

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS     )  
ADJUSTMENT FILING OF MIKE     )     CASE NO. 93-400-E  
LITTLE GAS COMPANY, INC.     )

O R D E R

On December 29, 1994, Mike Little Gas Company, Inc. ("Mike Little") filed its gas cost adjustment and a tariff with rates to become effective on and after February 1, 1995.

After reviewing the filings, the Commission finds that further proceedings are necessary in order to determine the reasonableness of the proposed adjustment in rates and that such proceedings cannot be completed prior to the proposed effective date.

IT IS THEREFORE ORDERED that:

1. Mike Little's proposed rates be and they hereby are suspended for 5 months from the proposed effective date up to and including June 30, 1995.

2. Nothing in this Order shall prevent the Commission from entering a final decision in this case prior to the termination of the suspension period.

3. Within 7 days of the date of this Order, Mike Little shall provide the following information:

a. Refer to paragraph 2 of the letter dated June 17, 1994, which is included in the Appendix to this Order. Has Mike Little experienced any problem with its source of supply from

Columbia? Does Mike Little have information indicating that local wells from which it is supplied may be inadequate in the foreseeable future?

b. What are projected annual expenses for Mike Little's operation of Joint Venture's gas pipeline?

c. What is the cost of the liability insurance that Mike Little is required to obtain in Section 6 of the Gas Pipeline Lease and Operating Agreement, which is contained in the Appendix to this Order?

d. In Schedule II of Mike Little's GCA filing of December 29, 1994, Mike Little states that it was billed for 255 Mcf pursuant to the minimum volume requirement of its IUS contract with Columbia. Does the reported volume of 17,820 Mcf in column 4 of that schedule include the 255 Mcf that was billed but not used? Is the cost of these volumes included in the actual adjustment for August and September?

e. What volumes of gas does Mike Little anticipate purchasing from Columbia in the future? How does it plan to meet the minimum volume requirements in the future?

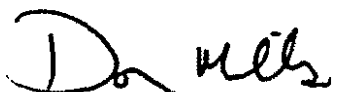
f. Refer to the Gas Purchase Agreement in the Appendix to this Order. How did the Joint Venture establish that Columbia's IUS rate should be charged by Joint Venture to Mike Little? Was the fact that Columbia's rate is a delivered rate, while Mike Little apparently will have to incur additional expense to redeliver Joint Venture's gas to its system, considered in choosing the IUS rate?

Done at Frankfort, Kentucky, this 26th day of January, 1995.

PUBLIC SERVICE COMMISSION

  
For the Commission

ATTEST:



Executive Director

## **APPENDIX**

# HUDDLESTON, BOLEN, BEATTY, PORTER & COPEN

611 THIRD AVENUE  
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HUNTINGTON, W. VA. 25722-2185  
TELEPHONE (304) 529-8181  
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NOEL P. COPEN  
R. KEMP MORTON  
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THOMAS H. GILPIN  
JAMES E. CLEVELAND, III  
THOMAS J. MURRAY  
ANDREW S. ZETTLER  
BRUCE L. STOUT  
FRED B. WESTFALL, JR.  
CHRISTOPHER J. PLYSON  
DAVID L. BOLE  
MARY H. SANDERS  
JANICE P. EPPERLY

MARC E. WILLIAMS  
R. RUSSELL ALEXANDER  
DANIEL J. KONRAD  
T. SCOTT BENNETT  
SCOTT K. SHEETS  
LUKE A. LAFFERRE  
DAVID H. LUNSFORD  
JANET SMITH HOLBROOK  
JAMES W. TURNER  
MARK A. BRAMBLE  
ANGELA W. KONRAD  
COLIN M. CLINE  
TROY N. GIATRAS  
MARK H. HAYES  
ANGELA L. GREENE  
ROBERT L. HABBIE

P. BLAKE BENTON  
DEIRDRE M. MCCARTHY  
DANIELA EARL  
MAGEL E. RHODES  
SHAWN R. JOHNSON  
JOHN K. MCMUGH  
M. MARGARET EVANS

AMOS A. BOLEN  
PAUL C. HOBBS  
JAMES O. PORTER  
OF COUNSEL

JACKSON N. HUDDLESTON  
1808-1877

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1422 WINCHESTER AVENUE  
P. O. BOX 770  
ASHLAND, KY. 41108-0770  
TELEPHONE (606) 328-8771  
TELECOPIER (606) 324-4881

DIRECT DIAL NUMBER: 304-691-8328

June 17, 1994

RECEIVED

JUN 20 1994

Don Mills  
Executive Director  
Public Service Commission  
Commonwealth of Kentucky  
730 Schenkel Lane  
Frankfort, Kentucky 40602

PATENT APPLICATION DIV.

RECEIVED

JUN 20 1994

PUBLIC SERVICE  
COMMISSION

**Re: Mike Little Gas Company, Inc./Gas Purchase Agreement**

Dear Mr. Mills:

Please find enclosed a copy of a gas purchase agreement ("GPA") between Mike Little Gas Company, Inc. ("Mike Little") and Kinzer-Timmus-Greer Joint Venture ("Joint Venture") which is being filed with the Commission for review purposes.

In connection with this filing, please be advised that historically Mike Little has purchased gas from Columbia Gas of Kentucky at Phelps, Kentucky pursuant to the terms of a gas purchase agreement dated September 13, 1968. Mike Little has had only the Columbia Gas source for gas purchases for more than twenty-five (25) years and accordingly has concerns of not having a secondary source of gas supply. In support of this concern, Section 1 of the 1968 gas purchase agreement provides that gas supplied under the terms of the agreement is produced from local wells and that when the supply of gas from such source is depleted to the extent that deliveries can no longer be made at the delivery point, the purchaser will construct necessary pipelines and facilities to reach Columbia's nearest available gas supply if purchaser desires to continue to purchase gas under the terms of the Columbia gas purchase agreement.

Joint Venture has developed producing wells in Pike County, Kentucky and desires to provide gas supply to Mike Little, as needed by the company, based upon the terms and conditions of the enclosed GPA. Upon entering into the GPA with the Joint Venture, Mike Little will secure a second source of gas supply and will be able to purchase from either or both of its gas suppliers. This will assure Mike Little's ability to provide gas service to its customer base.

In connection with this, the Joint Venture has built a gas pipeline from the gathering point of the Pike County wells to the Mike Little system lines. Mike Little and Joint Venture propose

HUDDLESTON, BOLEN, BEATTY, PORTER & COPEN

Don Mills  
June 17, 1994  
Page -- 2

to enter into a gas pipeline lease and operating agreement whereby Joint Venture will lease the pipeline to Mike Little for and in consideration of Mike Little operating and maintaining the pipeline. This will provide an economical method of delivery of gas under the gas purchase agreement to Mike Little. By the use of the pipeline pursuant to the lease and operating agreement, Mike Little will have the opportunity to add several new customers to its system.

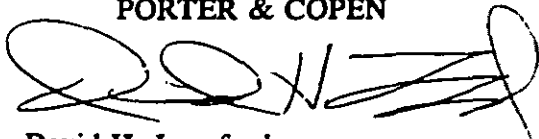
The basis of the decision for Joint Venture to construct and for Mike Little to lease the pipeline is that Columbia Gas of Kentucky would require compensation in the amount of \$1.58 per MCF to pass gas from the Joint Venture delivery point through Columbia Gas of Kentucky's system to Mike Little's pipeline system. Further, Columbia Transportation would require compensation at the rate of \$0.28 per MCF to transport the gas. As a result, Mike Little's purchase of the gas from Joint Venture at the rate of \$4.18 per MCF, which is the price currently charged to Mike Little by Columbia Gas of Kentucky, will be substantially less than the aggregate cost of \$5.10 per MCF ( $\$2.70/\text{dth} \times 120\% + \$1.58 + \$0.28 = \$5.10/\text{MCF}$ ) for the cost of purchased gas from Joint Venture plus the amounts described above to compensate Columbia Gas of Kentucky and Columbia Transportation to transport the gas through the Columbia pipeline system to the Mike Little pipeline system. The result then is Mike Little can provide gas to its customers from the second source, being the Joint Venture, at the same price as it currently can obtain the gas through Columbia Gas of Kentucky. By doing so, Mike Little can assure a secondary source, while it does not have a capital investment in the pipeline. Further, as noted above, Mike Little also has the opportunity to add additional customers to its system as a result of this transaction.

On behalf of Mike Little, I request that this GPA be reviewed by the Commission on an expedited basis, being less than the standard thirty (30) day review period, due to the fact that representatives of Mike Little and the Joint Venture have had previous discussions with Commission staff so that the transaction is structured in a manner which is consistent with Commission policies and procedures. Further, the expedited review is appropriate due to the fact that the enclosed GPA will have no impact on the cost of gas to Mike Little's customers and will have the benefit of assuring the customer base of a secondary gas source.

If you have any questions regarding this matter, please feel free to contact me.

Sincerely,

HUDDLESTON, BOLEN, BEATTY,  
PORTER & COPEN



David H. Lunsford

DHL:lal

Enclosure

c: Daniel C. Greer

# HUDDLESTON, BOLEN, BEATTY, PORTER & COPEN

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DIRECT DIAL NUMBER 304-691-8328

November 18, 1994

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NOV 21 1994

150  
RATES & RESEARCH DIV.

Mr. Don Mills  
Executive Director  
Public Service Commission  
Commonwealth of Kentucky  
730 Schenkel Lane  
Frankfort, Kentucky 40602

RECEIVED

NOV 21 1994

PUBLIC SERVICE  
COMMISSION

*Re: Mike Little Gas Company, Inc.*

Dear Mr. Mills:

Please find enclosed fully executed copies of a Gas Purchase Agreement between Mike Little Gas Company, Inc. and Kinzer-Timmus-Greer Joint Venture dated August 1, 1994 and a Gas Pipeline Lease and Operating Agreement between the same parties, dated August 1, 1994. Unsigned copies of these documents have previously been provided to the Commission for review purposes. The enclosed executed copies of the agreements are being provided to the Commission for informational purposes.

If you have any questions regarding this matter, please feel free to contact me.

Sincerely,



David H. Lunsford  
304-691-8328

DHL:l-l

Enclosures

RECEIVED

NOV 21 1994

PUBLIC SERVICE  
COMMISSION

**GAS PURCHASE AGREEMENT**

THIS GAS PURCHASE AGREEMENT made and entered into this 1<sup>st</sup> day of August, 1994, by and between J.W. Kinzer, Operator of the "Kinzer-Timmus-Greer Joint Venture", P. O. Box 155, Allen, Kentucky 41601, hereinafter "Seller" and Mike Little Gas Co., Inc., P. O. Box 69, Melvin, Kentucky 41650, hereinafter "Purchaser".

WITNESSETH: In consideration of the mutual covenants set forth herein, Seller and Purchaser agree as follows:

1. **Quantity:** Seller agrees to sell and deliver to Purchaser, through Purchasers pipelines, all of the natural gas produced from wells on its G.C. Rowe Heirs Tract on the Solomans Branch of Peter Creek in Pike County, Kentucky, to the extent such gas is needed by Purchaser for operation of its system at Purchaser's sole discretion. Should the Purchaser be unable to take the entirety of the output from this leasehold during the term of this agreement, Seller may seek an alternate buyer for such time as Purchaser is unable to take delivery of gas. Purchaser retains the right to purchase gas from other sources from time to time at its discretion without any penalty.

2. **Measurement of Gas Delivered:** Purchaser, at its own expense, shall install necessary equipment of suitable size and design at the point of delivery of the gas for the measurement of the gas sold and delivered hereunder. Seller, at its own expense, shall operate and maintain the gas measuring equipment including the securing of the measurement charts on a monthly basis, calculating the gas delivered each month by a certified gas measurement service and rendering a monthly invoice for gas delivered. In the event of a question of measurement, Purchaser and Seller shall jointly test the measurement device and make corrections, if necessary.

3. **Price:** The price per Mcf to be paid by Purchaser to Seller for all gas delivered hereunder shall be identical to the price being charged to Mike Little Gas Co., Inc. at Phelps, Kentucky by Columbia Gas of Ky., Inc.

4. **Payment:** Meter reading shall occur on the last day of the month or as near to that date as possible taking into account holidays, weekends, or such other days that are



not normally considered to be work days. Seller will advise Purchaser as to its planned reading date so that Purchaser can read its customers' meters on the same day in order to balance sales with purchases for leak detection purposes.

Purchaser shall make payment to Seller within 15 calendar days of the date on the invoice for gas delivered during the measuring period.

5. **Term:** The term of this contract shall be for one (1) year from the date hereof, and shall continue from year to year subject to either parties right of termination by giving six months written notice.

6. **Title To Gas:** Title to the gas sold and delivered pursuant to this agreement shall transfer from Seller to Purchaser at the delivery point as described as the point of measurement in Section 2 above. With respect to this agreement, Seller shall be deemed to be in control and possession of the gas sold by it hereunder until it shall have passed through the measuring equipment described in Section 2 above and thereby been delivered to Purchaser at the delivery point, after which delivery Purchaser shall be deemed to be in control and possession thereof. Seller shall have no responsibility with respect to said gas after its delivery to Purchaser and no responsibility because of anything which may be done or arise with respect to said gas after its delivery to Purchaser at such delivery point.

7. **Taxes, Royalties and Transportation Costs:** Seller shall pay all taxes levied on the production or severance of the gas produced hereunder.

Purchaser shall pay all taxes levied on the sale by Seller to Purchaser of such gas sold hereunder.

Seller shall duly pay all transportation expenses to the point of delivery and royalty payments due on gas sold and delivered hereunder and Seller shall hold Purchaser free and clear from any liability or obligation for the payment of such royalty and transportation costs.

8. **Warranty Of Title:** Seller, for itself, its successors and assigns, agrees for the benefit of Purchaser, its successors and assigns, to warrant and defend the title to all gas delivered hereunder against all claims and demands whatsoever and that it will indemnify and save

harmless the Purchaser from all suits, actions, debts, accounts, damages, costs, losses and expenses including, but not limited to attorney's fees, arising from or out of adverse claims of any and all persons to said gas.

9. **Force Majeure:** In case either party to this agreement fails to perform any obligation hereunder assumed by it and such failure is due to acts of God or reasons not due to the fault of such party, such failure shall not be deemed to be a violation by such party of its obligations hereunder.

10. **Parties Bound:** All the covenants, conditions and obligations of this Agreement shall extend to and be binding upon the successors and assigns of the parties to it, for the full term of this Agreement.

~~11. **Approval:** This agreement is expressly subject to the approval of the Kentucky Public Service Commission.~~ *J.W. Kinzer*

IN TESTIMONY WHEREOF, WITNESSETH the signatures of the parties hereto, this the day and date first above written.

**Kinzer-Timmus-Greer Joint Venture**

*J.W. Kinzer*  
\_\_\_\_\_  
BY J.W. Kinzer, Operator  
"SELLER"

**Mike Little Gas Co., Inc.**

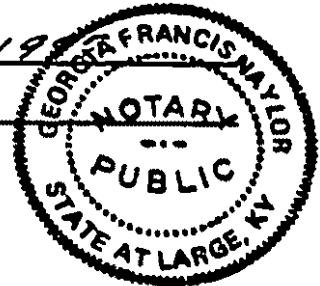
*Miki Jane Thompson*  
\_\_\_\_\_  
BY Miki Jane Thompson, President  
"PURCHASER"

STATE OF KENTUCKY  
SCT.  
COUNTY OF Floyd

The undersigned, A Notary Public in and for the County and State aforesaid, hereby certifies that the foregoing Gas Purchase Agreement was executed before me by J.W. Kinzer, Operator of the Kinzer-Timmus-Greer Joint Venture, who acknowledged that he executed the foregoing as his free and voluntary act and deed for all purposes herein set forth, on this the 14<sup>th</sup> day of August, 1994.

My Commission Expires: May 7 1995

Georgia Francis Taylor  
Notary Public, State at Large, Kentucky



STATE OF ~~KENTUCKY~~ West Virginia  
SCT.  
COUNTY OF Mingo

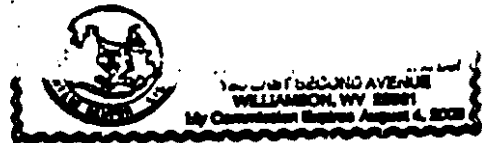
The undersigned, A Notary Public in and for the County and State aforesaid, hereby certifies that the foregoing Gas Purchase Agreement was executed before me by Miki Jane Thompson on behalf of Mike Little Gas Co., Inc., who acknowledged that he executed the foregoing as her free and voluntary act and deed for all purposes herein set forth, on this the 2<sup>nd</sup> day of July, 1994.

My Commission Expires: August 4, 2003

Annker Smith  
Notary Public, ~~State at Large, Kentucky~~ State of West Virginia

This instrument was prepared by:

Dale Phillips  
DALE PHILLIPS, ATTORNEY  
P. O. Box 668  
Paintsville, Kentucky 41240  
(606) 789-7531



## GAS PIPELINE LEASE AND OPERATING AGREEMENT

NOV 21 1994

PUBLIC SERVICE  
COMMISSION

This Gas Pipeline Lease and Operating Agreement, made and entered into this 15<sup>th</sup> day of AUGUST, 1994, by and between Kinzer-Timmus-Greer Joint Venture, a Kentucky joint venture, hereinafter referred to as "Lessor", and Mike Little Gas Company, Inc., a Kentucky corporation, hereinafter referred to as "Lessee".

WHEREAS, pursuant to an agreement between Lessor and Lessee, Lessee has constructed and Lessor owns a certain gas pipeline located in Pike County, Kentucky as more particularly described in Exhibits A and B attached hereto, which are incorporated herein by reference (the "Pipeline"); and

WHEREAS, Lessor and Lessee have entered into a certain gas purchase agreement of even date herewith whereby Lessee has the right to purchase natural gas from certain gas wells owned and operated by Lessor (the "GPA"); and

WHEREAS, Lessor desires to lease the Pipeline to Lessee; and

WHEREAS, Lessee desires to lease the Pipeline from Lessor and operate the Pipeline as hereinafter provided.

WHEREAS, upon the execution of this Agreement, Lessor shall pay or reimburse to Lessee any and all expenses which were incurred by Lessee in connection with the construction of the Pipeline and any and all legal fees incurred by Lessee in connection with the GPA and this Agreement.

NOW, THEREFORE, WITNESSETH that for and in consideration of the sum of Ten Dollars (\$10.00), cash in hand paid by Lessee to Lessor, the covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of all of which

are hereby acknowledged, Lessor hereby lets and demises unto Lessee and Lessee hereby hires and leases from Lessor that certain Pipeline, as more particularly described in Exhibit A attached hereto, which is incorporated herein by reference.

Lessor and Lessee covenant and agree as follows:

1. **Term.** The term of this Lease shall be for a period of one (1) year, commencing on the 1<sup>st</sup> day of August, 1994 and shall be automatically renewed from year to year subject to either parties right of termination by giving six months written notice of such termination.

2. **Rental Amount.** No rental amounts shall be due by Lessee to Lessor during the term of this Lease. In lieu of any such rental amounts, Lessee shall be responsible for and agrees to pay all costs of operating and maintaining the Pipeline during the term of this Lease.

3. **Lessee's Covenants.** Lessee covenants to and with Lessor as follows:

a. Lessee will use the Pipeline for the purpose of transporting natural gas from Lessor's delivery point, as defined and described in Section 6 of the GPA, to Lessee's current pipeline delivery system.

b. At the end of the term of this Lease, or upon any earlier termination mutually agreed to by the parties hereto, Lessee shall surrender the Pipeline to Lessor and Lessee's right to operate the Pipeline shall thereupon cease.

4. **Lessor's Covenants.** Lessor covenants to and with Lessee as follows:

a. Lessor represents and warrants that upon payment or reimbursement to Lessee of any and all expenses incurred by Lessee in connection with the construction of the Pipeline and any and all legal fees incurred by Lessee in connection with the GPA and this Agreement, Lessor will have full right and authority to enter into this Lease and will have good and marketable title to the Pipeline.

b. Lessor represents and warrants that as long as Lessee performs its obligations under this Lease as provided herein, Lessee shall and may lawfully and quietly hold and enjoy the use of the Pipeline, together with all appurtenances and rights appertaining thereto, during the term of the Lease without hindrance, ejection or interruption.

5. **Indemnity.** Lessee, during the term of this Lease, shall indemnify and save harmless Lessor, in an amount not in excess of the liability insurance limits and coverage set out in Section 6 hereinafter, from and against any and all claims and demands, whether for injuries to persons or loss of life, or damage to property, arising out of or occasioned by Lessee's use or misuse of the Pipeline. Lessee agrees that it will bear, pay and discharge when and as the same become due and payable, all judgements and claims for damages or otherwise, against Lessor arising from Lessee's use or misuse of the Pipeline. Lessee agrees that it will assume and pay the cost and expense of defending any such suits, whether brought before or after the expiration of this Lease. In no event shall Lessee's indemnification be in excess of the insurance limits and coverage set out in Section 6 hereinafter.

6. **Liability Insurance.** Lessee shall at all times, and at its sole cost and expense, obtain insurance providing for limitations of not less than One Million Dollars (\$1,000,000.00) comprehensive general public liability insurance coverage, naming Lessor as an additional insured and protecting Lessor from and against any and all claims, losses, damages or liability to any person or any property arising from Lessee's use and operation of the Pipeline. Lessee will provide Lessor with a copy of such policy of insurance or such other evidence of such insurance, as is reasonably satisfactory to Lessor, and will provide to Lessor not less than ten (10) days notice of any change, cancellations and/or deletions in such insurance policies.

7. **Assignment.** Lessee shall not assign this Lease or enter into a sublease of the Pipeline without the prior written consent of Lessor, which consent shall not be unreasonably withheld.

8. **Eminent Domain.** In the event the Pipeline, or any part thereof, shall be taken by eminent domain or threat of eminent domain, the term of this Lease shall terminate on the date Lessee is required to surrender possession of the Pipeline. In such event, any expenses of operating and maintaining the Pipeline shall be paid to the date Lessee surrenders possession of the Pipeline. In the event of any taking by eminent domain proceedings or threat of eminent domain proceedings, the entire award shall be the property of the Lessor.

9. **Default.** In the event of the failure of the Lessee to perform any of the terms and conditions of this Lease, Lessor shall give Lessee written notice by registered or certified mail specifying the basis of such default. Lessee shall have the right to cure any such default(s) for a period of thirty (30) days from the date of Lessee's receipt of such written notice. In the event Lessee does not cure such default(s) to the reasonable satisfaction of Lessor within such thirty (30) day period, upon the expiration of such thirty (30) day period, Lessor may elect to cancel this Lease upon five (5) days written notice, by registered or certified mail, to Lessee. Upon any such cancellation of the Lease, Lessee shall be responsible for any expenses of operating and maintaining the Pipeline to the date of such cancellation of the Lease. Upon any such cancellation of the Lease and the payment of any such expenses by Lessee as provided above, neither party shall be entitled to any further compensation, reimbursement or damages from the other party.

10. **Notice.** All notices, demands, requests, designations and consents by either party hereto to the other parties shall be in writing and shall be sent by registered or certified mail addressed to:

**LESSOR:** Kinzer-Timmus-Greer Joint Venture  
c/o J.W. Kinzer  
Kinzer Drilling Company  
Post Office Box 155  
Allen, Kentucky 41601

**LESSEE:** Mike Little Gas Company, Inc.  
Post Office Box 69  
Melvin, Kentucky 40650

11. Amendments. This Lease contains the entire agreement of the parties hereto and shall not be modified or amended except by a written amendment executed by all of the parties hereto.

WITNESS the following signatures and seals:

**Kinzer-Timmus-Greer Joint Venture, Lessor**

By: J.W. Kinzer

Its: OPERATOR

**Mike Little Gas Company, Inc., Lessee**

By: Mike Little

Its: PRESIDENT



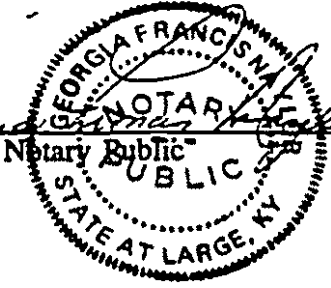
COMMONWEALTH OF KENTUCKY

COUNTY OF Boyd, TO-WIT:

I, Bonnie Francis Rayles, a Notary Public, do hereby certify that on this 4<sup>th</sup> day of August, 1994, personally appeared before me J.W. Kinzer, who being by me first duly sworn, declared that he is the Operator of Kinzer-Timmus-Greer Joint Venture, that he signed the foregoing document as Operator of the Joint Venture, and that the statements therein contained are true.

My commission expires May 7 1997.

Bonnie Francis Rayles  
Notary Public



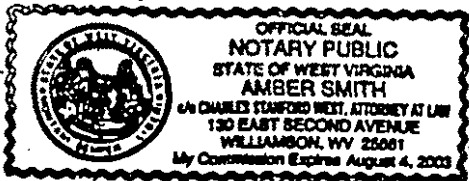
STATE OF West Virginia

COUNTY OF Lincoln, TO-WIT:

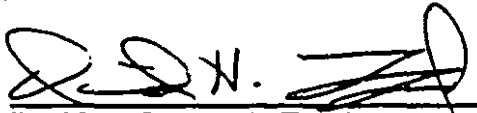
I, Amber Smith, a Notary Public, do hereby certify that on this 27<sup>th</sup> day of July, 1994, personally appeared before me Missi Thompson, who being by me first duly sworn, declared that she is the President of Mike Little Gas Company, Inc., that she signed the foregoing document as President of the corporation, and that the statements therein contained are true.

My commission expires August 4, 2003

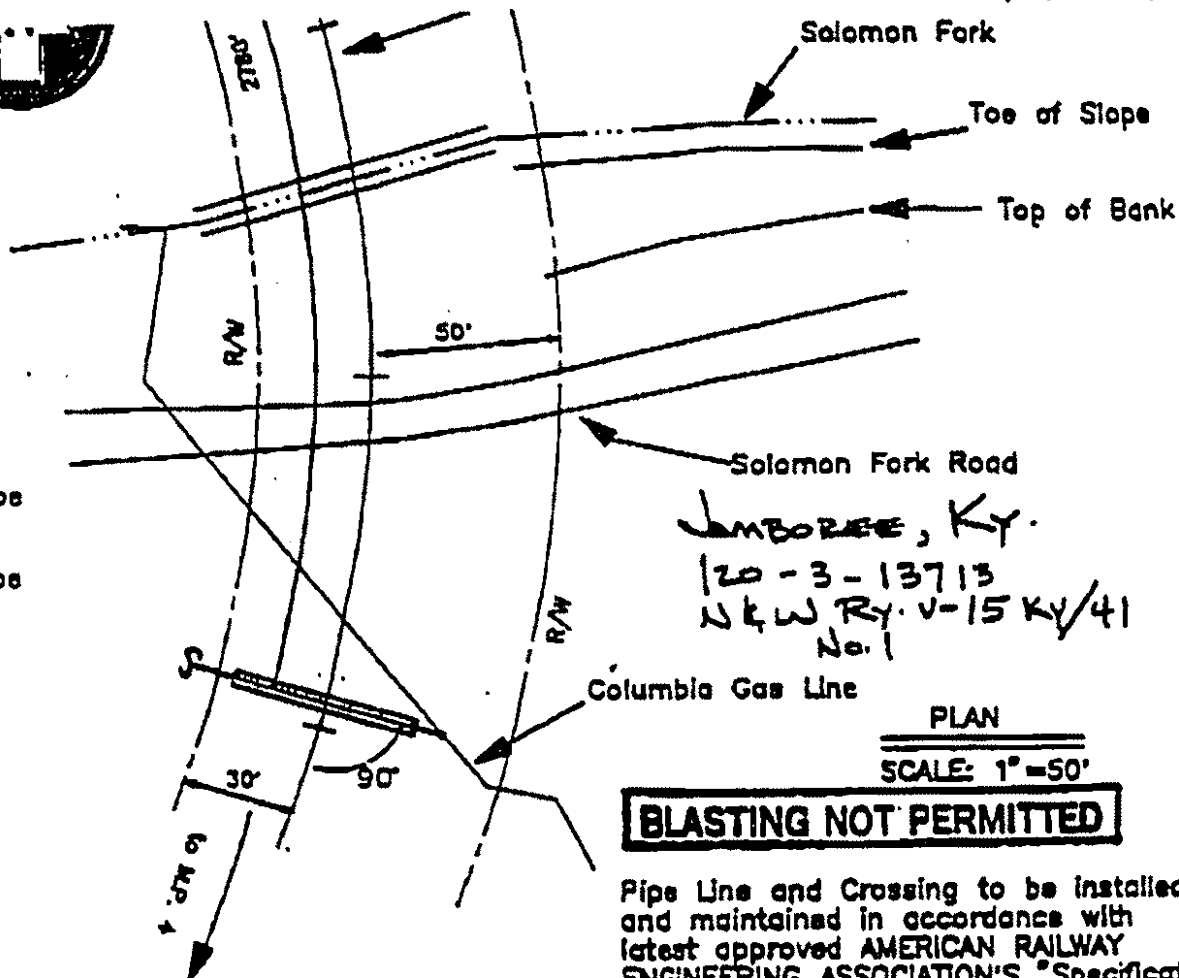
Amber Smith  
Notary Public



This instrument prepared by:

A handwritten signature in black ink, appearing to read 'D. H. Lunsford', written over a horizontal line.

David H. Lunsford, Esquire  
HUDDLESTON, BOLEN, BEATTY,  
PORTER & COPEN  
Post Office Box 2185  
Huntington, West Virginia 25722-2185



Carrier Pipe  
4" Steel

Casing Pipe  
6" Steel

Columbia Gas Line

PLAN

SCALE: 1"=50'

**BLASTING NOT PERMITTED**

Pipe Line and Crossing to be installed and maintained in accordance with latest approved AMERICAN RAILWAY ENGINEERING ASSOCIATION'S "Specifications for Pipelines for Conveying Flammable and Non-flammable Substances".

Exhibit A

January 12, 1994

Contents to be handled  
Outside diameter  
Pipe material  
Specifications and Grade  
Wall thickness  
Actual working pressure  
Type of joint  
Coating  
Method of installation

Natural Gas

4.5 in.

Steel

API Grade B

0.188 in.

40 psi (max.)

Weld

Sketches

Boring

6.825 in.

Steel

API Grade B

0.280 in.

Weld

Weld

Weld

Weld

Vents: No. 2 Size x Hgt. above ground 4 ft. min.

Seal: Both ends x One end

Bury: Base of rail to top of casing 5 ft. 6 in.

Bury: (Not beneath tracks) 4 ft. 0 in.

Bury: (Roadway ditches) 3 ft. 0 in.

Cathodic protection: Yes  No

Type, size and spacing of insulators or supports. N/A

NS NORTHFLORIDA SOUTHERN

OPERATING COMPANY

OFFICE OF CHIEF ENGINEER - DESIGN & CONSTRUCTION  
ATLANTA, GA.

Pike County, Kentucky  
Phelps Gas Company, Inc.  
2780 ft. South of Milepost 3

PX