

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

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PUBLIC SERVICE  
COMMISSION

IN THE MATTER OF:

THE APPLICATION OF MAJOR )  
PIPELINE, LLC FOR APPROVAL ) CASE NO. 2011-  
OF THE TRANSFER OF SHAWNEE )  
PIPELINE JOINT VENTURE )

PETITION

Major Pipeline, LLC, by counsel, petitions the Commission for an order approving the transfer of the assets of the Shawnee Pipeline Joint Venture to Major Pipeline, LLC.

1. Major Pipeline, LLC is a Michigan corporation with a mailing address of 25 Ionia Ave., #210, Grand Rapids, MI 49503. A copy of its Articles of Incorporation was filed in Case No. 2002-044. A copy of the current Certificate of Authority is attached as exhibit 1.

2. Shawnee is an intrastate pipeline as defined in Administrative Order 297, which was formed on November 12, 1990. It is not regulated for rates or service, but is subject to Commission safety regulation. KRS 278.020 (4) and (5) require Commission approval for the transfer of any utility facilities.

3. The current ownership of Shawnee Pipeline is listed in exhibit 2. Major Pipeline is currently the primary owner and managing partner of Shawnee Pipeline as approved by the Commission in "The Application of Major Gathering Company for Approval of the Transfer of Stock", Case No. 2002-00044.

4. The offer and consent forms of the parties, which contain the terms and conditions of the proposed transfer are attached as exhibit 3, along with a draft assignment for the transfer of the

assets to be executed upon approval of the transfer. A copy of the Joint Venture Agreement which is subject to this transfer was filed in Case No. 90-241 and is incorporated by reference.

5. The Company will be operated in the same manner after the transfer as it is now being operated. A list of the personnel, who are involved in the operation of the company, is attached as exhibit 4. Jerry Rushmore, Kurt Rushmore and Connie Pfanstiel have been involved in the operation of the facilities since 2002 and continue in their current positions. The financial, managerial, technical, and operational experience and expertise of the company will not change due to the continued management by Major Pipeline, LLC.

6. All of the rates, contracts and tariffs will remain in effect and will be adopted by the successor company. An Adoption Notice is attached as exhibit 5.

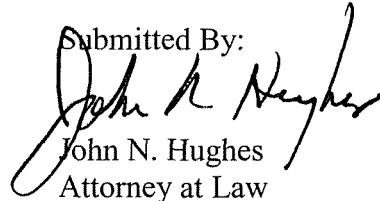
7. The following additional information is provided:

- a. System map – exhibit 6
- b. Transportation Agreement and rate – exhibit 7
- c. Pipeline annual sales 2002-2011 – exhibit 8
- d. Most recent PSC Annual Inspection Report – exhibit 9
- e. Financial statement – exhibit 10
- f. Pipeline capacity and annual sales volumes – exhibit 11

8. The transfer is scheduled to be completed no later than December 31, 2011. The Petitioner requests that the review and approval of the transfer be expedited and that an order be issued no later than December 20, 2011.

9. For these reasons, the Petitioner requests an order approving the sale and transfer of all of the rights, assets and interests of Shawnee Pipeline Joint Venture to Major Pipeline, LLC.

Submitted By:

A handwritten signature in black ink, appearing to read "John N. Hughes". The signature is written in a cursive style with a large initial "J" and "H".

John N. Hughes  
Attorney at Law

124 W. Todd St.

Frankfort, KY 40601

(502) 227-7270

Attorney for Major Pipeline L.L.C.

AFFIDAVIT

STATE OF MICHIGAN

COUNTY OF KENT

Affiant, Kurt Rushmore, after being first sworn, deposes and says that he is authorized to submit this Petition on behalf of Major Pipeline, LLC, and that the information contained in the Petition is true and correct to the best of his knowledge and belief except as to those matters that are based on information provided to him and as to those he believes to be true and correct.

  
Kurt Rushmore

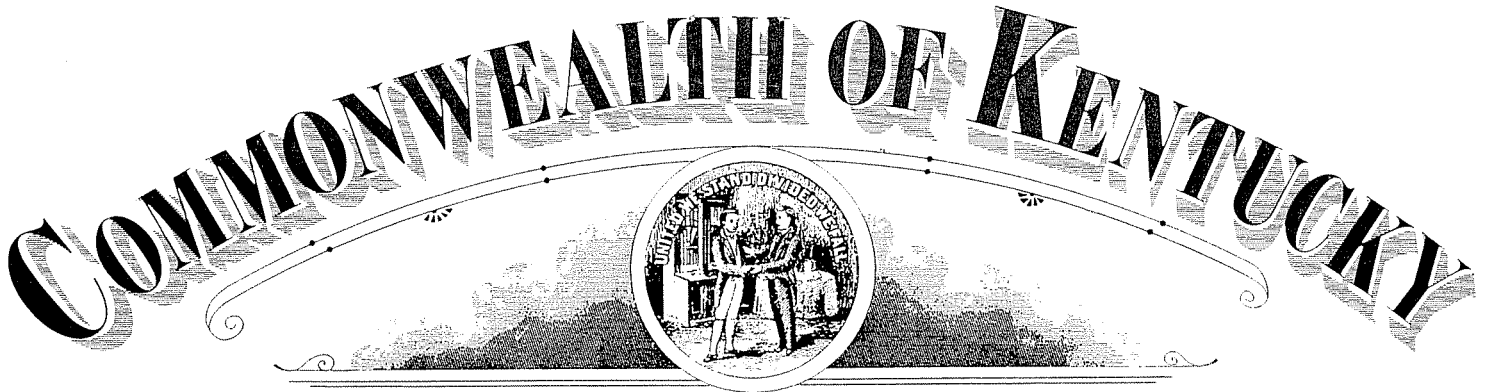
This instrument was produced, signed, acknowledged and declared by Kurt Rushmore to be his act and deed the 2nd day of November 2011.

  
Notary Public

My Commission expires: February 10, 2012

ROBIN M. KOBEL  
Notary Public, State of Michigan  
County of Ottawa  
My Commission Expires, Feb. 10, 2012  
Acting in the County of Kent

## EXHIBIT 1



**Elaine N. Walker**  
**Secretary of State**

**Certificate**

I, Elaine N. Walker, Secretary of State for the Commonwealth of Kentucky, do hereby certify that the foregoing writing has been carefully compared by me with the original thereof, now in my official custody as Secretary of State and remaining on file in my office, and found to be a true and correct copy of

APPLICATION FOR CERTIFICATE OF AUTHORITY OF

MAJOR PIPELINE, L.L.C. FILED JANUARY 25, 2002.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal at Frankfort, Kentucky, this 1st day of November, 2011.



*Elaine N. Walker*

Elaine N. Walker  
Secretary of State  
Commonwealth of Kentucky  
dwilliams/0529772 - Certificate ID: 119274

COMMONWEALTH OF KENTUCKY  
JOHN Y. BROWN III  
SECRETARY OF STATE

0529772.06

sbates  
L902

John Y. Brown III  
Secretary of State  
Received and Filed  
01/25/2002 12:50 PM  
Fee Receipt: \$90.00



APPLICATION FOR CERTIFICATE OF AUTHORITY

Pursuant to the provisions of KRS Chapter 271B, 273 or 274, the undersigned hereby applies for authority to transact business in Kentucky on behalf of the corporation named below and for that purpose submits the following statements:

- The corporation is  a business corporation (KRS 271B).  a nonprofit corporation (KRS 273).  
 a professional service corporation (KRS 274).
- The name of the corporation is  
Major Pipeline, L.L.C.
- The name of the corporation to be used in Kentucky is  
Major Pipeline, L.L.C.  
(If "real name" is unavailable for use)
- Michigan is the state or country under whose law the corporation is incorporated.
- September 18, 2001 is the date of incorporation and the period of duration is Indefinite
- The street address of the corporation's principal office is  
25 Ionia Ave SW Ste 210 Grand Rapids, MI 49503  
Street City State Zip Code
- The street address of the corporation's registered office in Kentucky is  
9687 Hwy 17N Demossville, KY 41033  
Street City State Zip Code  
and the name of the registered agent at that office is  
Connie Pfanstiel
- The names and usual business addresses of the corporation's current officers and directors are as follows:  
President Jerald Rushmore 25 Ionia Ave SW Ste 210  
Vice President \_\_\_\_\_ Grand Rapids, MI 49503  
Secretary \_\_\_\_\_  
Treasurer \_\_\_\_\_  
Directors \_\_\_\_\_

(Attach a continuation sheet, if necessary)

- If a professional service corporation, all the individual shareholders, not less than one half of the directors, and all of the officers other than the secretary and treasurer are licensed in one or more states or territories of the United States or District of Columbia to render a professional service described in the statement of purposes of the corporation.
- A certificate of existence duly authenticated by the Secretary of State accompanies this application.
- This application will be effective upon filing, unless a delayed effective date and/or time is specified: \_\_\_\_\_  
(Delayed effective date and/or time)

Jerald Rushmore  
Signature

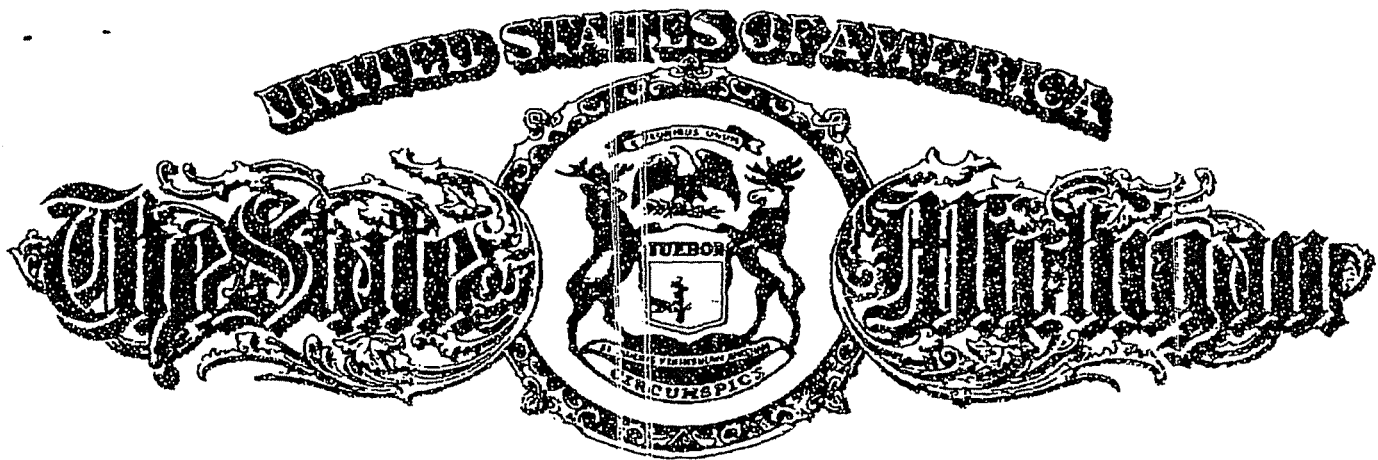
Jerald Rushmore, President  
Type or Print Name & Title

Date: 1-21-02 20 02

- Connie Pfanstiel consent to serve as the registered agent on behalf of the corporation.  
Type or print name of registered agent

Connie Pfanstiel  
Signature of Registered Agent

Connie Pfanstiel  
Type or Print Name & Title



Michigan Department of Consumer and Industry Services

Lansing, Michigan

This is to Certify That

MAJOR PIPELINE, L.L.C.

a Michigan limited liability company, was formed on September 18, 2001.

I FURTHER CERTIFY that a Certificate of Dissolution has not been filed and the Articles of Organization are in full force and effect as of this date.

This certificate is in due form, made by me as the proper officer, and is entitled to have full faith and credit given it in every court and office within the United States.



In testimony whereof, I have hereunto set my hand, in the City of Lansing, this 3rd day of January, 2002

*Andrew S. Mitchell*, Director

Bureau of Commercial Services



EXHIBIT 2

### Ownership Shawnee Pipeline

<u>Member</u>	<u>2011</u>	<u>2012</u>
Major Pipeline L.L.C	34.37500%	100%
Frank F. Ross	23.43750%	0%
Daset Mining Corp P/s Plans A&B	14.06250%	0%
CFC Shawnee Inc	9.37500%	0%
John H. Odinga	4.68750%	0%
Frank J. Ross	4.68750%	0%
Rush Petroleum Inc	4.68750%	0%
William E. Patterson	<u>4.68750%</u>	<u>0%</u>
	<u>100%</u>	<u>100%</u>

## EXHIBIT 3

 MAJOR PIPELINE, L.L.C

September 9, 2011

Jerald Rushmore  
Rush Petroleum  
25 Ionia Ave SW Ste 210  
Grand Rapids, MI 49503

Re: Shawnee Joint Venture Offer

Dear Jerry:

As you are aware, Major has been interested in the past couple of years of finding a potential buyer for the Shawnee Joint Venture facilities. We have been unsuccessful in this quest to generate any interest; either from an outside source or find one of the Joint Venture partners interested in exclusive ownership.

Major has evaluated its position and has decided to make an offer to purchase 100% of the Shawnee Joint Venture interests and is extending its offer to each partner. Our offer is contingent on receiving 100% of the outstanding interest and expires on October 3, 2011.

We have calculated the five (5) year average EBITDA and are offering ten (10) times that average. This equates to \$2,041 per equity percentage point. In your case, you have 4.6875% equity and our offer to purchase your interest is \$9,567.19.

Major is not aware of any new information regarding Shawnee's sole customer, Carmeuse, and knows of no planned or projected changes in status. Shawnee has four (4) years and three (3) months remaining on its current contract with Carmeuse. The Shawnee facilities are 43 years old and have never been upgraded.

Please respond with the enclosed acceptance or rejection form. Acceptance of this offer will mean an approximate R.O.I. for you of 879%.

A similar letter offer is being sent to each Joint Venture member today.

Respectfully

Jerry Rushmore

JLR:rmk

September 9, 2011

Major Pipeline has made an offer to purchase the interest of Franklyn E. Ballard and Gene Ann Ballard in the Shawnee Joint Venture.

I agree to the purchase offer made by Major Pipeline of \$19,134.38.

I do not agree to the purchase offer made by Major Pipeline.

Date: 9/14/11

Please complete this form and return in the enclosed envelope.

Signature Franklyn E. Ballard  
Gene Ann Ballard

September 9, 2011

Major Pipeline has made an offer to purchase the interest of William E. Patterson and Jean Patterson in the Shawnee Joint Venture.

I agree to the purchase offer made by Major Pipeline of \$9,567.19.

I do not agree to the purchase offer made by Major Pipeline.

Date: October 4, 2011

Please complete this form and return in the enclosed envelope.

Signature William Patterson  
Jean Patterson

September 9, 2011

Major Pipeline has made an offer to purchase the interest of Daset Mining Corporation and Associated Companies, Plan B in the Shawnee Joint Venture.

I agree to the purchase offer made by Major Pipeline of \$14,350.78.

I do not agree to the purchase offer made by Major Pipeline.

Date: 10/4/11

Please complete this form and return in the enclosed envelope.

Signature Mathew A. Jacobs  
Trustee

September 9, 2011

Major Pipeline has made an offer to purchase the interest of Daset Mining Corporation and Associated Companies, Plan A in the Shawnee Joint Venture.

I agree to the purchase offer made by Major Pipeline of \$14,350.78.

I do not agree to the purchase offer made by Major Pipeline.

Date: 10/4/11

Please complete this form and return in the enclosed envelope.

Signature Matthew A. Jacobs  
Trustee



September 9, 2011

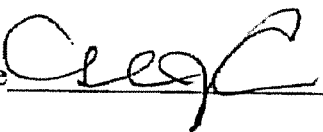
Major Pipeline has made an offer to purchase the interest of Frank J. Ross in the Shawnee Joint Venture.

I agree to the purchase offer made by Major Pipeline of \$9,567.19.  
AS LONG AS COMPLETED BY 12/31/12

I do not agree to the purchase offer made by Major Pipeline.

Date: 10/3/11

Please complete this form and return in the enclosed envelope.

Signature 

September 9, 2011

Major Pipeline has made an offer to purchase the interest of Frank F. Ross in the Shawnee Joint Venture.

I agree to the purchase offer made by Major Pipeline of \$47,835.94

I do not agree to the purchase offer made by Major Pipeline.

Date: 10/4/11

Please complete this form and return in the enclosed envelope.

Signature Frank F. Ross

September 9, 2011

Major Pipeline has made an offer to purchase the interest of John Odinga DBA Gas Facilitators in the Shawnee Joint Venture.

I agree to the purchase offer made by Major Pipeline of \$9567.19.

I do not agree to the purchase offer made by Major Pipeline.

Date: 9/14/11

Please complete this form and return in the enclosed envelope.

Signature

John W. Odinga

would like to receive cash  
early Jan 2012 rather than  
in 2011.

September 9, 2011

Major Pipeline has made an offer to purchase the interest of Rush Petroleum in the Shawnee Joint Venture.

I agree to the purchase offer made by Major Pipeline of \$9,567.19.

I do not agree to the purchase offer made by Major Pipeline.

Date: 9-9-11

Please complete this form and return in the enclosed envelope.

A handwritten signature in black ink, appearing to be 'M. L. ...', is written on the page.

Sample of Assignment to be used

**ASSIGNMENT**

**KNOW ALL MEN BY THESE PRESENTS:**

THAT, \_\_\_\_\_, a \_\_\_\_\_, of \_\_\_\_\_ (hereinafter "Assignor") for and in consideration of the sum of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, does hereby sell, transfer, assign and convey unto **Major Pipeline, LLC**, a Michigan limited liability company, of 25 Ionia, Suite 210, Grand Rapids, MI 49503 (hereinafter Assignee), all of Assignor's right, title and interest in and to the following:

- 1) That certain Joint Venture Agreement entered into as of November 30, 1990 (Joint Venture), and
- 2) The Shawnee Pipeline and meter station currently owned by the Joint Venture including all related easements, contract rights and certificate rights.

Assignor is making this assignment in response to an offer made by Assignee to all joint venturers in the Joint Venture. Both Assignee, on its own behalf and as Manager of the Joint Venture, and Assignor agree that the provisions of Article VI of the Joint Venture are hereby amended to permit the immediate assignment and sale of their interest and the interests of all other joint venturers in the Joint Venture to Major Pipeline, LLC.

TO HAVE AND TO HOLD, the interests, rights and property herein assigned unto Assignee, its successors and assigns. Assignee agrees to release and indemnify Assignor from and against any and all liability (present, past or future) under the Joint Venture and the Shawnee Pipeline.

This Assignment shall be binding upon and inure to the benefit of the parties hereto, their representatives, successors and assigns, and is executed by the parties as of this \_\_\_\_\_.

**ASSIGNOR:**

**ASSIGNEE:**

**Major Pipeline, LLC**

By: \_\_\_\_\_

By: \_\_\_\_\_  
**Jerald L. Rushmore, President**

ACKNOWLEDGMENTS

STATE OF MICHIGAN            )  
  ) ss  
COUNTY OF KENT            )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2011, by \_\_\_\_\_, \_\_\_\_\_ of Major Pipeline, LLC, a Michigan limited liability company, on behalf of the company.

My Commission Expires:

\_\_\_\_\_

\_\_\_\_\_

Notary Public, Ottawa County,  
State of Michigan  
Acting in Kent County, State of Michigan

STATE OF \_\_\_\_\_ )  
  ) ss  
COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2011, by \_\_\_\_\_.

My Commission Expires:

\_\_\_\_\_

\_\_\_\_\_

Notary Public in \_\_\_\_\_ County,  
State of \_\_\_\_\_

STATE OF \_\_\_\_\_ )  
  ) ss  
COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2011, by \_\_\_\_\_, the \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_, on behalf of the \_\_\_\_\_.

My Commission Expires:

\_\_\_\_\_

\_\_\_\_\_

Notary Public in \_\_\_\_\_ County,  
State of \_\_\_\_\_.

## EXHIBIT 4

## Operating Personal

Connie Pfanstiel  
9687 Hwy 17N  
Demonssville, KY 41033  
859.472.2651

Adam Williams  
Major Pipeline L.L.C  
25 Ionia Ave SW Ste210  
Grand Rapids, MI 49503  
Office: 616.774.2600  
Cell: 616.401.2548

Kurt Rushmore  
Major Pipeline L.L.C  
25 Ionia Ave SW Ste210  
Grand Rapids, MI 49503  
Office: 616.774.2600  
Cell: 616.481.5560

Jerry Rushmore  
Major Pipeline L.L.C  
25 Ionia Ave SW Ste210  
Office: 616.774.2600  
Cell: 616.446.7208



EXHIBIT 5

P.S.C. Ky. Adoption Notice No. \_\_\_\_\_

ADOPTION NOTICE

The undersigned \_\_Major Pipeline LLC\_\_\_\_\_  
(Name of Utility) System

of \_\_\_\_Grand rapids MI\_\_\_\_\_ hereby adopts, ratifies, and makes its  
own, in every respect as if the same had been originally filed and posted by it, all tariffs  
and supplements containing rates, rules and regulations for furnishing  
\_\_\_\_natural gas\_\_\_\_\_ service at \_\_Pendleton County, KY area  
(Nature of Service)

in the Commonwealth of Kentucky, filed with the Public Service Commission of  
Kentucky by \_\_Major Pipeline LLC of Grand Rapids MI\_\_\_\_\_  
(Name of Predecessor)

and in effect on the \_\_1\_\_st\_\_ day of \_\_January, 2012\_\_, the date on which  
the public service business of the said \_\_Major Pipeline, LLC\_\_\_\_\_  
(Name of Predecessor)

was taken over by it.

This notice is issued on the \_\_1<sup>st</sup>\_\_ day of \_\_November\_\_\_\_\_, 2011\_\_, in  
conformity with 807 KAR 5:011, Section 11, of the Regulations for the filing of Tariffs of  
Public Utilities with the Public Service Commission of Kentucky.

By \_\_Jerald Rushmore\_\_

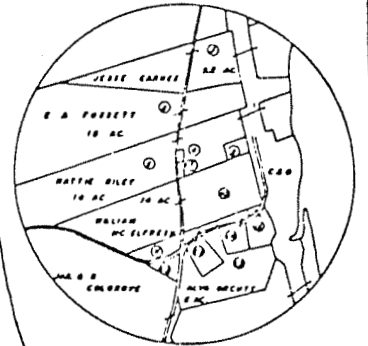
EXHIBIT 6

BLACK RIVER  
MINING COMPANY



CARNTOWN PROPERTY  
PENDLETON CO., KENTUCKY

SCALE 1" = 1000'

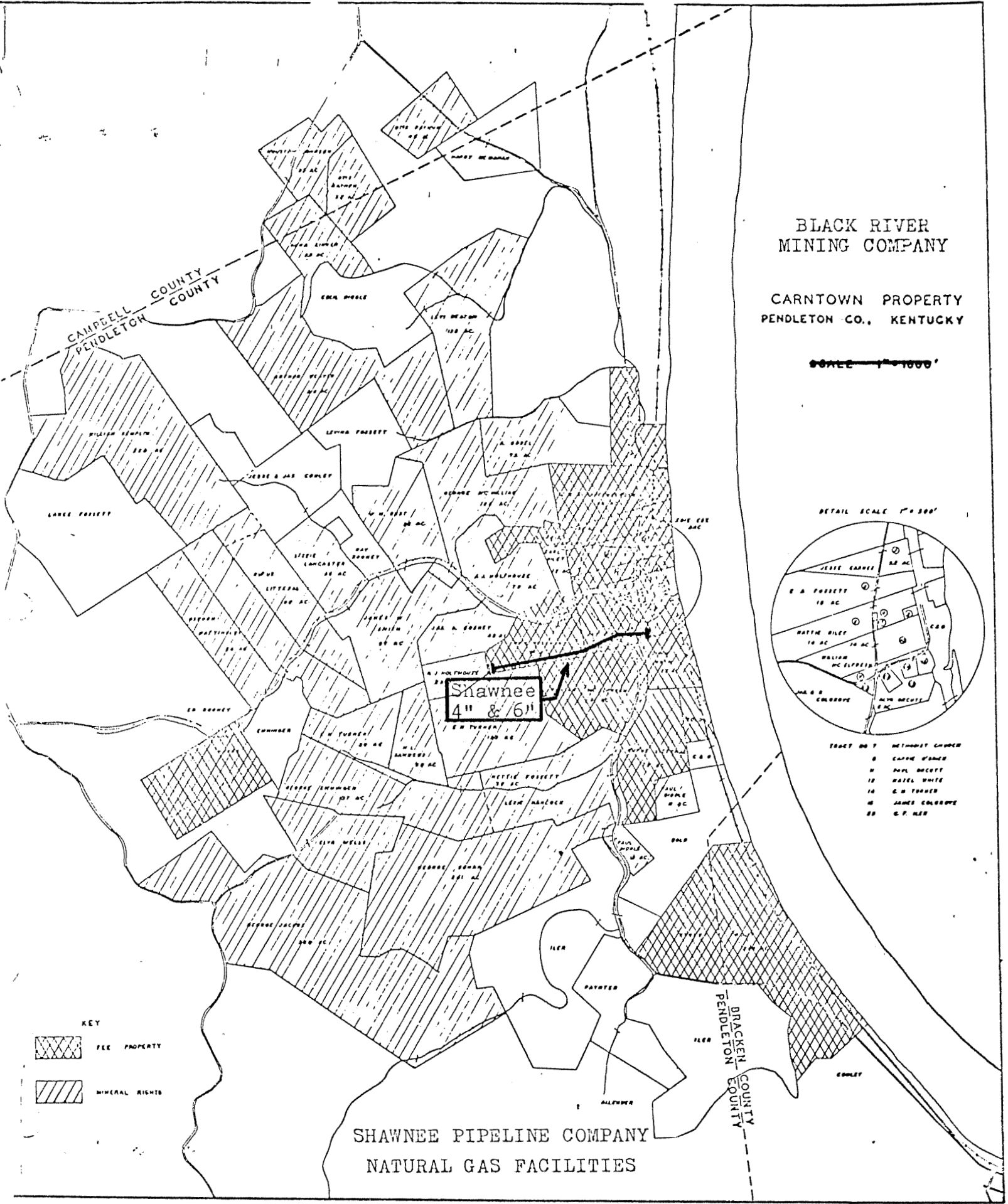
DETAIL SCALE 1" = 500'



- TRACT NO. 7 METHODIST CHURCH
- 8 CAPPE O'BANER
  - 9 PAUL MC CUTCY
  - 10 HAZEL WHITE
  - 14 G. M. THAYER
  - 16 JAMES CALDWELL
  - 20 G. P. HILL

- KEY
-  FEE PROPERTY
  -  MINERAL RIGHTS

SHAWNEE PIPELINE COMPANY  
NATURAL GAS FACILITIES



## EXHIBIT 7

**LONG TERM**  
**TRANSPORTATION AGREEMENT**

THIS AGREEMENT entered into as of the 1<sup>st</sup> day of December, 2010 is by and between Carmeuse Lime and Stone, Inc. ("Shipper"), having a mailing address at Route 1, Box 137, Butler, Kentucky 41006 and Shawnee Pipeline Company ("Shawnee"), having an office at 25 Ionia Avenue SW, Suite 210, Grand Rapids, Michigan 40503-4179.

**RECITALS**

- A. Shipper has requested Shawnee to transport gas on Shipper's behalf; and
- B. Shawnee owns and is willing to operate facilities to provide the requested transportation subject to the terms and conditions contained in this Agreement;

NOW, THEREFORE, in consideration of the mutual promises, agreements and undertaking hereinafter set forth, Shipper and Shawnee agree as follows:

**ARTICLE I**

**GAS TRANSPORTATION SERVICE**

1.1 Shipper shall deliver, or cause to be delivered, up to the Maximum Daily Quantity (MDQ) of gas to Shawnee for transportation on the Pipeline, and Shawnee shall receive, transport and redeliver Equivalent Quantities of gas to Shipper. This transportation service shall be on a Firm Basis. Exhibit "C", attached to this Agreement and made a part of it, sets forth the MDQ, transportation fee and transportation charge for the transportation provided pursuant to this Agreement.

**ARTICLE II**

**POINT(S) OF RECEIPT**

2.1 Shipper shall deliver, or cause to be delivered, gas at the Point of Receipt set forth in Exhibit "A", which is attached to this Agreement and made part of it.

### ARTICLE III

#### POINT(S) OF DELIVERY

3.1 Shawnee shall redeliver Equivalent Quantities of gas to Shipper at the Point of Delivery set forth in Exhibit "B", which is attached to this Agreement and made part of it.

### ARTICLE IV

#### TERM

4.1 The primary term of this Agreement shall be a period of 5 years commencing on the date of this Agreement and ending on November 30, 2015.

4.2 Either party may terminate this Agreement upon default by the other party that is not cured within 30 days after written notice of the default is given by the non-defaulting party.

4.3 This Agreement, unless previously terminated pursuant to the provisions of Section 4.2, shall, upon the expiration of the primary term, extend for successive periods of 1 month until either party provides the other with 30 days prior written notice of termination.

### ARTICLE V

#### TRANSPORTATION CHARGE

5.1 For all transportation under this Agreement, Shipper shall pay Shawnee the charges specified in Exhibit "C".

### ARTICLE VI

#### GENERAL TERMS AND CONDITIONS

6.1 This Agreement is specifically subject to the General Terms and Conditions, which are attached as Exhibit "D" and made part of this Agreement.

### ARTICLE VII

#### NOTICES

7.1 Any notice, request, demand, statement or payment provided for in this Agreement shall be sent to the parties at the following addresses:

Shipper: Carmeuse Lime and Stone, Inc.  
Route 1, Box 137  
Butler, Kentucky 41006

Shawnee: Shawnee Pipeline Company  
c/o Major Pipeline LLC  
25 Ionia Ave SW Suite 210  
Grand Rapids, Michigan 49503-4179

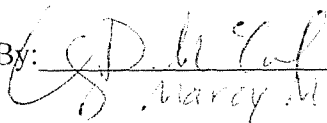
Payments: As directed on the invoice

All Other: Shawnee Pipeline Company  
c/o Major Pipeline LLC  
25 Ionia Ave SW, Suite 210  
Grand Rapids, Michigan 49503-4179

7.2 Either party may change its address under this Agreement by notice to the other party. Unless otherwise provided, all notices given by one party to the other shall be sent by registered mail, overnight mail or by fax and shall be effective upon receipt. However, routine communications, including monthly invoices, shall be considered as duly delivered and received when sent registered, overnight or ordinary mail.


IN WITNESS WHEREOF, the parties have caused this Agreement to be executed in counterparts, each of which is an original and all of which are identical, as of the day and year first above written.

**CARMEUSE LIME AND STONE, INC.**

By:   
Nancy McCool

Its: Energy Buyer

**SHAWNEE PIPELINE COMPANY**

By:   
Jerald Rushmore

Its: Managing Partner



# EXHIBIT "A"

## Point of Receipt

Number

Facility / Location

1.

Columbia Gas Transmission Corporation  
Meter Station Number 805624 in Pendleton  
County, Kentucky

[END EXHIBIT "A"]

December 1, 2010

# EXHIBIT "B"

## Point of Delivery

### Number

### Facility / Location

1.

Shawnee Pipeline Regulator Station  
Located on the Black River Facility  
Property in Pendleton County, Kentucky

[END EXHIBIT "B"]

December 1, 2010

## **EXHIBIT "C"**

### MDQ and Monthly Transportation Charge

1. MDQ

1.0 MMcfd

2. Monthly Transportation Charge

A Monthly Transportation Charge of \$6,000 will apply.

[END EXHIBIT "C"]

December 1, 2010

# EXHIBIT "D"

## GENERAL TERMS AND CONDITIONS

### SECTION I

#### DEFINITIONS

D-1.1 The term "day" shall mean a period of 24 consecutive hours commencing at noon, local time or such other time as may be mutually agreed upon.

D-1.2 The term "month" shall mean the period beginning at noon local time on the first day of a calendar month and ending at noon local time on the first day of the following calendar month.

D-1.3 The term "gas" shall mean natural gas meeting the quality specifications of this Agreement.

D-1.4 The term "Equivalent Quantities" shall mean a volumetrically equivalent amount of gas to that received by Shawnee at the Point of Receipt less Shawnee's actual fuel used and Shawnee's losses on the Pipeline, except when and to the extent that such losses are solely attributable to Shawnee's negligence.

D-1.5 The term "Commission" shall mean the Kentucky Public Service Commission or any successor regulatory authority having jurisdiction.

D-1.6 The term "Maximum Daily Quantity" or "MDQ" shall mean the greatest number of Mcfs that Shawnee is obligated to receive into the Pipeline from Shipper and deliver to or on behalf of Shipper on any day pursuant to this Agreement.

D-1.7 The term "Firm Basis" means that Shawnee agrees to transport up the MDQ each day during the term of the Agreement from the Point of Receipt to the Point of Delivery, except for reasons of Force Majeure.

D-1.8 The term "Pipeline" shall mean the Shawnee Pipeline owned by Shawnee starting at a metering facility located in Pendleton County, Kentucky, and connected with the Carmeuse Lime and Stone, Inc., Black River Facility.

D-1.10 The term "Mcf" means 1000 cubic feet of gas at a base temperature of 60 degrees Fahrenheit and base pressure of 14.65 psia.

D-1.11 The term "MMcf" means 1000 Mcfs.

## SECTION II

### POSSESSION AND RESPONSIBILITY

D-2.1 As between Shawnee and Shipper, Shipper shall be deemed in exclusive control and possession of the gas transported hereunder and responsible for any damage or injury caused thereby until it is delivered to Shawnee at the Point of Receipt and after it is redelivered by Shawnee at the Point of Delivery. Shawnee shall be deemed in exclusive control and possession of said gas and responsible for any damage or injury caused thereby after it is delivered by Shipper at the Point of Receipt and before it is redelivered by Shawnee to Shipper, or for Shipper's account, at the Point of Delivery.

## SECTION III

### DELIVERY PRESSURE

D-3.1 Shawnee shall accept deliveries of gas at the Point of Receipt at the line pressure of the Pipeline but never in excess of the maximum allowable operating pressure of the Pipeline. Shipper shall receive Equivalent Quantities of gas at the Point of Delivery.

## SECTION IV

### MEASUREMENT AND MONITORING

D-4.1 As between the parties hereto, all gas measurement and monitoring shall be done by Columbia Gas Transmission Corporation. All quantities of gas received by Shawnee at the Point of Receipt and all Equivalent Quantities of gas redelivered by Shawnee at the Point of Delivery shall be measured and monitored for quality by Shawnee, or its designee, and measurement shall comply with the measurement specifications contained in the Gas Measurement Committee Report #3, Natural Gas Department, American Gas Association, including the Appendix thereto, dated September, 1985, and any subsequent amendments thereof. Provided, however, that if pursuant to any necessary agreements with any third party transporter or any third party causing gas to be delivered to Shawnee at any Point of Receipt, such third party measures gas and monitors the quality thereof, the parties hereto shall be bound by such measurement and quality monitoring.

## SECTION V

### QUALITY

D-5.1 The gas delivered by Shawnee to Shipper at the Point Of Delivery shall be the same quality and heat content as delivered by or on behalf of Shipper at the Point Of Receipt.

## SECTION VI

### TAXES

D-6.1 Shipper shall reimburse Shawnee the amount of all taxes pursuant to laws, regulations, rules, orders or other applicable authority currently in force or which may be imposed in the future whether deferral state or local upon the transportation of gas to Shipper hereunder until title transfers to Shipper. The amount of all taxes shall be shown as a separate item on each invoice submitted by Shawnee.

## SECTION VII

### WARRANTY OF RIGHT TO DELIVER

D-7.1 Each party warrants that at the time of delivery it will have the right to deliver the gas and that it will indemnify the other party, defend, and save it harmless from suits, actions, debts, accounts, damages, costs, losses and expenses arising from or out of adverse claims of any and all persons to said gas or to royalties, taxes, license fees or charges thereon.

## SECTION VIII

### BILLING AND PAYMENT

D-8.1 On or about the 20th day of each calendar month, Shawnee shall render a statement to Shipper for the total charges for gas transported during the preceding calendar month. Shipper will pay Shawnee amounts due for the preceding month on or before the 15th day after the statement is received by Shipper. All such payments shall be made in the form of immediately available funds directed to a bank account designated by Shawnee on its invoice.

D-8.2 Shipper shall have the right at all reasonable times to examine the books, records and charts of Shawnee to the extent necessary to verify the accuracy of any statement, charge or computation made under or pursuant to any provisions of this Agreement.

D-8.3 Should Shipper fail to pay any undisputed amount of any statement rendered by Shawnee as herein provided when such amount is due, a late payment charge equal to 1.5% of the undisputed amount of the statement, net of taxes, compounded monthly, shall be added to the statement until paid.

D-8.4 Should Shipper fail to pay any undisputed amount of any statement rendered by Shawnee as herein provided when such amount is due, Shawnee in its sole discretion may after 10 days prior written notice, terminate this Agreement, or suspend further service to Shipper, or both.

D-8.5 If Shipper shall find at any time within 12 months after the date of any statement rendered by Shawnee that it has been overcharged in the amount billed in such statement, and if said overcharge shall have been paid, and if Shipper shall have made a claim therefore within 60 days from the date of discovery thereof, the overcharge, if verified by Shawnee, shall be refunded by Shawnee to Shipper within 30 days. Similarly, if Shawnee shall find at any time within 12 months after the date of a statement rendered by it that there has been an undercharge in the amount billed in such statement, it may, within 60 days from the date of discovery thereof, submit a statement for such undercharge, and Shipper, upon verifying the same, shall pay such amount within 30 days.

## SECTION IX

### NON-WAIVER OF FUTURE DEFAULTS

D-9.1 No waiver by either party of any one or more defaults by the other in the performance of any provision of this Agreement shall operate or be construed as a waiver of any future default or defaults, whether of a like or a different character.

## SECTION X

### FORCE MAJEURE

D-10.1 Failure or delay in compliance with the terms and conditions of this Agreement by either party shall be excused if said failure or delay is occasioned by or in consequence of any acts of God, strikes, lockouts, fires, storms, floods, washouts, explosions, breakage or accident of machinery, or line of pipe the binding order of any court or governmental authority, and any other cause, whether or the kind herein enumerated or otherwise, not reasonably within the control of the

party claiming the delay and which by the exercise of due diligence such party is unable to prevent or overcome. No failure to prevent or settle any strike or strikes shall be considered to be a matter within the control of the party claiming suspension.

D-10.2 Such causes or contingencies affecting the performance of the Agreement by either party, however, shall not relieve it of liability in the event of its contributing negligence or in the event of its failure to use due diligence to remedy the situation and remove the cause in an adequate manner and with all reasonable dispatch, nor shall such causes or contingencies affecting the performance of this Agreement relieve either party from its obligation to make payments of amounts then due hereunder, nor shall such causes or contingencies relieve either party of liability unless such party shall give notice and full particulars of the same in writing or by telecopy, i.e. fax, to the other party as soon as possible after the occurrence relied on.

## SECTION XI

### LAWS, ORDERS, RULES AND REGULATIONS

D-11.1 The performance by the parties of their obligations set forth in this Agreement shall be subject to all valid and applicable laws, orders, rules and regulations of any duly constituted authority having jurisdiction. Either party shall have the right to contest the validity of any such change, and the acquiescence or compliance therewith for any period of time shall not be construed as a waiver of such right.

D-11.2 In the event of either a material change in the underlying rules, orders or regulations pursuant to which Shawnee provides service in accordance with this Agreement or if the Commission changes the rates or other provisions of this Agreement, Shawnee may upon 30 days prior written notice to Shipper unilaterally and without liability suspend, discontinue and/or terminate service under this Agreement.

D-11.3 This Agreement is governed by the laws of the State of Kentucky. It is agreed that any of all litigation related to this Agreement shall be brought in either a state or federal court located within the State of Kentucky, and each party, for purposes of any such litigation, submits to the exclusive jurisdiction and venue of that court.

D-11.4 Shawnee represents that the equipment and/or service to be supplied hereunder shall comply with all applicable laws, standards and regulations, including applicable occupational safety



and health administration and mine safety and health administration regulations and specifications, whether governmental or industrial in effect on the date of delivery of such equipment and/or services or known in the industry to become effective after such date. Shawnee will indemnify and hold harmless Shipper from all claims, liabilities, suites, damages, losses, costs and/or expenses, including attorney's fees arising out of Shawnee performance of or failure to perform under this purchase order, but specifically excluding any consequential or special damages. Shawnee agrees to comply with the provision of applicable regulations on employment practices as specified on Shipper's compliance report certificate and to execute and maintain such certification reports as required by Shipper.

D11.5 The provisions of executive order 11246, as amended and particularly subpart B, S202, paragraph (1) through (7); the Rehabilitation Act of 1973; and the Vietnam Era Veterans Readjustment Act of 1974 are hereby incorporated, including the applicable rules and regulations (41 CFR 60-2, 41 CFR 60-250, and 41 CFR 60-741) issued pursuant thereto. Shawnee represents by signing this Agreement that it will comply with such executive order and rules, regulations, and amendments thereto, to the extent the same are applicable to the services hereunder.

## SECTION XII

### INSURANCE

D-12.1 Shawnee and each of its sub-contractors shall at all times during the performance hereunder carry insurance covering its liabilities as follows:

a) Workmen's Compensation insurance and, if required, Longshoremen's and Harbor Workers' Coverage and any other insurance necessary to cover the statutory requirements of any state in which the work is performed.

b) Employer's liability insurance with limits of not less than \$500,000 per person.

c) Comprehensive general liability with limits not less than \$500,000/\$1,000,000 bodily injury and \$500,000 property damage, including contractual liability endorsement to specifically cover the indemnification and any other policy endorsements which may be required to cover special hazards encountered in the course of the work (e.g., blasting, etc.).

d) Comprehensive automobile liability for owned, non-owned, and hired cars to limits not less than \$250,000/\$500,000 bodily injury and \$500,000 bodily injury and \$500,000 property

damage.

D-12.2 Certificates evidencing above coverage shall be furnished to Shipper's purchasing department for acceptance prior to commencement of work. The contractual liability coverage shown on Shawnee's certificates must include a reference to the indemnity agreement contained in this Agreement with it. Renewal certificates evidencing continuation of the required coverage must be furnished until the work being performed by Shawnee has been completed and accepted. No work will be permitted at the site until such satisfactory certificates have been received. Should any change or cancellation in coverage occur during the policy term, written notification shall be furnished Shipper's purchasing department ten (10) days prior to such change or cancellation. Shipper's acceptance and/or approval of any insurance certificate does not constitute a relinquishment of any of Shipper's rights or any of the Shawnee's obligations. It is expressly understood that Shipper reserves the right to amend the insurance requirements called or above to conform the types of limits of insurance required to Shipper. In the event such changes become necessary subsequent to the Agreement, an amendment to this Agreement shall be negotiated outlining the revised insurance requirements by which Shawnee will be obligated. Any increase in costs to Shawnee for insurance required by Shipper over the present amounts, shall be reimbursed by Shipper to Shawnee.

### ARTICLE XIII

#### MISCELLANEOUS PROVISIONS

D-13.1 Either party may, at any time, assign all or any part of its economic interest in this Agreement to another party provided that such assignee shall receive and hold said interest subject to (i) the terms of this Agreement and (ii) the rights and obligations under this Agreement.

The party assigning its interest shall provide notice to the other party.

D-13.2 Shawnee shall at all times during its performance hereunder require its employees including its supervisors, to abide by the same or not less stringent safety rules and regulations that the employees of Shipper working at the same site are required to abide by; and, Shawnee shall furnish its employees with and require the use of, the same or equally effective safety devices that Shipper's employees are furnished with and required to use on the job site.

D-13.3 The headings used throughout this Agreement are inserted for convenience of reference only and are not to be considered to taken into account in construing the terms or provisions hereof nor are they to be deemed in any way to qualify, modify or explain the effect of any such provisions or terms.

D-13.4 Unless the context otherwise requires, words importing the singular include the plural and vice versa, and words importing gender include all genders. The words "herein", "hereunder" and words of similar import refer to the entirety of this Agreement and not only to the Section in which such use occurs.

D-13.5 This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns.

D-13.6 This Agreement may be executed in counterparts, each of which when so executed shall be deemed to be an originally executed copy, and it shall not be necessary to produce all counterparts in order to prove this Agreement.

D-13.7 Any company which shall succeed by purchase, merger, or consolidation to the properties, substantially as an entirety, of Shipper or of Shawnee, as the case may be, shall be entitled to the rights and be subject to the obligations of its predecessor in title under this Agreement.

D-13.8 This Agreement constitutes the entire agreement between Shawnee and Shipper concerning the subject matter hereof. Any prior understandings, representations, promises, undertakings, agreements or inducements, whether written or oral, concerning the subject matter hereof not contained herein shall have no force and effect. This Agreement may be modified or amended only by a writing duly executed by both parties.

[End Exhibit "D"]

December 1, 2010

**EXHIBIT E**  
**SHAWNEE PIPELINE**  
SHIPPER NOMINATION

Period: \_\_\_\_\_

Shipper Name: Carmeuse Lime and Stone, Inc.

Firm Transportation Agreement Date: December 1, 2010

Pipeline Name: Shawnee

Receipt Point(s) #	Daily Mcf <u>@ 14.65</u>	Monthly Mcf <u>@14.65</u>	Delivery Point(s) #
1	_____	_____	1

Prepared By: \_\_\_\_\_

Phone Number: \_\_\_\_\_

Company: \_\_\_\_\_

Date: \_\_\_\_\_

Fax This Form To Shawnee At:

616-774-7648

Or E-Mail a Similar Form To Shawnee At:

kar@majorpipe.com

[END EXHIBIT E]

December 1, 2010

## Transportation Rate

Flat rate of \$6,000 per month.

## EXHIBIT 8

Shawnee Joint Venture  
Gas Sales (DTH)

2002	59,097
2003	50,845
2004	40,478
2005	29,726
2006	49,025
2007	42,208
2008	48,451
2009	38,003
2010	62,101
2011	<u>37,715</u>
	457,649

Note: 2011 volumes through September 2011

EXHIBIT 9



PIPELINE INSPECTION REPORT

DATE: May 19, 2011

PIPELINE NAME: SHAWNEE

ROAD CROSSING:

<u>ROAD NAME</u>	<u>HWY 8</u>	<u>ACTIVITY</u>	<u>OK</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

ATMOSPHERIC CORROSION CHECK:

<u>FACILITY LOCATION</u>	<u>OK(X)</u>	<u>NOT OK(X)</u>
<u>TAP SITE</u>	<u>(X)</u>	<u>( )</u>
<u>LOCATION</u>	<u>(X)</u>	<u>( )</u>
_____	<u>(X)</u>	<u>( )</u>

PRESSURE SYSTEM

START: ok      END: ok      INTERMEDIATE POINTS

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

COMMENTS: (List any unusual activities)

NO ISSUES EVERYTHING OK.

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Colt Wilton      May 19, 2011

EXHIBIT 10

Major Pipeline LLC  
Compilation Report  
September 30, 2011

# Joseph Crnkovich Jr.

*Certified Public Accountant*

1053 McLaughlin Run Road  
Bridgeville, Pa. 15017-2530

Phone (412) 257-0844

Fax (412) 257-0848

Email: [crnkovichcpa@verizon.net](mailto:crnkovichcpa@verizon.net)

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To the Members  
Major Pipeline LLC  
25 Ionia Avenue SW Ste 210  
Grand Rapids, Michigan 49503-4179

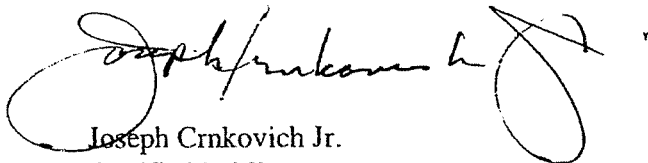
I have compiled the accompanying statements of assets, liabilities, and members' equity - income tax basis of accounting of Major Pipeline LLC (a limited liability company) as of September 30, 2011, and September 30, 2010 and the related statements of revenues, expenses and members' equity - income tax basis of accounting for the twelve months ended September 30, 2011, and September 30, 2010, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The financial statements have been prepared on the accounting basis used by the Company for income tax purposes, which is a comprehensive basis of accounting other than generally accepted accounting principles.

A compilation is limited to presenting in the form of financial statements information that is the representations of the member. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

The members' have elected to omit substantially all of the disclosures ordinarily included in financial statements prepared on the income tax basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Company's assets, liabilities, and members' equity. Accordingly, these financial statements are not designed for those who are not informed about such matters.

The members' have elected that Major Pipeline LLC be taxed as a Corporation for federal and state income taxes.

I am not independent with respect to Major Pipeline LLC.



Joseph Crnkovich Jr.  
Certified Public Accountant  
October 27, 2011

Major Pipeline LLC  
 Statements of Assets, Liabilities and Members' Equity  
 (Income Tax Basis of Accounting)  
 September 30, 2011 and 2010

	September 30, <u>2011</u>	September 30, <u>2010</u>
<u>Assets</u>		
Current assets:		
Cash and cash equivalents	\$ 152,770	\$ 49,418
Accounts receivable - trade	12,150	12,849
Federal/state income tax prepayments	2,115	28,520
Notes receivable - officers	<u>6,000</u>	<u>6,000</u>
Total current assets	<u>173,035</u>	<u>96,787</u>
Property, Plant & Equipment:		
Furniture/fixtures	22,248	14,630
Leasehold improvements	<u>14,182</u>	<u>14,182</u>
	36,430	28,812
Less; Accumulated depreciation	<u>22,042</u>	<u>17,658</u>
Property, Plant & Equipment - net	<u>14,388</u>	<u>11,154</u>
Other assets:		
Notes receivable - officers	13,500	19,000
Deposits	1,667	1,667
Investment in LLCs and Partnerships	73,159	72,600
Pipeline development expense	<u>114,157</u>	<u>114,157</u>
Total other assets	<u>202,483</u>	<u>207,424</u>
Total assets:	<u>\$ 389,906</u>	<u>\$ 315,365</u>

"See Accountant's Compilation Report"

Major Pipeline LLC  
Statements of Assets, Liabilities and Members' Equity  
(Income Tax Basis of Accounting)  
September 30, 2011 and 2010

	September 30, <u>2011</u>	September 30, <u>2010</u>
<u>Liabilities, and Members' Equity</u>		
Current liabilities:		
Accounts payable	\$ 21,557	\$ 192,943
Withheld/accrued payroll taxes	<u>5,398</u>	<u>1,127</u>
Total current liabilities	<u>26,955</u>	<u>194,070</u>
Members' equity	<u>362,951</u>	<u>121,295</u>
Total Liabilities and Members' Equity	<u>\$ 389,906</u>	<u>\$ 315,365</u>

"See Accountant's Compilation Report"

Major Pipeline LLC  
 Statements of Revenues, Expenses and Members' Equity  
 (Income Tax Basis of Accounting)  
 For The Twelve Months Ended September 30, 2011 and 2010

	September 30, <u>2011</u>	September 30, <u>2010</u>
<u>Revenues:</u>		
Pipeline construction fees	\$ 338,148	\$ 13,625
Pipeline operation fees	172,952	223,733
Income/Investment in LLCs/Partnership	<u>52,006</u>	<u>66,789</u>
Total revenues	<u>563,106</u>	<u>304,147</u>
 <u>Cost/expenses:</u>		
Pipeline operation fees	73,865	27,442
Salary/fringe benefits	212,700	223,020
Vehicle expense	51,291	49,778
Travel	37,167	31,892
Rent	33,784	25,901
Office/overhead	51,199	65,960
Depreciation	<u>4,384</u>	<u>610</u>
Total cost/expense	<u>464,390</u>	<u>424,603</u>
 Income/{loss} from operations	 <u>98,716</u>	 <u>(120,456)</u>
 <u>Other income/{expense):</u>		
Interest income	<u>1,776</u>	<u>1,570</u>
 Income/{loss} Before Taxes	 100,492	 (118,886)
Provision for Income taxes	<u>26,404</u>	<u>(26,404)</u>
 Net Income	 74,088	 (92,482)
 <u>Members' Equity:</u>		
Beginning of period	121,295	213,777
 Capital contributions	 <u>167,568</u>	 <u>-</u>
End of period	<u>\$ 362,951</u>	<u>\$ 121,295</u>

"See Accountant's Compilation Report"

## Shawnee Pipeline 2012 Operations Budget

Total Budget for 2012....\$24,000

January                 \$2,000

February               \$2,000

March                   \$2,000

April                    \$2,000

May                     \$2,000

June                    \$2,000

July                     \$2,000

August                  \$2,000

September             \$2,000

October                 \$2,000

November              \$2,000

December              \$2,000

There will be no new connections or additions to the current system.



EXHIBIT 11

### Shawnee Pipeline Capacity

Current Capacity	40,566 MMCF/D
Current Maximum Usage	1 MMCF/D
Capacity Used	0.00024%