
cc: Burkesville Gas Company



## NATURAL GAS SERVICE AGREEMENT

THIS NATURAL GAS SERVICE AGREEMENT , made and entered into on the 1 day of April, 1999 by and between Burkesville Gas Company, Inc., a Kentucky corporation whose address is 119 Upper River Street, P.O. Box 69, Burkesville, Kentucky 42717, hereinafter referred to as Burkesville; and Doug Lewis d/b/a 3-L Enterprise, Inc., whose address is 1031 Allen Creek Road, Burkesville, Kentucky 42717; hereinafter referred to as 3-L;

THAT WHEREAS, Burkesville is a local distribution company regulated by the Kentucky Public Service Commission pursuant to KRS 278.010, and is in business to sell a quantity of natural gas to customers in Cumberland County, Kentucky; and

THAT WHEREAS, 3-L has recently purchased natural gas from Burkesville pursuant to an agreement dated January 25, 1999, and desires to extend such agreement; and

THAT WHEREAS, Burkesville has applied for a petition before the Public Service Commission in case number 99-041 to charge a special rate to 3-L for such delivery of gas;

NOW, THEREFORE, that for and in consideration of the recitals set forth hereinabove, and the mutual terms and conditions set forth hereinbelow, the parties hereby agree as follows:

1. 3-L agrees to purchases from Burkesville, subject to the provisions or the referenced tariffs, the related rules and regulations governing natural gas service, and

subject further to the terms of this agreement, natural gas for its use in Cumberland County, effective April 1, 1999, through July 31, 1999

2. The maximum volume of gas to be furnished to 3-L by Burkesville shall not exceed 8,000 cubic feet of natural gas per hour. Burkesville shall have not obligation to provide natural gas sales or transportation service to 3-L in excess of such maximum volume specified herein. However, in the event that 3-L's actual requirements exceed the maximum volume set forth herein, Burkesville will allow a nomination equal to 3-L's requirements and, if the capacity is available, shall authorize and provide an increase in the maximum daily contractual volumes equal to the excess daily requirement provided however that 3-L demonstrates that the increase requirements are representative of 3-L future use. The authorized volume delivered to Burkesville in excess of Burkesville's contractual pipeline capacity will be redelivered to 3-L if operationally possible.

3. 3-L shall pay the sum of \$5.95 per mcf for all gas that it has received or will be received at its place of business at 1031 Allen Creek Road, Burkesville, Kentucky 42717. Such rate, excluding the simple margin set forth herein, shall be subject to change as permitted by law. Any Federal, State or other taxes (other than those based upon or measured by Burkesville's income) which apply and are charged to 3-L now or may hereafter be imposed upon 3-L or upon the services performed herein by Burkesville shall be paid by 3-L in addition to the rate specified herein provided, however, that where any such taxes are reduced or eliminated, the charges to 3-L should be adjusted downward to reflect that fact. The simply margin for all volumes delivered under this agreement shall be as follows:

To an extent that any charges are imposed upon Burkesville by virtue of proceedings before the Federal Energy Regulatory Commission, Burkesville shall impose such charge on 3-L only to the extent approved or accepted by the Kentucky Public Service Commission. 3-L retains the right to contest the applicability of any amount of such charge.

4. This agreement shall become effective on April 1, 1999, or the first day of the month during which it is accepted by the Kentucky Public Service Commission, if later, and shall continue in full force and effect until October 1, 1999. Thereafter the agreement may be extended by either party upon adopting a contract similar in nature to this agreement and, the same shall be enforceable only if reduced to writing and signed by the respective entities. If a subsequent agreement is not reduced to writing, then termination shall become effective at the end of the current term stated herein.

5. 3-L agrees that while this agreement is in effect, all natural gas consumed by 3-L under this agreement shall be delivered by Burkesville or its nominated representative. In the event that 3-L makes a filing with the Federal Energy Regulatory Commission, or directs another party to make a filing on its behalf to receive direct gas service, 3-L should notify Burkesville of such filing contemporaneously with the filing. In any event, 3-L shall not commence construction of by-pass facilities prior to submitting notice of termination of this agreement under the terms and conditions herein.

6. Burkesville shall provide 3-L with an invoice for all gas that is consumed on a periodic basis and 3-L shall remit payment at the rate of \$5.95 per mcf within 10 days from receipt of invoice thereof.

7. The gas so provided to 3-L by Burkesville shall meet the specifications of "pipeline gas" with the specific understanding, however, that Burkesville passes on no warranties as to intended use or fitness of such gas for a particular purpose as used by 3-L in its business operations.

8. Any notice required to be given under this agreement or any notice which either party may hereto desire to give the other party shall be in writing and shall be considered duly delivered when hand delivered or when deposited in the United States mail postage pre-paid, registered or certified addressed as follows:

If to Burkesville: Burkesville Gas Company, 119 Upper River Street, P.O. Box 69, Burkesville, Kentucky 42717, or to Mr. Thomas Shirey, Consolidated Financial Resources, Inc., Rt. 4 Box 2A, P O Box 962, Greenville, TX 75403-0962

If to 3-L: Mr. Doug Lewis, 3-L Enterprise, Inc., 1031 Allen Creek Road, Burkesville, Kentucky 42717

9. The point of receipt and delivery point shall be identified as the measuring station at 1031 Allen Creek Road, Burkesville, Kentucky 42717. If not presently installed the necessary regulating and metering equipment at such location shall be constructed by 3-L to the specifications of Burkesville so that future delivery of gas can be assured at a suitable pressure and operation. Burkesville shall have the right to operate, maintain or alter any such equipment as necessary to comply with the delivery of gas at such location.

Each party agrees to maintain any equipment owned by it and used in the performance of its obligations herein in a good, safe and efficient operating condition and repair.

10. It is understood and agreed this agreement is subject to all applicable and valid statutes, ordinances, rules, regulations, and orders of the Kentucky Public Service Commission. This agreement shall not be effective until accepted by the Kentucky Public Service Commission. Except for specific deviations noted in this agreement, all terms and conditions of Burkesville's tariff charged to 3-L shall be included herein by reference.

11. The title to all gas under this agreement shall pass from Burkesville to 3-L upon delivery thereof to the point of delivery designated as the service address of 3-L. Thereafter the title to all gas so transported shall remain with 3-L. Prior to delivery, Burkesville shall be deemed in exclusive control and possession of such gas. At all other times, 3-L shall be deemed in exclusive control and possession of such gas and responsible for any damages, losses, or injuries caused by 3-L handling, delivery, or receipt thereof. Each party agrees to indemnify, defend, and hold the other party harmless from and against any and all claims, liabilities, damages, lawsuits, costs, or expenses, including attorneys fees, incurred by the indemnified party arising from or relating to any damages, losses, or injuries for which the indemnifying party is responsible pursuant to the provisions of this agreement, except to the extent that such damages, losses, or injuries are caused by the negligence of the indemnified party.

12. In the event that either Burkesville or 3-L is rendered unable, wholly, or in part, by reason of an event of force majeure, to perform its obligation under this agreement, other than to make payment due thereunder and such party has given notice

and full particulars of such force majeure in writing to the other party as soon as possible after the occurrence of the cause relied on, then the obligations of the parties, in so far as they are affected by such force majeure, shall be suspended during the continuance of such inability, but for no longer period as such cause shall, and so far as possible, be remedied with all reasonable dispatch; provided, however, that the settlement of strikes or lock-outs shall be entirely within the discretion of the party having such difficulty, and the above requirement that any force majeure will be remedied with all reasonable dispatch shall not require the settlement of strike or lock-outs by acceding to the demands of the opposing party when such course is inadvisable in the discretion of the party having the difficulty. The term "force majeure" as used herein shall mean any cause not reasonably within the control of the party claiming suspension and includes, but is not limited to, acts of god; strikes; lock-outs; wars; riots; orders or decrees of any lawfully constituted Federal, State or Local Body; fires; storms; floods; wash-outs; explosions; breakage or accident to machinery, or lines of pipes; or any other cause of similar nature not reasonably within the control of the party whether of the kind herein enumerated or otherwise.

13. It is understood and agreed this agreement shall be considered as a "interruptible agreement" in that if the volume so utilized or nominated on behalf of 3-L causes a constraint to the system of Burkesville, so as to seriously jeopardize the ability of Burkesville to provide natural gas service to its customers "downline" to 3-L, then Burkesville is authorized to implement an Emergency Curtailment Plan so as to restrict the amount of gas provided to 3-L until such time as the constraint has been remedied. 3-L shall receive notice immediately of such a condition existing by Burkesville, and its gas

usage shall be curtailed in accordance with the terms of the current curtailment plan of Burkesville Gas until such time as further notice is given as to the remedy of the situation.

14. In the event that the default hereunder by either party, in addition to all rights and remedies of law or in equity to which the non-defaulting party may be entitled, the defaulting party agrees to reimburse the non-defaulting party for all attorneys fees, court cost and other expenses incurred. Further, each party agrees to indemnify and hold the other harmless with regard to any and all fees, costs and expenses, including attorneys fees, incurred by the non-defaulting party in relation to all claims, disputes, and suits, which arise under or are related to the defaulting party's default under this agreement except to the extent the non-defaulting party was negligent in the performance of its duties as expressly defined in this agreement.

Neither party may assign any of its rights and obligations hereunder to any other person or entity without the prior written consent of the other with the exception that Burkesville may nominate some other company to transport gas to the delivery point for 3-L, and may further nominate some third party entity to supply such source of gas. This agreement shall be binding upon the parties hereto and their successors and permitted assigns.

15. This agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral or written, between the parties hereto with respect to the subject matter hereof. No amendment or other modification hereto shall be binding upon any party unless executed in writing by both parties.

This the \_\_\_\_\_ day of \_\_\_\_\_, 1999.

David Thomas Shirey  
Burkesville Gas Company, Inc.  
By: David Thomas Shirey, President

ATTESTED BY:

Ron Greiner  
Ron Greiner, Secretary, Burkesville Gas

COMMONWEALTH OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )

SUBSCRIBED AND SWORN to before me by David Thomas Shirey on this the \_\_\_\_\_ day of \_\_\_\_\_, 1999 in \_\_\_\_\_ County,

Delina A. Hoffman  
NOTARY PUBLIC, STATE AT LARGE  
My Commission Expires: 03/01/2002

Doug Lewis  
3-L Enterprise, Inc.  
By: Doug Lewis, Authorized Agent

COMMONWEALTH OF KENTUCKY )  
COUNTY OF CUMBERLAND )

SUBSCRIBED AND SWORN to before me by Doug Lewis, Authorized Agent for 3-L Enterprise, Inc. on this the 16 day of June, 1999 in Burkesville, Cumberland County, Kentucky.

Laura McArthur  
NOTARY PUBLIC, STATE AT LARGE  
My Commission Expires: APRIL 2002



KENNETH A. MEREDITH, II  
ATTORNEY AT LAW  
316 East Main  
P.O. Box 194  
Bowling Green, KY 42102-0194

TELEPHONE  
(502) 781-6194

RECEIVED  
JUN 11 1999  
FACSIMILE  
(502) 783-0681  
PUBLIC SERVICE  
COMMISSION

June 9, 1999

Ms. Helen C. Helton  
Public Service Commission  
730 Schenkel Lane  
P.O. Box 615  
Frankfort, KY 40602

Re: Public Service Commission Case No. 99-041  
Burkesville Gas Company, Inc. vs. Doug Lewis d/b/a 3L Enterprises, Inc.  
Client File No. M-0714

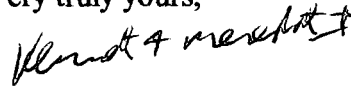
Dear Director Helton:

I was speaking with J.R. Goff, the staff attorney for the Public Service Commission on June 9, 1999. He inquired about whether I had drafted on behalf of Burkesville Gas Company an amended natural gas service agreement that was discussed at the informal conference of April 21, 1999.

Enclosed please find an unsigned copy of the draft of such natural gas service agreement that has been tendered to Burkesville Gas Company and Doug Lewis d/b/a 3L Enterprises for their execution.

This should satisfy the inquiry of Mr. Goff per my phone communication with him of June 9, 1999, but if you need any additional information concerning this matter, please do not hesitate to have someone at the Public Service Commission contact my office to discuss same further.

Very truly yours,



Kenneth A. Meredith, II

KAM:dah  
Enclosure  
cc: Burkesville Gas Company, Inc.

NATURAL GAS SERVICE AGREEMENT

RECEIVED  
JUN 11 1999  
PUBLIC SERVICE  
COMMISSION

THIS NATURAL GAS SERVICE AGREEMENT , made and entered into on \_\_\_\_\_ day of \_\_\_\_\_, 1999 by and between Burkesville Gas Company, Inc., a Kentucky corporation whose address is 119 Upper River Street, P.O. Box 69, Burkesville, Kentucky 42717, hereinafter referred to as Burkesville; and Doug Lewis d/b/a 3-L Enterprise, Inc., whose address is 1031 Allen Creek Road, Burkesville, Kentucky 42717; hereinafter referred to as 3-L;

THAT WHEREAS, Burkesville is a local distribution company regulated by the Kentucky Public Service Commission pursuant to KRS 278.010, and is in business to sell a quantity of natural gas to customers in Cumberland County, Kentucky; and

THAT WHEREAS, 3-L has recently purchased natural gas from Burkesville pursuant to an agreement dated January 25, 1999, and desires to extend such agreement; and

THAT WHEREAS, Burkesville has applied for a petition before the Public Service Commission in case number 99-041 to charge a special rate to 3-L for such delivery of gas:

NOW, THEREFORE, that for and in consideration of the recitals set forth hereinabove, and the mutual terms and conditions set forth hereinbelow, the parties hereby agree as follows:

1. 3-L agrees to purchases from Burkesville, subject to the provisions or the referenced tariffs, the related rules and regulations governing natural gas service, and

subject further to the terms of this agreement, natural gas for its use in Cumberland County, effective April 1, 1999, through October 1, 1999.

2. The maximum volume of gas to be furnished to 3-L by Burkesville shall not exceed 8,000 cubic feet of natural gas per hour. Burkesville shall have no obligation to provide natural gas sales or transportation service to 3-L in excess of such maximum volume specified herein. However, in the event that 3-L's actual requirements exceed the maximum volume set forth herein, Burkesville will allow a nomination equal to 3-L's requirements and, if the capacity is available, shall authorize and provide an increase in the maximum daily contractual volumes equal to the excess daily requirement provided however that 3-L demonstrates that the increase requirements are representative of 3-L future use. The authorized volume delivered to Burkesville in excess of Burkesville's contractual pipeline capacity will be redelivered to 3-L if operationally possible.

3. 3-L shall pay the sum of \$5.95 per mcf for all gas that it has received or will be received at its place of business at 1031 Allen Creek Road, Burkesville, Kentucky 42717. Such rate, excluding the simple margin set forth herein, shall be subject to change as permitted by law. Any Federal, State or other taxes (other than those based upon or measured by Burkesville's income) which apply and are charged to 3-L now or may hereafter be imposed upon 3-L or upon the services performed herein by Burkesville shall be paid by 3-L in addition to the rate specified herein provided, however, that where any such taxes are reduced or eliminated, the charges to 3-L should be adjusted downward to reflect that fact. The simple margin for all volumes delivered under this agreement shall be as follows:

To an extent that any charges are imposed upon Burkesville by virtue of proceedings before the Federal Energy Regulatory Commission, Burkesville shall impose such charge on 3-L only to the extent approved or accepted by the Kentucky Public Service Commission. 3-L retains the right to contest the applicability of any amount of such charge.

4. This agreement shall become effective on April 1, 1999, or the first day of the month during which it is accepted by the Kentucky Public Service Commission, if later, and shall continue in full force and effect until October 1, 1999. Thereafter the agreement may be extended by either party upon adopting a contract similar in nature to this agreement and, the same shall be enforceable only if reduced to writing and signed by the respective entities. If a subsequent agreement is not reduced to writing, then termination shall become effective at the end of the current term stated herein.

5. 3-L agrees that while this agreement is in effect, all natural gas consumed by 3-L under this agreement shall be delivered by Burkesville or its nominated representative. In the event that 3-L makes a filing with the Federal Energy Regulatory Commission, or directs another party to make a filing on its behalf to receive direct gas service, 3-L should notify Burkesville of such filing contemporaneously with the filing. In any event, 3-L shall not commence construction of by-pass facilities prior to submitting notice of termination of this agreement under the terms and conditions herein.

6. Burkesville shall provide 3-L with an invoice for all gas that is consumed on a periodic basis and 3-L shall remit payment at the rate of \$5.95 per mcf within 10 days from receipt of invoice thereof.

7. The gas so provided to 3-L by Burkesville shall meet the specifications of "pipeline gas" with the specific understanding, however, that Burkesville passes on no warranties as to intended use or fitness of such gas for a particular purpose as used by 3-L in its business operations.

8. Any notice required to be given under this agreement or any notice which either party may hereto desire to give the other party shall be in writing and shall be considered duly delivered when hand delivered or when deposited in the United States mail postage pre-paid, registered or certified addressed as follows:

If to Burkesville: Burkesville Gas Company, 119 Upper River Street, P.O. Box 69, Burkesville, Kentucky 42717, or to Mr. Thomas Shirey, Consolidated Financial Resources, Inc., Rt. 4 Box 2A, P O Box 962, Greenville, TX 75403-0962

If to 3-L: Mr. Doug Lewis, 3-L Enterprise, Inc., 1031 Allen Creek Road, Burkesville, Kentucky 42717

9. The point of receipt and delivery point shall be identified as the measuring station at 1031 Allen Creek Road, Burkesville, Kentucky 42717. If not presently installed the necessary regulating and metering equipment at such location shall be constructed by 3-L to the specifications of Burkesville so that future delivery of gas can be assured at a suitable pressure and operation. Burkesville shall have the right to operate, maintain or alter any such equipment as necessary to comply with the delivery of gas at such location.

Each party agrees to maintain any equipment owned by it and used in the performance of its obligations herein in a good, safe and efficient operating condition and repair.

10. It is understood and agreed this agreement is subject to all applicable and valid statutes, ordinances, rules, regulations, and orders of the Kentucky Public Service Commission. This agreement shall not be effective until accepted by the Kentucky Public Service Commission. Except for specific deviations noted in this agreement, all terms and conditions of Burkesville's tariff charged to 3-L shall be included herein by reference.

11. The title to all gas under this agreement shall pass from Burkesville to 3-L upon delivery thereof to the point of delivery designated as the service address of 3-L. Thereafter the title to all gas so transported shall remain with 3-L. Prior to delivery, Burkesville shall be deemed in exclusive control and possession of such gas. At all other times, 3-L shall be deemed in exclusive control and possession of such gas and responsible for any damages, losses, or injuries caused by 3-L handling, delivery, or receipt thereof. Each party agrees to indemnify, defend, and hold the other party harmless from and against any and all claims, liabilities, damages, lawsuits, costs, or expenses, including attorneys fees, incurred by the indemnified party arising from or relating to any damages, losses, or injuries for which the indemnifying party is responsible pursuant to the provisions of this agreement, except to the extent that such damages, losses, or injuries are caused by the negligence of the indemnified party.

12. In the event that either Burkesville or 3-L is rendered unable, wholly, or in part, by reason of an event of force majeure, to perform its obligation under this agreement, other than to make payment due thereunder and such party has given notice

and full particulars of such force majeure in writing to the other party as soon as possible after the occurrence of the cause relied on, then the obligations of the parties, in so far as they are affected by such force majeure, shall be suspended during the continuance of such inability, but for no longer period as such cause shall, and so far as possible, be remedied with all reasonable dispatch; provided, however, that the settlement of strikes or lock-outs shall be entirely within the discretion of the party having such difficulty, and the above requirement that any force majeure will be remedied with all reasonable dispatch shall not require the settlement of strike or lock-outs by acceding to the demands of the opposing party when such course is inadvisable in the discretion of the party having the difficulty. The term "force majeure" as used herein shall mean any cause not reasonably within the control of the party claiming suspension and includes, but is not limited to, acts of god; strikes; lock-outs; wars; riots; orders or decrees of any lawfully constituted Federal, State or Local Body; fires; storms; floods; wash-outs; explosions; breakage or accident to machinery, or lines of pipes; or any other cause of similar nature not reasonably within the control of the party whether of the kind herein enumerated or otherwise.

13. It is understood and agreed this agreement shall be considered as a "interruptible agreement" in that if the volume so utilized or nominated on behalf of 3-L causes a constraint to the system of Burkesville, so as to seriously jeopardize the ability of Burkesville to provide natural gas service to its customers "downline" to 3-L, then Burkesville is authorized to implement an Emergency Curtailment Plan so as to restrict the amount of gas provided to 3-L until such time as the constraint has been remedied. 3-L shall receive notice immediately of such a condition existing by Burkesville, and its gas

usage shall be curtailed in accordance with the terms of the current curtailment plan of Burkesville Gas until such time as further notice is given as to the remedy of the situation.

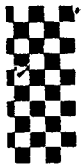
14. In the event that the default hereunder by either party, in addition to all rights and remedies of law or in equity to which the non-defaulting party may be entitled, the defaulting party agrees to reimburse the non-defaulting party for all attorneys fees, court cost and other expenses incurred. Further, each party agrees to indemnify and hold the other harmless with regard to any and all fees, costs and expenses, including attorneys fees, incurred by the non-defaulting party in relation to all claims, disputes, and suits, which arise under or are related to the defaulting party's default under this agreement except to the extent the non-defaulting party was negligent in the performance of its duties as expressly defined in this agreement.

Neither party may assign any of its rights and obligations hereunder to any other person or entity without the prior written consent of the other with the exception that Burkesville may nominate some other company to transport gas to the delivery point for 3-L, and may further nominate some third party entity to supply such source of gas. This agreement shall be binding upon the parties hereto and their successors and permitted assigns.

15. This agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral or written, between the parties hereto with respect to the subject matter hereof. No amendment or other modification hereto shall be binding upon any party unless executed in writing by both parties.







99-041  
Burkesville Gas Co.

**FAX TRANSMITTAL SHEET**



Energy Management & Services Co.  
460 Wilson Avenue P.O. Box 1007  
Versailles, KY 40383  
606-873-0076 Fax:606-873-5872

**RECEIVED**  
MAY 27 1999  
PUBLIC SERVICE  
COMMISSION

DATE: 5/25/99

FROM: Steve Roberts

TO: Kentuck Public Service Commission

ATTN: Mr. Faud Sharifi

PROJECT NO: 922 FAX NO: (502) 564-3460

ACCOUNTING CODE: NA

NO. OF SHEETS SENT (INCLUDING COVER) : 4

**MESSAGE:**

Faud: I have revised the spread sheet as requested to show the 3L load being dropped of the pipeline at its approximated location. It is taken off approximately 7,500 ft. north of the Grider Station as shown on the copy of the Burkesville Transmission map. (Noted as \*).  
A copy of the revised spread sheet is also enclosed. I also did some research regarding past problems with the system. These problems were not attributed to operational flow conditions. They involved material and constrution shortcomings. If you have any further questions please feel free to call.

Thank You

Steve Roberts

**IF YOU DO NOT RECEIVE ALL OF THIS FAX , PLEASE CONTACT US AS SOON AS POSSIBLE**

BURKESVILLE NATURAL GAS  
BURKESVILLE, KENTUCKY

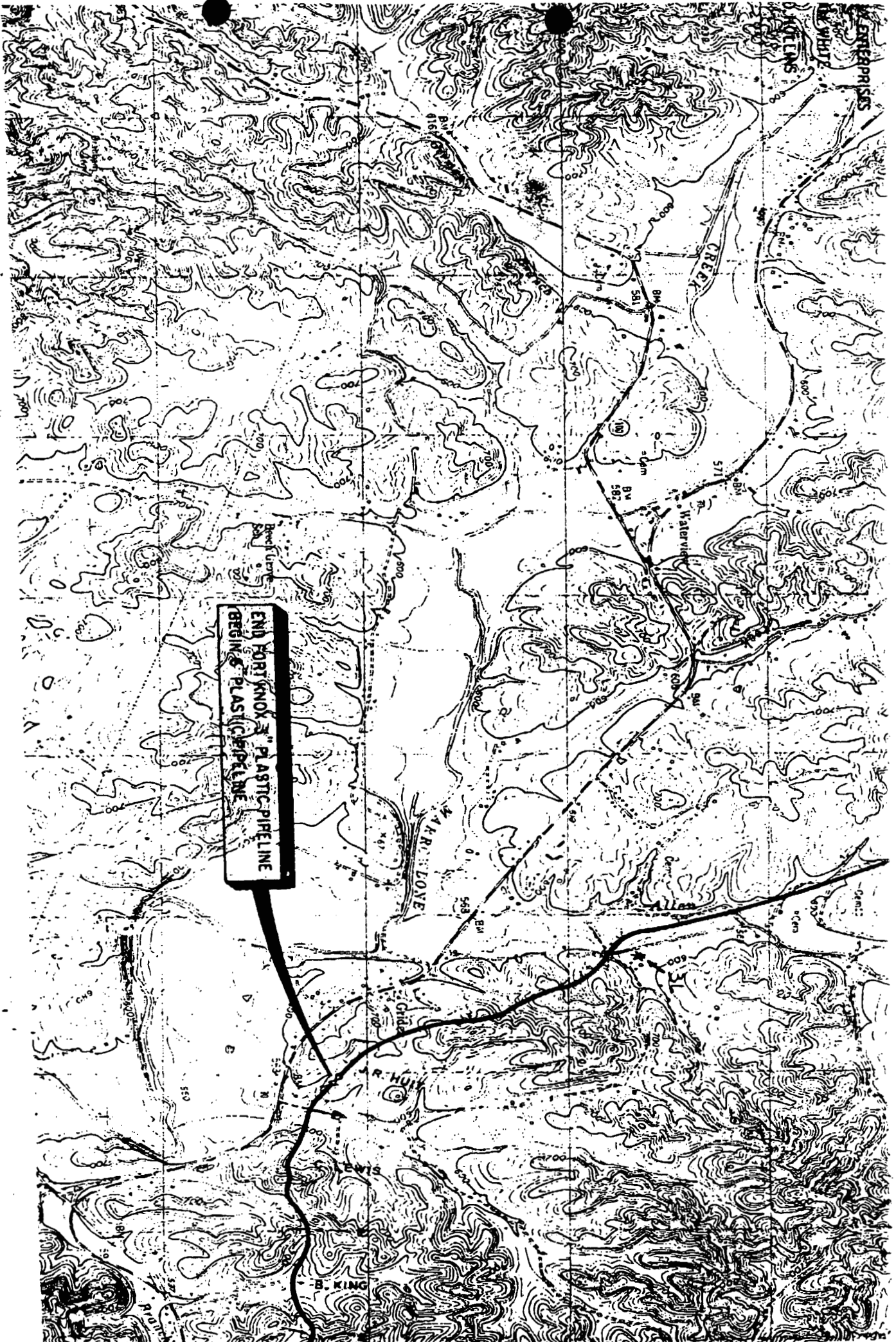
EXISTING REQUIREMENTS  
GAS MAIN FLOW CALCULATIONS  
IGT FULLY TURBULENT FLOW FORMULA (STEEL)& MUELLER (PLASTIC)FORMULA

INPUT THE FOLLOWING: SPECIFIC GRAVITY                   0.585  
                                  FLOWING TEMPERATURE                   50  
                                  PRESSURE BASE                           14.65  
                                  TEMPERATURE BASE                       60

SEGMENT	REQUIREMENTS	LENGTH	TYPE MAIN
TEXAS EASTERN TO PARKS (STL)	33,000 CFH	13,421 FT	4 " STEEL
PARKS TO FR. BRANCH 6"PE	33,000 CFH	54,120 FT	6 " PE
FORT KNOX 3" PE TO 3L PLT	33,000 CFH	23,050 FT	3 " PE
FORT KNOX 3" 3L PLT TO 6"	25,000 CFH	2,500 FT	3 " PE
FORT KNOX 6" PE	25,000 CFH	5,000 FT	6 " PE
DALLAS DEAN SECTION 6"PE	25,000 CFH	16,000 FT	6 " PE
TE TO PARKS (STEEL)	166.00		
PARKS TO FR. BRANCH 6" PE	100.00		
FORT KNOX 3" TO 3L PLANT 3" PE	96.14		
FORT KNOX 3" 3L PLT TO 6"	53.52		
FORT KNOX 6" PE	49.66		
DALLAS DEAN SECTION 6"PE	49.28		

PIPELINE DOWNSTREAM PRESSURE CALCULATION

PIPELINE SEGMENT	LENGTH FEET	PIPE ID INCHES	UPSTREAM PSIG	FLOW IN CFH	DOWNSTREAM PSIG
TEXAS EASTERN TO PARKS (STL)	13,421	4.026	166.00	33,000	163.79
LOOP	0	0.000	0.00	0	0.00
LOOP	0	0.000	0.00	0	0.00
PARKS TO FR. BRANCH 6"PE	54,120	5.421	100.00	33,000	96.14
LOOP	0	0.000	0.00	0	0.00
LOOP	0	0.000	0.00	0	0.00
LOOP	0	0.000	0.00	0	0.00
FORT KNOX 3" PE TO 3L PLT	23,050	2.864	96.14	33,000	53.52
LOOP	0	0.000	0.00	0	0.00
LOOP	0	0.000	0.00	0	0.00
FORT KNOX 3" 3L PLT TO 6"	2,500	2.864	53.52	25,000	49.66
LOOP	0	0.000	0.00	0	0.00
LOOP	0	0.000	0.00	0	0.00
FORT KNOX 6" PE	5,000	5.421	49.66	25,000	49.28
LOOP	0	0.000	0.00	0	0.00
LOOP	0	0.000	0.00	0	0.00
DALLAS DEAN SECTION 6"PE	16,000	5.421	49.28	25,000	48.02



END FORT KNOX 3" PLASTIC PIPELINE  
BEGIN 6" PLASTIC PIPELINE

ENTERPRISES

STILTS

CREEK

Water

MR. LOVE

R. HUI

WIS

B. KING



## Burkesville Gas Company, Inc.

119 Upper River • P.O. Box 69  
Burkesville, Kentucky 42717  
(502) 864-5374  
FAX (502) 864-5135

RECEIVED  
MAY 14 1999  
PUBLIC SERVICE  
COMMISSION

May 13, 1999

Helen C. Helton, Executive Director  
Commonwealth of Kentucky  
Public Service Commission  
730 Schenkel Lane  
Frankfort, KY 40602

RE: Case No. 99-041  
Burkesville Gas Company

Pursuant to your memorandum dated April 28, 1999, we sent your questions to our company's engineering firm, Energy Management & Services Company.

Enclosed please find their response to your questions along with two copies of the map as you requested.

Sincerely,

Tom Shirey  
President



# Energy Management & Services Company

Technical Expertise Serving The Oil & Gas Industry

May 7, 1999

Mr. Ron Griener  
Burkesville Gas Company  
119 Upper River Road  
P.O. Box 69  
Burkesville, Ky. 42717

Dear Ron:

We have gathered the information requested by the Kentucky Public Service Commission. The questions that required explanation are addressed below. Several documents and maps are also attached as exhibits related to the letter.


- The peak load of Burkesville Gas is based on daily volumes taken from the Texas Eastern Gas volume statement from January 1996. 537 MCF were used on January 4, 1996 and appear to be the largest volume taken over a period of several years. EMS experience has found that overall a peak hour usually averages 4.5% of a peak daily volume. Therefore, 537 MCFD equates to approximately 25,000 SCFH (peak hour).
- The 3L plant has a total connected input rating of 8,000,000 BTUH. The largest current volume taken by 3L appears to be 1,568,000 cubic feet, during January of 1999. This equates to approximately 2,275 CFH. In calculating pipeline flow volumes, it is normally considered best to use maximum volumes expected to be delivered through the system. The 3L plant connected load of 8,000 SCFH and the peak hour flows of 25,000 SCFH from the Burkesville system was used in the pipeline flow calculations. These flow calculations are attached as *Exhibit A*.
- A pressure recorder at the Burkesville Gas office monitors the distribution system pressures. In reviewing the pressure charts over the last several years, the following data was found: The months of December thru February 1996 -1999 showed an average pressure of 43 psig. The lowest pressure experienced during that period was during December 1998 at 16 psig.
- Two sets of blue line copies of the Apache Transmission system are also included. The MAOP (maximum allowable operating pressure) has been labeled on its respective sections. It should be noted that the 3" polyethylene labeled as the FORT KNOX section is not currently connected to the Apache Transmission pipeline and its volume is also not considered in the flow calculations for Burkesville Gas.

Mr. Ron Greiner  
May 6, 1999  
Page Two

Please review this letter and the included attachments. Questions that may arise can be answered by calling the EMS office.

Thank You

Energy Management & Services Co.



Steven L. Roberts  
Project Manager

enclosures



BURKESVILLE NATURAL GAS  
 BURKESVILLE, KENTUCKY

EXISTING REQUIREMENTS  
 GAS MAIN FLOW CALCULATIONS

IGT FULLY TURBULENT FLOW FORMULA (STEEL)& MUELLER (PLASTIC)FORMULA

INPUT THE FOLLOWING: SPECIFIC GRAVITY           0.585  
 FLOWING TEMPERATURE                   50  
 PRESSURE BASE                           14.65  
 TEMPERATURE BASE                      60

SEGMENT	REQUIREMENTS	LENGTH	TYPE MAIN
TEXAS EASTERN TO PARKS (STL	33,000 CFH	13,421 FT	4 " STEEL
PARKS TO FR. BRANCH 6"PE	25,000 CFH	54,120 FT	6 " PE
FORT KNOX 6" PE	25,000 CFH	5,000 FT	6 " PE
FORT KNOX 3" PE	25,000 CFH	25,550 FT	3 " PE
DALLAS DEAN SECTION 6"PE	25,000 CFH	16,000 FT	6 " PE

MAOP

TEXAS EASTERN TO PARKS (STL	166.70
PARKS TO FR. BRANCH 6"PE	100.00
FORT KNOX 6" PE	100.00
FORT KNOX 3" PE	100.00
DALLAS DEAN SECTION 6"PE	60.00

## PIPELINE DOWNSTREAM PRESSURE CALCULATION

PIPELINE SEGMENT	LENGTH FEET	PIPE ID INCHES	UPSTREAM PSIG	FLOW IN CFH	DOWNSTREAM PSIG
TEXAS EASTERN TO PARKS (S	13,421	4.026	166.70	33,000	164.50
LOOP	0	0.000	0.00	0	0.00
LOOP	0	0.000	0.00	0	0.00
PARKS TO FR. BRANCH 6"PE	54,120	5.421	100.00	25,000	97.63
LOOP	0	0.000	0.00	0	0.00
LOOP	0	0.000	0.00	0	0.00
LOOP	0	0.000	0.00	0	0.00
FORT KNOX 6" PE	5,000	5.421	97.63	25,000	97.41
LOOP	0	0.000	0.00	0	0.00
LOOP	0	0.000	0.00	0	0.00
FORT KNOX 3" PE	25,550	2.864	97.41	25,000	71.04
LOOP	0	0.000	0.00	0	0.00
LOOP		5.421	0.00	0	0.00
DALLAS DEAN SECTION 6"PE	16,000	5.421	60.00	25,000	58.93



COMMONWEALTH OF KENTUCKY  
**PUBLIC SERVICE COMMISSION**  
730 SCHENKEL LANE  
POST OFFICE BOX 615  
FRANKFORT, KENTUCKY 40602  
www.psc.state.ky.us  
(502) 564-3940

April 28, 1999

**PARTIES OF RECORD:**

RE: Case No. 99-041  
Burkesville Gas Company

Enclosed please find a memorandum that has been filed in the record of the above-referenced case. Any comments regarding this memorandum's contents should be submitted to the Commission within five days of receipt of this letter. Any questions regarding this memorandum should be directed to J.R. Goff at 502/564-3940, Extension 261.

Sincerely,

A handwritten signature in black ink, appearing to read "Helen C. Helton".

Helen C. Helton  
Executive Director

JRG/v

Attachment

INTRA-AGENCY MEMORANDUM

KENTUCKY PUBLIC SERVICE COMMISSION

RECEIVED

TO: Main Case File No. 99-041

FROM: J. R. Goff *J.R.*  
Staff Attorney

DATE: April 28, 1999

RE: Informal Conference of April 21, 1999

APR 28 1999  
PUBLIC SERVICE  
COMMISSION

Pursuant to the Commission's Order of March 24, 1999, an informal conference was held on April 21, 1999, at the Commission's offices in Frankfort, Kentucky. A copy of the list of attendees is attached.

The Commission convened the conference to discuss with Burkesville Gas the load capabilities of its system as it would be affected by the special contract needs and its ability to meet the needs of its residential customers with the special contract in place.

The participants briefly discussed Burkesville's system, its load capacity, and MOAP affecting Burkesville's ability to serve both its present customers and the 3-L facility.

Burkesville Gas agreed to the following:

1. Address the question of capacity of the Burkesville's system to serve the 3-L facility and the city.
2. Amend the contract that is the subject of the application.
3. Submit two copies of system maps and confirm MOAP on each section of line.
4. Peak gas usage and minimum pressure at city gate.

Burkesville Gas agreed to file these documents with the Commission on or before May 14, 1999.

The conference then adjourned.



KENNETH A. MEREDITH, II  
ATTORNEY AT LAW  
1029 State Street  
P.O. Box 194  
Bowling Green, Kentucky 42102-0194

TELEPHONE  
(502) 781-6194

FACSIMILE  
(502) 783-0681

April 15, 1999

James R. Goff  
Staff Attorney  
Public Service Commission  
730 Schenkel Lane  
P O Box 615  
Frankfort, KY 40602

RECEIVED

APR 20 1999

PUBLIC SERVICE  
COMMISSION

RECEIVED

APR 20 1999

GENERAL COUNSEL

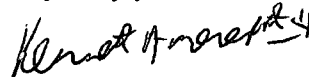
RE: PSC Case No. 99-041  
Burkesville Gas Company, Inc. vs. Doug Lewis d/b/a/ 3L Enterprises, Inc.  
Client File No. M-0714

Dear Mr. Goff:

I appreciate your letter of April 13, 1999, and I have confirmed with my client, Burkesville Gas, that the informal conference will now take place at 11 am EST in Frankfort, Kentucky on April 21, 1999. They wanted me to inform your office that if any questions are asked of their technical expert, Mr. Dale Hohn, that he would be available by phone communication during that time.

If you have any further questions please do not hesitate to contact me to discuss same.

Very truly yours,



Kenneth A. Meredith, II

KAM:bep  
cc: Burkesville Gas Company



COMMONWEALTH OF KENTUCKY  
**PUBLIC SERVICE COMMISSION**  
730 SCHENKEL LANE  
POST OFFICE BOX 615  
FRANKFORT, KENTUCKY 40602  
www.psc.state.ky.us  
(502) 564-3940

April 13, 1999

Hon. Kenneth A. Meredith, II  
Post Office Box 194  
Bowling Green, KY 42102-0194

Re: PSC Case No. 99-041  
Burkesville Gas Company, Inc.  
v. Doug Lewis  
d/b/a 3L Enterprises, Inc.  
Your File No. M-0714

Dear Sir:

Please be advised that the informal conference set for April 21, 1999, at 9:30 a.m., in Conference Room 1, has been rescheduled to 11:00 a.m., Eastern Daylight Time.

If you have any questions, please call me at 502/564-3940, Extension 261.

Sincerely,

A handwritten signature in cursive script that reads "James R. Goff".

James R. Goff  
Staff Attorney

c: B. Dotson  
S. Hutcherson

KENNETH A. MEREDITH, II  
ATTORNEY AT LAW  
1029 State Street  
P.O. Box 194  
Bowling Green, Kentucky 42102-0194

TELEPHONE  
(502) 781-6194

RECEIVED  
APR 13 1999  
PUBLIC SERVICE  
COMMISSION  
FACSIMILE  
(502) 783-0681

April 12, 1999

**VIA TELEFAX (502)564-3460**

Ms. Stephanie Bell  
Secretary of the Public Service Commission  
730 Schenkel Lane  
P.O. Box 615  
Frankfort, KY 40602

Re: Case No. 99-041  
Burkesville Gas Company, Inc. vs. Doug Lewis d/b/a 3L Enterprises, Inc.  
Special Gas Contract  
Client File No. M-0714

Dear Ms. Bell:

In response to your letter of April 6 my client desires to have the informal conference on April 21 at 11am local time rather than 9:30am local time. It was my understanding that it was to be set at 11am because Bowling Green is on central time and we would have to leave very early in the morning to get to Frankfort by 9:30am EST. Therefore the 11am EST would be more acceptable to my schedule and the representatives of Burkesville Gas.

If this poses any problems with the Public Service Commission please advise accordingly.

Very truly yours,  
*Kenneth A. Meredith, II*

Kenneth A. Meredith, II

KAM:bep  
cc: Burkesville Gas Company, Inc.





COMMONWEALTH OF KENTUCKY  
PUBLIC SERVICE COMMISSION  
730 SCHENKEL LANE  
POST OFFICE BOX 615  
FRANKFORT, KENTUCKY 40602  
www.psc.state.ky.us  
(502) 564-3940  
Fax (502) 564-3460

**Ronald B. McCloud, Secretary**  
Public Protection and  
Regulation Cabinet

**Helen Helton**  
Executive Director  
Public Service Commission

**Paul E. Patton**  
Governor

April 6, 1999

Mr. Kenneth A. Meredith, II  
Attorney at Law  
1029 State Street  
P.O. Box 194  
Bowling Green, Kentucky 42102-0194

RE: Case No. 99-041, Burkesville Gas Company, Inc. Special Gas Contract

Dear Mr. Meredith:

I received your letter dated March 23, 1999 requesting that the March 23<sup>rd</sup> informal conference in this proceeding be continued until Wednesday, April 21, 1999 at 11:00. On March 24, 1999, the Commission issued an Order rescheduling this informal conference for Wednesday, April 21, 1999, at 9:30. Please clarify whether you and your client will be available at 9:30, rather than 11:00, on April 21<sup>st</sup>.

If you have any questions concerning this letter, please contact J.R. Goff of the Commission's Office of General Counsel or Leah Faulkner of the Tariff Branch.

Sincerely,  
*Stephanie Bell*

Stephanie Bell  
Secretary of the Commission



KENNETH A. MEREDITH, II  
ATTORNEY AT LAW  
1029 State Street  
P.O. Box 194  
Bowling Green, Kentucky 42102-0194

RECEIVED

MAR 25 1999

PUBLIC SERVICE  
COMMISSION  
FACSIMILE  
(502) 783-0681

TELEPHONE  
(502) 781-6194

March 23, 1999

Ms. Stephanie Bell  
Secretary of the Public Service Commission  
730 Schenkel Lane  
P.O. Box 615  
Frankfort, KY 40602

Re: Case No. 99-041  
Burkesville Gas Company, Inc. vs. Doug Lewis d/b/a 3L Enterprises, Inc.  
Special Gas Contract  
Client File No. M-0714

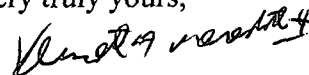
Dear Stephanie:

I have been speaking with Mr. Goff in the Legal Department of the PSC on March 19, 1999, after receiving your letter of March 16, 1999 scheduling an informal conference at the Public Service Commission on this case for March 23, 1999 at 10:00 a.m. I have informed Mr. Goff that neither myself or my client are in a position to be available for such conference and have requested a continuance of same until April 21, 1999 at 11:00 a.m. EST.

I would appreciate it if you would send out a corresponding order continuing the informal conference from March 23, 1999 at 10:00 a.m. EST until Wednesday, April 21, 1999 at 11:00 a.m. EST in Frankfort.

If you have any further questions concerning this request, please do not hesitate to contact me to discuss same.

Very truly yours,



Kenneth A. Meredith, II

KAM:dah

cc: Burkesville Gas Company, Inc.



COMMONWEALTH OF KENTUCKY  
**PUBLIC SERVICE COMMISSION**

730 SCHENKEL LANE  
POST OFFICE BOX 615  
FRANKFORT, KY. 40602  
(502) 564-3940

March 24, 1999

Beverly Barnes  
Administrative Manager  
Burkesville Gas Company  
Route 4, Box 2A  
Greenville, TX. 75403 0962

Honorable Kenneth A. Meredith  
Attorney at Law  
1029 State Street  
P. O. Box 194  
Bowling Green, KY. 42102 0194

RE: Case No. 99-041

We enclose one attested copy of the Commission's Order in  
the above case.

Sincerely,

A handwritten signature in cursive script that reads "Stephanie Bell".

Stephanie Bell  
Secretary of the Commission

SB/hv  
Enclosure

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

A PETITION OF BURKESVILLE GAS )  
COMPANY, INC. FOR APPLICATION ) CASE NO. 99-041  
OF A SPECIAL RATE PURSUANT TO )  
KRS 278.170 )

O R D E R

On January 29, 1999, Burkesville Gas Company, Inc. ("Burkesville Gas") filed a petition with the Commission seeking approval of a special rate for high-volume contract end-users.

By Order dated March 16, 1999, the Commission found that an informal conference should be held between the Commission Staff and Burkesville Gas to discuss this filing. The Commission set an informal conference for March 23, 1999. Representatives of Burkesville Gas contacted Commission Staff and requested to reschedule the conference.

The Commission, upon its own motion, and being otherwise sufficiently advised, HEREBY ORDERS that:

1. The informal conference set for March 23, 1999 is cancelled.
2. Burkesville Gas shall appear for an informal conference with Commission Staff on Wednesday, April 21, 1999, at 9:30 a.m., Eastern Daylight Time, in Conference Room 1 of the Commission's offices at 730 Schenkel Lane, Frankfort, Kentucky.

Done at Frankfort, Kentucky, this 24th day of March, 1999.

By the Commission

ATTEST:

  
Executive Director



COMMONWEALTH OF KENTUCKY  
**PUBLIC SERVICE COMMISSION**

730 SCHENKEL LANE  
POST OFFICE BOX 615  
FRANKFORT, KY. 40602  
(502) 564-3940

March 16, 1999

Beverly Barnes  
Administrative Manager  
Burkesville Gas Company  
Route 4, Box 2A  
Greenville, TX. 75403 0962

Honorable Kenneth A. Meredith  
Attorney at Law  
1029 State Street  
P. O. Box 194  
Bowling Green, KY. 42102 0194

RE: Case No. 99-041

We enclose one attested copy of the Commission's Order in  
the above case.

Sincerely,

A handwritten signature in cursive script that reads "Stephanie Bell".

Stephanie Bell  
Secretary of the Commission

SB/hv  
Enclosure

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

A PETITION OF BURKESVILLE GAS )  
COMPANY, INC., FOR APPLICATION ) CASE NO. 99-041  
OF A SPECIAL RATE PURSUANT )  
TO KRS 278.170 )

O R D E R

Burkesville Gas Company ("Burkesville") has filed a petition with the Commission seeking authorization to contract with an end-user for a special rate.

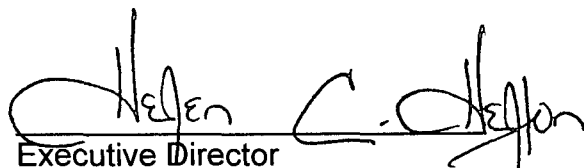
The Commission finds that an informal conference should be held between the Commission Staff and Burkesville to discuss the request for a special tariff filed in this case.

The Commission, upon its own motion, and being otherwise sufficiently advised, HEREBY ORDERS that Burkesville shall appear for an informal conference with Commission Staff on Tuesday, March 23, 1999, at 10:00 a.m., Eastern Standard Time, in Hearing Room 2 of the Commission's offices at 677 Comanche Trail, Frankfort, Kentucky.

Done at Frankfort, Kentucky, this 16th day of March, 1999.

By the Commission

ATTEST:

  
Executive Director



## Burkesville Gas Company, Inc.

119 Upper River • P.O. Box 69  
Burkesville, Kentucky 42717  
(502) 864-5374  
FAX (502) 864-5135

RECEIVED  
FEB 24 1999  
PUBLIC SERVICE  
COMMISSION

February 22, 1999

RECEIVED

FEB 24 1999

DIVISION OF UTILITY  
ENGINEERING & SERVICES

Commonwealth of Kentucky  
**Public Service Commission**  
730 Schenkel Lane  
Frankfort, KY 40602

RE: Case No. 99-041

Please find enclosed for your review our response to the Commission Order in the above referenced case.

Question #	1 - 7	Response	See Attached
	8	Response	No
	7b	Response	Burkesville Gas Company
	7c	Response	\$2,000.00

Very truly yours,

Ron Greiner  
Secretary

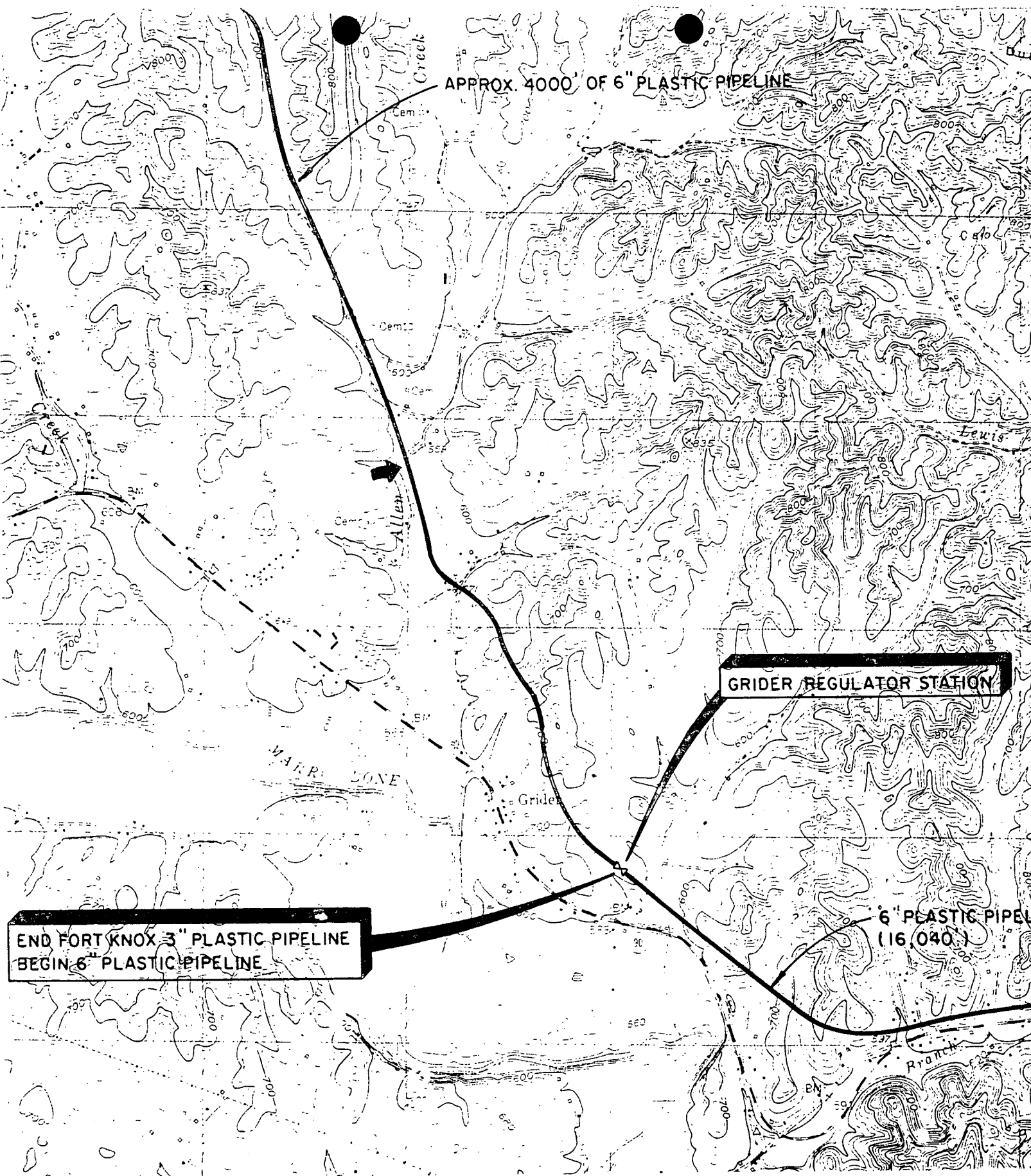


APPROX 4000' OF 6" PLASTIC PIPELINE

GRIDER REGULATOR STATION

END FORT KNOX 3" PLASTIC PIPELINE  
BEGIN 6" PLASTIC PIPELINE

6" PLASTIC PIPELINE  
(16 040)





# Energy Management & Services Company

Technical Expertise Serving The Oil & Gas Industry

February 22, 1999

Mr. Ron Greiner  
Burkesville Gas Company  
P.O. Box 962  
Greenville, Texas 75403

Re: Questions regarding PSC Petition For Special Rate.

Sent Via Fax: 903-455-7085

Dear Ron:

Per our conversation last Friday, below please find the information needed regarding the PSC questionnaire. I have responded only to the questions marked for EMS's response. Also attached are copies of the original system test data and flow calculations reflecting the proposed load. I will mail the originals out today for your files.

Question #	2	Response:	8,000 SCFH - Total connected equipment load per site visit by Burkesville gas employees.
	3	Response:	See Attached - Flow calculations are based on historical billing data from the last several years (Peak Day in February 1996) and the addition of the proposed load in question.
	4	Response:	537 MCFD - Per historical billing data.
	5	Response:	Yes
	6	Response:	See attached - Pipeline Test Reports
	7	Response:	2.375" O.D. PE - 2406, SDR 11 @ 40 psig Approximately 3,500 ft.

Should you have any further questions or comments please feel free to call.

Sincerely,

ENERGY MANAGEMENT & SERVICES CO.



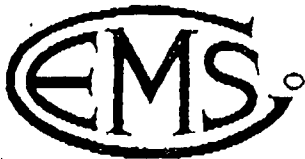
Steven L. Roberts  
Project Manager



**PIPELINE DOWNSTREAM PRESSURE CALCULATION**

PIPELINE SEGMENT	LENGTH FEET	PIPE ID INCHES	UPSTREAM PSIG	FLOW IN CFH	DN'STREAM PSIG
Texas Eastern To Parks Station	13,421	4.026	165.00	33,000	162.77
Parks To Franklin Branch	51,712	5.421	100.00	25,000	97.74
Franklin Branch To Grider Station	29,492	2.864	97.74	25,000	66.66
Grider To Burkesville	16,000	5.421	60.00	25,000	58.93

NOTE: The volumes and pressures shown above are representative of present experienced peak day plus the addition of the newly installed load.



PIPELINE TEST REPORT

Company: BURKESVILLE GAS COMPANY

Name/Number of Pipeline: APACHE PIPELINE

Job Number: -- Location: Texas Eastern Trans. to Parks Property

Testing Company: Mountain Pipeline Construction Company

Length of Section: 13,421 feet

Pipe Material (Plastic or Steel): Steel

Pipe Specification: 4", Specifications unknown

Test Medium Used (air, gas, or water): Gas

Date/Time: 10/22/94, 2:00 pm EST Minimum Test Pressure: 250 psig

Test Duration: 1 Hour

Test Recorded (yes/no-attach charts): Yes - Chart Attached

Pressure Recorder Serial No: Reynolds: Model PT808-2, SN-9381 PR

Temp. Recorder Serial No: Same

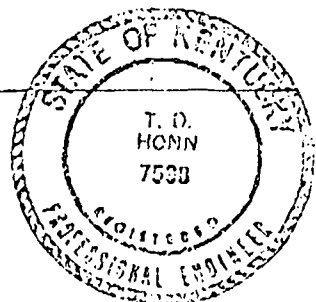
Dead Weight Serial No: N/A

Leaks or Failures (describe repairs): No leaks or failures

REMARKS: Maximum Allowable Operating Pressure  
(MAOP) = 250/1.5 = 166.7 psig

Signature of Person Making Test:

*T. D. Honn*  
T. D. HONN



Test



PIPELINE TEST REPORT

Company: BURKESVILLE GAS COMPANY

Name/Number of Pipeline: APACHE PIPELINE

Job Number: - Location: Parks Property to Franklin Branch

Testing Company: Mountain Pipeline Construction Company

Length of Section: 51,712 feet

Pipe Material (Plastic or steel): Plastic

Pipe Specification: SDR-11, 6"

Test Medium Used (air, gas, or water): Air

Date/Time: 10/24/94, 8:30 pm EST Minimum Test Pressure: 152 psig

Test Duration: 1 Hour

Test Recorded (yes/no-attach charts): Yes - Chart Attached

Pressure Recorder Serial No: Dickson: Model DTPR8500F/500PB24P3A SN253559

Temp. Recorder Serial No: -

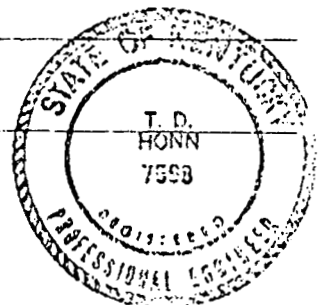
Dead Weight Serial No: N/A

Leaks or Failures (describe repairs): No Leaks or Failures

REMARKS: Maximum Allowable Operating Pressure  
(MAOP) = 152/1.5 = 101.3 psig

Signature of Person Making Test:

*T.D. Honn*  
 T.D. HONN



Test



PIPELINE TEST REPORT

Company: BURKESVILLE GAS COMPANY

Name/Number of Pipeline: FORT KNOX PIPELINE

Job Number: - Location: Franklin Branch to Grider

Testing Company: Mountain Pipeline Construction Company

Length of Section: 29,492 feet

Pipe Material (Plastic or Steel): Plastic

Pipe Specification: SDR-11, 3"

Test Medium Used (air, gas, or water): Air

Date/Time: 10/22/94, 7:07 pm CST Minimum Test Pressure: 150 psig

Test Duration: One Hour

Test Recorded (yes/no-attach charts): Yes - Chart Attached

Pressure Recorder Serial No: Dickson: Model DTPR 8500F/

Temp. Recorder Serial No: 500 PB24P3A, SN 253559

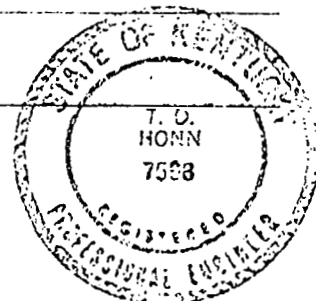
Dead Weight Serial No: N/A

Leaks or Failures (describe repairs): No Leaks or Failures

REMARKS: Maximum Allowable Operating Pressure  
(MAOP) = 150/1.5 = 100 psig.

Signature of Person Making Test:

*T.D. Honn*  
 T.D. HONN



Test





COMMONWEALTH OF KENTUCKY  
**PUBLIC SERVICE COMMISSION**

730 SCHENKEL LANE  
POST OFFICE BOX 615  
FRANKFORT, KY. 40602  
(502) 564-3940

February 12, 1999

Beverly Barnes  
Administrative Manager  
Burkesville Gas Company  
Route 4, Box 2A  
Greenville, TX. 75403 0962

Honorable Kenneth A. Meredith  
Attorney at Law  
1029 State Street  
P. O. Box 194  
Bowling Green, KY. 42102 0194

RE: Case No. 99-041

We enclose one attested copy of the Commission's Order in  
the above case.

Sincerely,

A handwritten signature in cursive script that reads "Stephanie Bell".

Stephanie Bell  
Secretary of the Commission

SB/hv  
Enclosure

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

A PETITION OF BURKESVILLE GAS )  
COMPANY, INC., FOR APPLICATION )  
OF A SPECIAL RATE PURSUANT TO )  
KRS 278.170 )

CASE NO. 99-041

ORDER

IT IS ORDERED that Burkesville Gas Company, Inc. ("Burkesville") shall file the original and 4 copies of the following information with the Commission. Each copy of the data requested should be placed in a bound volume with each item tabbed. When a response requires multiple pages, each page should be indexed appropriately, for example, Item 1(a), page 2 of 4. With each response, include the name of the witness who will be responsible for responding to questions related thereto. Careful attention should be given to copied material to ensure that it is legible. The response to this request is due 10 days from the date of this Order.

1. What is the location of the proposed customer in relation to Burkesville's system? Provide a map showing the location.
2. What will be the proposed customer's maximum load? Explain how this figure was determined.
3. What is the maximum volumetric capacity of Burkesville's system?
4. What is the maximum volume of gas (Mcf per day) required for serving Burkesville's system? How was this figure determined?

5. Will Burkesville be able to supply the additional load of this customer from its existing capacity?

6. What is the maximum allowable operating pressure ("MAOP") of the transmission line that supplies the Burkesville system? Provide pressure charts used to establish this MAOP.

7. What is the length and diameter of the proposed line for serving the proposed customer? By whom will the line be owned? What will be the cost of the facilities required to serve the customer, and who will bear that cost?

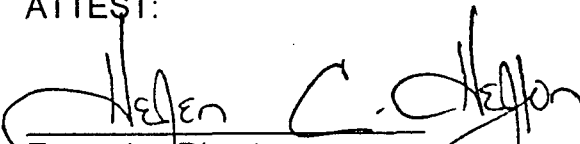
8. If the customer decides to convert to another fuel after the line is in place, will the customer absorb the cost of the line which is no longer in use?

9. Will the proposed customer have a back-up supply of fuel?

Done at Frankfort, Kentucky, this 12th day of February, 1999.

By the Commission

ATTEST:

  
Executive Director



COMMONWEALTH OF KENTUCKY  
**PUBLIC SERVICE COMMISSION**

730 SCHENKEL LANE  
POST OFFICE BOX 615  
FRANKFORT, KY. 40602  
(502) 564-3940

February 5, 1999

Beverly Barnes  
Administrative Manager  
Burkesville Gas Company  
Route 4, Box 2A  
Greenville, TX. 75403 0962

Honorable Kenneth A. Meredith  
Attorney at Law  
1029 State Street  
P. O. Box 194  
Bowling Green, KY. 42102 0194

RE: Case No. 99-041  
BURKESVILLE GAS COMPANY  
(Contracts) RATE TO 3-L ENTERPRISE, INC.

This letter is to acknowledge receipt of initial application in the above case. The application was date-stamped received January 29, 1999 and has been assigned Case No. 99-041. In all future correspondence or filings in connection with this case, please reference the above case number.

If you need further assistance, please contact my staff at 502/564-3940.

Sincerely,

A handwritten signature in cursive script that reads "Stephanie Bell".

Stephanie Bell  
Secretary of the Commission

SB/jc

KENNETH A. MEREDITH, II  
ATTORNEY AT LAW  
1029 State Street  
P.O. Box 194  
Bowling Green, Kentucky 42102-0194

TELEPHONE  
(502) 781-6194

99-00872  
RECEIVED

JAN 29 1999

PUBLIC SERVICE  
COMMISSION  
(502) 783-0681

January 28, 1999

Ms. Helen C. Helton  
Public Service Commission  
730 Schenkel Lane  
P.O. Box 615  
Frankfort, KY 40602

Case  
99-041

Re: Burkesville Gas Company  
Client File No. M-0714

Dear Director Helton:

Enclosed please find an original and ten copies of a Petition that my client Burkesville Gas Company desires to be filed with the Public Service Commission for adoption as a special contract rate with one of its customers, 3-L Enterprises, pursuant to KRS 278.170 and 807 KRE Section 5. If you have any questions, or if anyone in the legal department for the Public Service Commission has any questions concerning the petition, or the attached Exhibit A, which is the proposed contract with 3-L Enterprises, or the attached Exhibit B which is a copy of the corporate resolution authorizing such contract with Burkesville Gas and the filing of this Petition, please do not hesitate to contact my office for further information.

In the event that a hearing is necessary, please place my office on notice of same. Otherwise we expect a prompt review by your department of this petition and seek its immediate approval.

Very truly yours,

*Kenneth A. Meredith, II*

Kenneth A. Meredith, II

KAM:dah  
Enclosures  
cc: Burkesville Gas Company

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

JAN 29 1999

PUBLIC SERVICE  
COMMISSION

In the matter of:

)  
A Petition of Burkesville Gas Company, Inc., )  
for application of a special rate pursuant to )  
KRS 278.170 )

Case

99-041

PETITION OF BURKESVILLE GAS COMPANY, INC.  
FOR AUTHORITY TO CHARGE A SPECIAL INTRODUCTORY RATE  
TO 3-L ENTERPRISE, INC., IN CUMBERLAND COUNTY  
PURSUANT TO KRS 278.170

This petition is a request for authorization and approval to contract with 3-L Enterprise, Inc., to charge a special rate for the sale of natural gas to a new customer in Cumberland County in accordance with KRS 278.170. In support of such petition Burkesville Gas Company states the following:

1. Burkesville Gas Company, Inc., is a Kentucky corporation in good standing with a mailing address of 119 Upper River Street, P.O. Box 69, Burkesville, Kentucky 42171.

2. Burkesville Gas Company, Inc., is a local distribution company regulated by the Kentucky Public Service Commission pursuant to KRS 278.010.

3. Information to satisfy the requirements of 807 KAR 5:001, Section 13, of the Administrative Rules of Procedure are as follows:

a. Burkesville Gas Company is requesting a special rate be given to 3-L Enterprise, Inc., through March 31, 1999 of \$5.95 per mcf.

b. 3-L Enterprise, Inc., is a new business operation that has recently started as a poultry growing facility to provide poultry the Cagle Plant in Albany, Kentucky. It is a

new operation and has not yet factored in the cost of gas as part of its cost of doing business.

c. By providing a rate of \$5.95 through March 31, 1999, 3-L Enterprise will be able to determine whether or not it is economically feasible to continue this operation using natural gas in the future, or whether it will have to convert its business to propane gas.

d. Burkesville Gas submits pursuant to KRS 278.170 that by giving this special commercial poultry facility rate, that it will not be providing an unreasonable preference or advantage to 3-L Enterprises over any other similar business entity, in that there is no similar business entity situated in Cumberland County at this time.

e. A copy of the Agreement with 3-L Enterprises that Burkesville Gas desires to be approved by the Public Service Commission is annexed as Exhibit A to this petition; as well as a copy of the corporate resolution authorizing the execution of the contract and the filing of this petition, which is annexed as Exhibit B to this petition.

**WHEREFORE**, Burkesville Gas Company, Inc., prays for a favorable ruling by the Public Service Commission as to the special rate to be charged and approval of this one time contract.

This the 28th day of January, 1999.

*Kenneth A. Meredith, II*

---

Kenneth A. Meredith, II  
Attorney for Burkesville Gas  
1029 State Street  
P.O. Box 194  
Bowling Green, KY 42102-0194  
(502)781-6194

AGREEMENT FOR PURCHASE OF NATURAL GAS

THIS AGREEMENT FOR PURCHASE OF NATURAL GAS, made and entered into on the 25 day of January, 1999 by and between Burkesville Gas Company, Inc., a Kentucky corporation whose address is 119 Upper River Street, P.O. Box 69, Burkesville, Kentucky 42171, hereinafter referred to as the Seller; and Doug Lewis d/b/a 3-L Enterprise, Inc., whose address is 1031 Allen Creek Road, Burkesville, Kentucky 42717; hereinafter referred to as Purchaser;

THAT WHEREAS, the Seller is a local distribution company regulated by the Kentucky Public Service Commission pursuant to KRS 278.010, and is in business to sell a quantity of natural gas to customers in Cumberland County, Kentucky; and

THAT WHEREAS, the Purchaser has recently started a new business in Cumberland County which would utilize the need for natural gas in the conducting of such business, and such business is located in close proximity to the gas transmission line utilized by the Seller to transport its natural gas to customers; and

THAT WHEREAS, the particular needs of the Purchaser to start this business by utilizing natural gas would fall within the category of a special exception under KRS 278.170;

NOW, THEREFORE, that for and in consideration of the recitals set forth hereinabove, and the mutual terms and conditions set forth hereinbelow, the parties hereby agree as follows:

1. The effective date of the contract shall be date that gas was first provided to the Purchaser by the Seller for its use in Cumberland County.

EX A



2. The duration of the contract shall be through March 31, 1999.
3. The Purchaser shall pay the sum of \$5.95 per mcf for all gas that it has received or will receive at its place of business at 1031 Allen Creek Road, Burkesville, Kentucky 42717.
4. The Seller shall provide the Purchaser with an invoice for all gas that is consumed on a periodic basis and the Purchaser shall remit payment at the rate of \$5.95 per mcf within ten days from receipt of invoice thereof.
5. The Seller shall deliver all future gas for the duration of this contract to the point of delivery as specified in Paragraph 3 by the Purchaser. Upon receipt of such gas at said point of delivery the risk of loss shall pass to the Purchaser of such quantity so delivered, and the Purchaser shall be fully responsible for the payment of such gas and shall indemnify and hold the Seller harmless from any liability as a result of the use of such gas by the Purchaser after receipt thereof.
6. The gas so provided to the Purchaser by the Seller shall meet the specifications of "pipeline gas", with the specific understanding, however, that the Seller passes on no warranties as to intended use or fitness of such gas for particular purposes in the Purchaser's business operations.
7. It is specifically understood and agreed that this is a "special commercial poultry facility rate" the Seller is providing to the Purchaser under an exemption applied for by the Seller pursuant to KRS 278.170, in that the Purchaser has started a new poultry facility in Cumberland County. This rate is not intended by the Seller to provide any reference to the Purchaser, or any other business of like inception, but is considered only



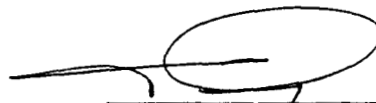
**RESOLUTION OF BOARD OF DIRECTORS OF  
BURKESVILLE GAS COMPANY, INC., PURSUANT TO A  
SPECIAL MEETING ON THE 12<sup>TH</sup> DAY OF JANUARY, 1999**

WHEREAS on the 12<sup>th</sup> day of January, 1999 at the hour of 10:00 a.m. the Board of Directors of Burkesville Gas Company, Inc., met pursuant to a waiver of notice of special meeting of Board of Directors called thereon for the express purpose of adopting a resolution authorizing a Gas Purchase Contract with Doug Lewis d/b/a 3-L Enterprises, Inc.; and

THAT WHEREAS, it appears to be in the best interest of the corporation and its stockholders to enter into a Gas Sales Contract with Doug Lewis d/b/a 3-L Enterprises, Inc.;


BE IT RESOLVED that the proposal of Doug Lewis d/b/a 3-L Enterprises, Inc., to purchase gas from Burkesville Gas Company at the rate of \$5.95 per mcf through March 31, 1999 to be delivered in Cumberland County at its facilities is HEREBY ADOPTED AND APPROVED and the President of the corporation is authorized to execute the necessary contract and to petition the Public Service Commission for the State of Kentucky for approval of such contract as a special rate exception under KRS 278.170.

This the 12<sup>th</sup> day of January, 1999.



Chairman, Board of Directors

ATTESTED BY:



Secretary

Ex B