

FOR KNOX COUNTY KENTUCKY

PSC KY NO. _____

_____ SHEET NO. _____

CANCELLING PSC KY NO. _____

_____ SHEET NO. _____

KYTX Pipeline LLC

(NAME OF UTILITY)

KYTX PIPELINE LLC

OF

**PO BOX 569 GRAY, KY
40734**

RATES, RULES AND REGULATIONS

FOR FURNISHING

NATURAL GAS

IN

KNOX COUNTY, KENTUCKY

DATE OF ISSUE _____

MONTH / DATE / YEAR

DATE EFFECTIVE _____

MONTH / DATE / YEAR

ISSUED BY _____

SIGNATURE OF OFFICER

TITLE OPERATIONS MANAGER

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2011-00507 DATED _____

FOR KNOX COUNTY KENTUCKY

PSC KY NO. _____

_____ SHEET NO. _____

CANCELLING PSC KY NO. _____

_____ SHEET NO. _____

KYTX Pipeline LLC

(NAME OF UTILITY)

RULES AND REGULATIONS

1. Bills for services will be rendered monthly, the term "monthly" shall mean the period between consecutive meter readings which shall be taken as nearly as possible, every thirty days.
2. Bills are rendered on or about the 1st day of the month for service furnished during the previous month and are due on that date. Bills not paid by the 12th of the month shall be subject to a 10% penalty on the monthly bill amount.
3. A charge of \$150.00 shall be charged for each new service tap, including saddle and first shutoff value that KYTX Pipeline must furnish and install.
4. A reconnection fee if \$ 20.00 shall be paid before service is restored following disconnection of service for nonpayment of bill.
5. A deposit of \$ 100.00 will be required for new accounts. This will be refunded upon disconnection of services and payment of any balance due for gas services. Otherwise, the deposit will be applied toward the outstanding balance and the remaining, if any will be refunded.
6. For matters not addressed herein, KYTX Pipeline adopt the appellation rules of the Public Service Commission.

DATE OF ISSUE _____

MONTH / DATE / YEAR

DATE EFFECTIVE _____

MONTH / DATE / YEAR

ISSUED BY _____

SIGNATURE OF OFFICER

TITLE OPERATIONS Manager

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2011-00507 DATED _____

FOR KNOX COUNTY KENTUCKY

PSC KY NO. _____

_____ SHEET NO. _____

CANCELLING PSC KY NO. _____

_____ SHEET NO. _____

KYTX Pipeline LLC

(NAME OF UTILITY)

The following is the rates schedule to sell gas to commercial and homeowners along the pipeline.

All customers will be charged

\$10.00 per MCF used.

\$ 10.00 Monthly minimum for homeowner

\$ 60.00 Monthly minimum for Commercial

\$ 150.00 Tap Fee

\$ 100.00 Cash Deposit

\$ 20.00 Reconnect Fee

DATE OF ISSUE _____

MONTH / DATE / YEAR

DATE EFFECTIVE _____

MONTH / DATE / YEAR

ISSUED BY _____

SIGNATURE OF OFFICER

TITLE Operations Manager

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2011-00507 DATED _____

FOR KNOX COUNTY KENTUCKY

PSC KY NO. _____

_____ SHEET NO. _____

CANCELLING PSC KY NO. _____

_____ SHEET NO. _____

KYTX Pipeline LLC

(NAME OF UTILITY)

The farm tap system has been constructed according to all application and regulations of the Public Service Commission; 807 KAR 5:006; 5:022 and 5:026

The system will be operated according to the requirements of the aforementioned regulations. KYTX Pipeline will operate the system. The office will be located at 6423 KY 1232 Gray KY 40734 for all customer complaints, questions, billing and collections, meters and lines.

Maintenance records and all additional manuals and procedures required by the Public Service Commission will be handled by the office

DATE OF ISSUE _____

MONTH / DATE / YEAR

DATE EFFECTIVE _____

MONTH / DATE / YEAR

ISSUED BY _____

SIGNATURE OF OFFICER

TITLE OPERATIONS MANAGER

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2011-00507 DATED _____

FOR KNOX COUNTY KENTUCKY

PSC KY NO. _____

_____ SHEET NO. _____

CANCELLING PSC KY NO. _____

_____ SHEET NO. _____

KYTX Pipeline LLC

(NAME OF UTILITY)

Information Requested

Item 1. All of the wells connected to our field gathering lines system (61 active wells)

Item 2. At this time we have one application, which is a commercial vender. His daily sales volume is estimated to be around 35 to 40 mcf.

Item 3. We our selling the gas to a commercial vender and is based upon the contract with the vendor.

Item 4. The cost for the \$10.00 minimum for residential and the \$60.00 minimum commercial: Residential- the time and expense to go to the location and read the meter, the commercial- there is a \$60.00 charge for the satellite communication. The \$10.00 a mcf is for the gas and to install and maintain the meter and pipeline. After surveying the companies in the area the \$10.00 a mcf is a competitive price. If required by the commercial vendor, a small compressor maybe installed to deliver the daily sales volume for an additional compression fee of \$0.60/MCF

DATE OF ISSUE _____

MONTH / DATE / YEAR

DATE EFFECTIVE _____

MONTH / DATE / YEAR

ISSUED BY _____

SIGNATURE OF OFFICER

TITLE OPERATIONS MANAGER

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2011-00507 DATED _____

FOR KNOX COUNTY KENTUCKY

PSC KY NO. _____

_____ SHEET NO. _____

CANCELLING PSC KY NO. _____

_____ SHEET NO. _____

KYTX Oil & Gas LLC

(NAME OF UTILITY)

SCHEDULE 1-WELL OPERATOR COST

Gross Hourly Rate: \$ 20.00

CALCULATION:

Meter Readings- 15 min per customer 3.00 hours per year/customer

Call-outs, maintenance, etc.: 8.00 hours per year/customer

Overtime (2 hours @ 150%) 3.00 hours per year/customer

Total Hours Including Overtime 14.00 hours per year/customer

LABOR COST PER MCF:

14.00 hrs. x 20.00 per hr. \$ 280.00

Meter Cost (over 5 years) \$ 66.67

Usage (12mth average) 200 Mcf

Pre Mcf: \$ 1.73

DATE OF ISSUE _____
MONTH / DATE / YEAR

DATE EFFECTIVE _____
MONTH / DATE / YEAR

ISSUED BY _____
SIGNATURE OF OFFICER

TITLE _____

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2011-00507 DATED _____

FOR KNOX COUNTY KENTUCKY

PSC KY NO. _____

_____ SHEET NO. _____

CANCELLING PSC KY NO. _____

_____ SHEET NO. _____

KYTX Oil & Gas LLC

(NAME OF UTILITY)

SCHEDULE 2-Administrative Personnel Cost

Gross Hourly Rate: **\$ 20.00**

Calculation:

Preparing and reviewing invoices:	8.00 hours per month
Processing cash receipts:	8.00 hours per month
Collections and customer questions	<u>3.00 hours per month</u>

Total hours **19.00 hours per month**

PERSONENEL COST PER MCF:

19.00 hrs. x \$20.00per hrs.: **\$ 380.00**

Average monthly per customer: **\$ 380.00**

Usage (12 mth average) **200**

Per Mcf **\$ 1.90**

DATE OF ISSUE _____
MONTH / DATE / YEAR

DATE EFFECTIVE _____
MONTH / DATE / YEAR

ISSUED BY  _____
SIGNATURE OF OFFICER

TITLE O.M. _____

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. 2011-00507 DATED _____

FOR KNOX COUNTY KENTUCKY

PSC KY NO. _____

_____ SHEET NO. _____

CANCELLING PSC KY NO. _____

_____ SHEET NO. _____

KYTX Oil & Gas LLC

(NAME OF UTILITY)

SCHEDULE 3- Mileage

CALCULATION:

Meter Reading, call-outs and misc.	200 miles per month
200 miles x \$.0555 per mile(IRS allowable)	\$ 110.00 per month
Average monthly usage:	200 Mcf
Per Mcf:	\$ 0.55

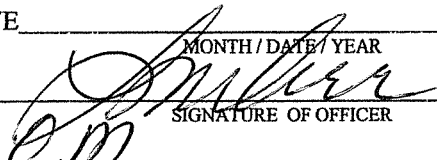
DATE OF ISSUE _____

MONTH / DATE / YEAR

DATE EFFECTIVE _____

MONTH / DATE / YEAR

ISSUED BY _____



SIGNATURE OF OFFICER

TITLE _____

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO .2011-00507 DATED _____

FOR KNOX COUNTY KENTUCKY

PSC KY NO. _____

_____ SHEET NO. _____

CANCELLING PSC KY NO. _____

_____ SHEET NO. _____

KYTX Oil & Gas LLC

(NAME OF UTILITY)

SCHEDULE 4- POSTAGE & OFFICE SUPPLIES

Calculation:

\$ 1.80 Per customer postage:	\$ 1.80 Pre month
\$ 1.25 Per customer other supplies	<u>\$ 1.25 Per month</u>
Total:	\$ 3.05 Per month
Average Mcf Usage:	200 per month
Per Mcf	\$ 0.02

DATE OF ISSUE _____

MONTH / DATE / YEAR

DATE EFFECTIVE _____

MONTH / DATE / YEAR

ISSUED BY _____

SIGNATURE OF OFFICER

TITLE _____

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO .2011-00507 DATED _____

FOR KNOX COUNTY KENTUCKY

PSC KY NO. _____

SHEET NO. _____

CANCELLING PSC KY NO. _____

SHEET NO. _____

KYTX Oil & Gas LLC

(NAME OF UTILITY)

GAS PRICE CALCULATIONS

12 Month NYMEX Strip (as of 020512):	\$3.97/Dth
Appalachian Differential (2 year average)	<u>\$.34/Dth</u>
	\$4.31/Dth
BTU Conversion base on Btu/cf:	<u>x 1.230</u>
	\$5.30
Well Operator: (see schedule 1)	\$1.73/Mcf
Administrative personnel (see schedule 2)	\$1.90/Mcf
Mileage (see schedule 3)	\$0.55/Mcf
Postage & office Supplies (see schedule 4)	\$0.02/Mcf
Total:	\$9.50/Mcf

DATE OF ISSUE _____

MONTH / DATE / YEAR

DATE EFFECTIVE _____

MONTH / DATE / YEAR

ISSUED BY _____

SIGNATURE OF OFFICER

TITLE O.M.

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO .2011-00507 DATED _____

FOR KNOX COUNTY KENTUCKY

PSC KY NO. _____

_____ SHEET NO. _____

CANCELLING PSC KY NO. _____

_____ SHEET NO. _____

KYTX Pipeline LLC

(NAME OF UTILITY)

Information Requested

Item 5. Yes. The \$ 100.00 deposit will be for both. The price difference on the minimums is due to the type of meter that is installed.

Item 6. (A) Yes we are aware of the requirements.

(B) A copy of our application is attached

DATE OF ISSUE _____

MONTH / DATE / YEAR

DATE EFFECTIVE _____

MONTH / DATE / YEAR

ISSUED BY _____

SIGNATURE OF OFFICER

TITLE Operations Manager

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. .2011-00507 DATED _____

FOR KNOX COUNTY KENTUCKY

PSC KY NO. _____

_____ SHEET NO. _____

CANCELLING PSC KY NO. _____

_____ SHEET NO. _____

KYTX Oil & Gas LLC

(NAME OF UTILITY)

COMMISSION STAFF SECOND REQUEST FOR INFORMATION

1. (A) The 12 month strip price was the average sale price of our gas through Cumberland Valley Resources, LLC from Jan 2011 to Jan 2012. The total average was \$3.97 mcf
 (B) The Appalachian Differential The year 2010 average sale price was \$4.30mcf, add 3.97 And 4.30 then divide by 24.
2. (A) Going to the meter checking the calibration, any other problems that may accrue, once a month or when needed.
 (B) Most breakdowns (freeze ups)happen after business hours, so 2 hours overtime was applied.
 (C) Fixed the copy, made mistake
 (D) The Eagle meter is a digital, satellite meter, which cost \$4000.00. This is for commercial use only. To offset the cost of the meter the \$66.67 is applied per month for 5 years.
 (E) This was what the commercial vender said he would need to operate. This is for one customer only.
3. (A-B) The page was setup for a month. It should be for a year. Page fixed.
 (C) Same as above
4. (A) the word "Total", was taken out.
 (B) Also fixed
- 5 (A) Also fixed

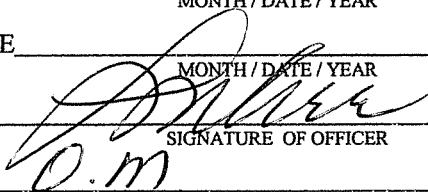
DATE OF ISSUE _____

MONTH / DATE / YEAR

DATE EFFECTIVE _____

MONTH / DATE / YEAR

ISSUED BY _____



SIGNATURE OF OFFICER

TITLE _____

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO .2011-00507 DATED _____



KYTX PIPELINE LLC

6423 KY 1232

P.O. Box 569 Gray, KY 40734

DATE _____

Office: (606) 526-1113 or (606) 526-1152

Fax: (606) 526-1158

FARM TAP APPLICATION

NAME _____

ADDRESS _____

CITY _____ **ZIP** _____ **COUNTY** _____

BILLING ADDRESS _____

CITY _____ **STATE** _____ **ZIP** _____

PURPOSE FOR GAS _____

CONTRACTORS NAME AND ADDRESS _____

DATE

APPROVED _____

FOR KNOX COUNTY KENTUCKY

PSC KY NO. _____

_____ SHEET NO. _____

CANCELLING PSC KY NO. _____

_____ SHEET NO. _____

KYTX Oil & Gas LLC

(NAME OF UTILITY)

AMENDMENT

The following is An Amendment to Case No. 2011-00507

Due to a clerical error we would like to change the name from KYTX Oil & Gas LLC to KYTX Pipeline LLC. Both companies are operating under the same roof. The gas production is actually owned by the pipeline company. This change will keep the paper work correct.

DATE OF ISSUE _____
MONTH / DATE / YEAR

DATE EFFECTIVE _____
MONTH / DATE / YEAR

ISSUED BY _____
SIGNATURE OF OFFICER

TITLE O. M.

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. 2011-00507 DATED _____