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February 7, 2023

Mayor Eddie Brake
Drakesboro Natural Gas
City of Drakesboro
P.O. Box 129
Drakesboro, KY 42337

RE: Drakesboro Natural Gas Pipeline Services Proposal

Eddie,

USDI is pleased to submit this proposal for certain operation, maintenance and associated pipeline safety code compliance activities required for the Drakesboro Natural Gas municipal distribution system in Drakesboro, Kentucky. We appreciate this opportunity and look forward to working with you in regards to this system.

Let me know if you have any questions, need any additional information, or are ready to enter into an agreement with USDI to perform the operation and maintenance tasks associated with this natural gas distribution system.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jason Brangers', with a large, stylized flourish at the end.

Jason Brangers, P.E.
Senior VP
Utility Safety and Design, Inc.

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Olney, IL 62450
(618) 392-5502

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Belleville, IL 62226
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UNIONVILLE, MO
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(660) 947-3316

WICHITA, KS
9540 W. Harry St.
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PITTSBORO, IN
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Pittsboro, IN 46167
(317) 892-7662

DRAKESBORO NATURAL GAS

CITY OF DRAKESBORO MUNICIPAL GAS DISTRIBUTION SYSTEM

Operations, Maintenance, and Field Services Proposal

Drakesboro, Kentucky

Prepared By:

Utility Safety and Design, Inc.

February 6, 2023



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1 USDI: WHO WE ARE

Utility Safety and Design, Inc. (USDI) is the premier provider of gas engineering and utility services and delivers full-spectrum natural gas solutions. Since the founding of our company in 1969, our goal has been to provide the highest level of service to our customers. From up-front consultation, to strategic engineering and design, to affordable construction services, to total operational support, USDI delivers full-spectrum natural gas solutions. In an industry where regulations and technologies seem to change daily, USDI works hard to stay ahead of the game. We develop quality, progressive solutions that meet expectations today and tomorrow. And, we keep up with federal and state compliance issues so you can focus on running your organization. Our goal is simple – *to be your trusted partner* – so you'll always find us working smartly and efficiently, treating your business as if it were our own. We don't believe in a "one-size-fits-all" approach, so we take an industry approach to every project and tailor our solutions to the specific needs of your organization. While engineering is our foundation at USDI, we also have operations, maintenance, and construction professionals and specialists that bring an operator's perspective to every project. That combined expertise and flexible approach helps ensure we deliver the best solutions for you and your specific needs.

1.1 QUALIFICATION OF FIRM - USDI

USDI proposes to fulfill the requirements as set forth and described in Sections 2 and 3 of this proposal. Since 1969, USDI has provided comprehensive engineering and consulting support to the natural gas industry throughout the Midwest and surrounding states. USDI delivers a range of individual engineering services, as well as complete management and operation of utilities, pipelines and master meter systems. USDI has served more than 450 municipal gas systems, local distribution companies, transmission pipeline operators, landfill gas operators, industrial direct sales, master meter systems, and universities. Many of our clients utilize our services to supplement their in-house expertise. By working with USDI, our clients can trust in the 90+ years of experience that our principal engineers bring to any project and emergency situations. USDI also has numerous technical staff available when necessary. Several of these employees have over 25 years of experience in the natural gas industry. This additional staff includes API certified welders, corrosion specialists, odorization specialists, regulator & relief valve specialists, leak survey technicians and drafting technicians.



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1.2 QUALIFICATIONS AND EXPERIENCE OF TEAM

a) Principals

C. Lindsay Enloe, P.E. – President, USDI

Darin Houchin, P.E. – CEO, USDI

b) Project Manager

Jason Brangers, P.E. – Senior VP, USDI

c) Engineering and Technical Staff

Tyler Enloe, P.E.

Mark Parrish

Zachary Farhat

Matt Rhody

Jace Greenwood

Caleb Hemmerlein

Taylor Browne, P.E.

Mike Wendling

USDI is comprised of approximately seventy-five (75) professional and technical staff, including seven (7) professional engineers with more than 100 years of combined experience and numerous technical staff, several with over 25 years of experience in the natural gas industry. USDI also includes API certified welders, corrosion specialists, odorization specialists, regulator & relief valve specialists, leak survey technicians, and drafting technicians. USDI personnel are OQ qualified on any covered tasks that may be required as part of this project and have performed these activities on numerous gas pipeline facilities. Below is a sample of the experience of USDI personnel that may participate within the scope of this project.

Mr. Lindsay Enloe, President of USDI, has over 40 years of experience in the natural gas industry, is a NACE Certified Senior Corrosion Technologist, and routinely provides engineering support to more than 100 natural gas operators in the Midwest. Mr. Enloe will assist as needed with the management, operation, and maintenance activities required within the scope of this project.

Mr. Darin Houchin, CEO, has over 30 years of experience in the natural gas industry, serves as the General Manager and Chief Engineer of Illinois Gas Company, directs and supervises the employees of USDI, and daily provides engineering support to numerous natural gas operators, including master meters, universities, transmission companies, municipalities, and local distribution companies. Mr. Houchin will assist as needed with the management, operation, and maintenance activities required within the scope of this project.

Jason Brangers, P.E. will serve as the Project Manager and will be the first line of communication regarding this pipeline system. Mr. Brangers will perform activities required within the scope of this project and will be responsible for ensuring the Scope of Services of this project are carried out by qualified individuals in accordance with applicable pipeline safety regulations and completed within the timeframe outlined in the RFP. Mr. Brangers has over 25 years of combined experience working closely with utility companies, local governments, public safety officials, and



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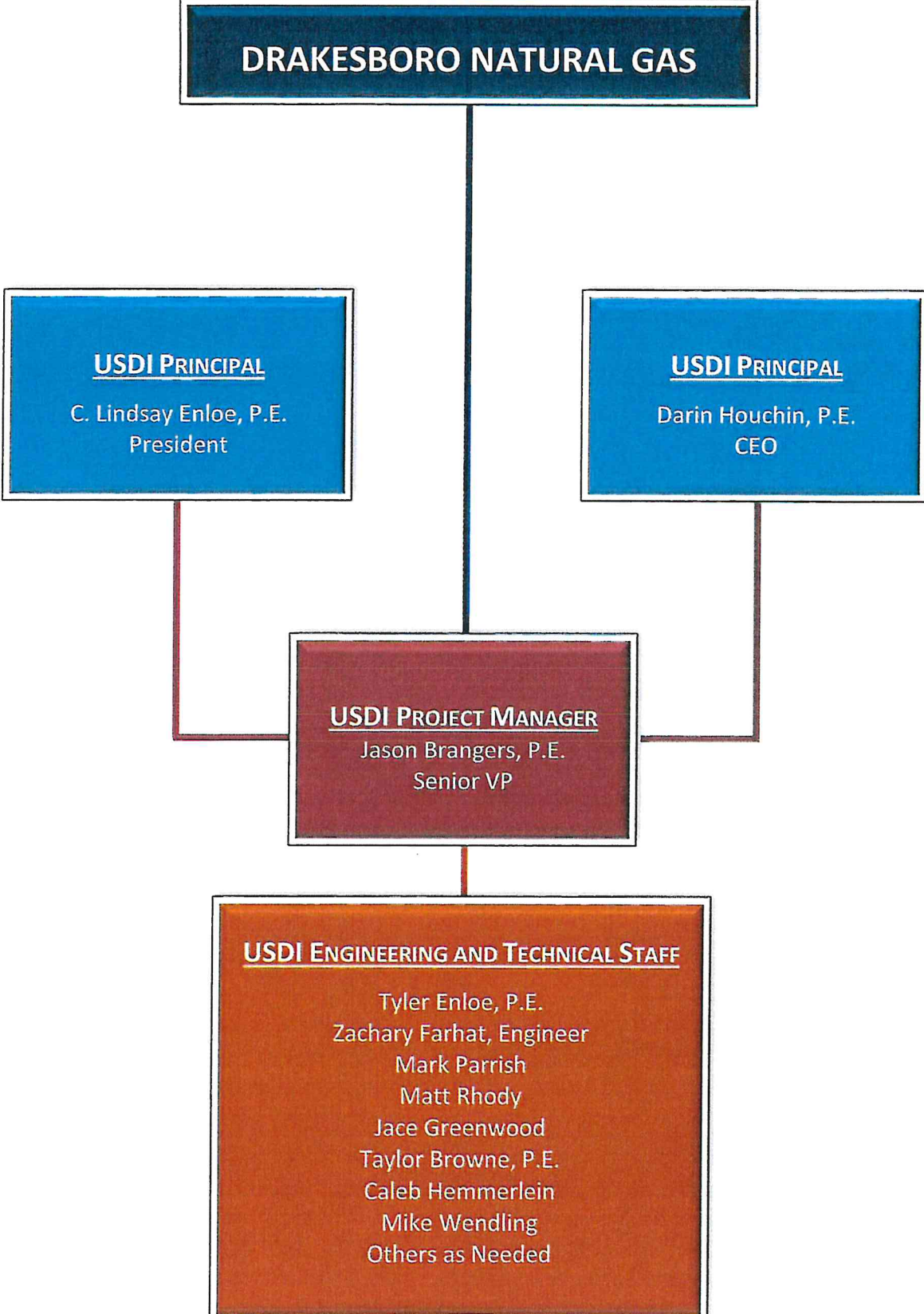
natural gas operators. Mr. Brangers manages the daily operations of USDI's Shelbyville, KY office and previously served as the Pipeline Safety Manager for the Kentucky Public Service Commission where he was responsible for overseeing and administering the natural gas pipeline safety program for the Commonwealth of Kentucky.

Tyler Enloe, P.E. may serve as a Project Engineer on this project and perform operation and maintenance activities required within the scope of this project. Mr. Enloe is an Operator Qualified engineer and has performed these services for many natural gas operators. Mr. Enloe is NACE trained and certified, and has performed numerous cathodic protection surveys for clients across the Midwest.

Mark Parrish, Zachary Farhat, Matt Rhody, Jace Greenwood, Caleb Hemmerlein, Taylor Browne, P.E., Mike Wendling, and/or others may serve as Technical Staff on this project and perform operation and maintenance activities required within the scope of this project. Mr. Parrish, Mr. Farhat, Mr. Rhody, Mr. Greenwood, Ms. Browne, and Mr. Wendling are Operator Qualified and have more than 50 years of combined experience in engineering and the natural gas industry, as well as performing cathodic protection surveys, leak surveys, odorization testing, pipeline patrols, inspections of mains and services, manual/plan development and review, public awareness liaison, line locating, computer aided drafting design (CADD), GPS, operator inspections and audits, and other services to natural gas utilities, pipelines, and master meter operators.



1.3 ORGANIZATIONAL CHART



2 PLANS AND MANUALS

2.1 OPERATIONS, MAINTENANCE AND PROCEDURE MANUALS

- a) Develop, review, and update, as necessary, the Operations and Maintenance Manual, as well as the Procedure Manual
- b) Conduct Training and Instruction for Employees on O&M Procedures

USDI shall develop, review, and update, as necessary, the written Operations and Maintenance (O&M) Manual, as well as the Procedure Manual, in accordance with 49 CFR 192.605. The manuals shall be written to meet the Natural Gas Pipeline Safety Act of 1968 and the Department of Transportation's "Transportation of Natural and Other Gases by Pipelines: Minimum Federal Safety Standards". The manuals should contain the procedures employees should follow when completing tasks covered in the Operator Qualification plan.

USDI will provide training to company personnel with regards to O&M procedures, including a review of the O&M manual, its implementation, and instructions on proper methods for filling out applicable forms and reports.

2.2 EMERGENCY PLAN

- a) Develop and update, as necessary, the written Emergency Plan
- b) Provide training and instructions for employees on the Emergency Plan

USDI shall develop and update, as necessary, the written Emergency Plan in accordance with 49 CFR 192.615. The Emergency Plan shall establish written procedures to minimize the hazard resulting from a gas pipeline emergency, including, where applicable, the following:

- Receiving, identifying, and classifying notifications requiring immediate response
- Establishing and maintaining adequate means of communication with appropriate fire, police, and other public officials
- Prompt and effective response to a notice of each type of emergency
- Availability of personnel, equipment, tools, and materials needed in an emergency
- Actions directed toward protecting people first and then property
- Emergency shutdown and pressure reduction in any section of the operator's pipeline system necessary to minimize hazard to life or property
- Making safe any actual or potential hazard to life or property
- Notifying appropriate fire, police, and other public officials of gas pipeline emergencies and coordinating with them both planned responses and actual response during an emergency
- Safely restoring any service outage



- Beginning action under 192.617, if applicable, as soon after the end of the emergency as possible

USDI will provide training to company personnel with regards to emergency procedures, including a review of the Emergency manual, its implementation, and instructions on proper methods for filling out applicable forms and reports.

2.3 PUBLIC AWARENESS PROGRAM

- a) Develop, review, and update, as necessary, the written Public Awareness Program (PAP) in accordance with 49 CFR 192.616
- b) Enroll Drakesboro in USDI's Public Awareness Program Collaboration
- c) Perform necessary tasks associated with the PAP and maintain records
- d) Perform liaison with emergency responders and public officials
- e) Provide training and instructions for employees on the PAP

USDI shall develop, review, and update, as necessary, the written Public Awareness Program that follows the guidance provided in the American Petroleum Institute's (API) Recommended Practice (RP) 1162 and in accordance with the requirements of 49 CFR 192.616.

USDI will provide training to personnel with regards to the public awareness program, including a review of the PAP manual, its implementation, and instructions on proper methods for filling out applicable forms and reports.

USDI shall enroll the facilities into its Public Awareness Program Collaboration to assist in meeting the requirements of 49 CFR 192.616. The program will provide and send the required mailings at the appropriate frequencies, provide, collect, and tabulate surveys, and provide the results of the surveys. USDI shall manage and ensure that all requirements of the Public Awareness and Education Program are met. Drakesboro will be billed for the cost of the mailings (\$0.85/per mailing, minimum of \$585.00).

NOTE: USDI currently charges \$0.85 per mailing (minimum of \$585.00), the cost of which will be in addition to those listed in this proposal as part of the routine and on-going services.

2.4 OPERATOR QUALIFICATION PROGRAM

- a) Develop, review, and update, as necessary, the written operator qualification (OQ) program in accordance with 49 CFR 192 Subpart N
- b) Identify and document covered tasks for Drakesboro employees
- c) EWN Enrollment – enroll Drakesboro employees in Energy World Net (EWN) computer-based-training (CBT)
- d) Assign appropriate courses through EWN
- e) Provide up to two (2) days of on-site supplemental training on specific tasks or equipment
- f) Perform on-site field evaluations for up to four (4) Drakesboro employees



- g) Conduct and document at least two (2) performance and procedure reviews per employee per year
- h) Perform annual fusion qualification testing, as applicable, for up to four (4) Drakesboro employees
- i) Provide training and instructions for employees on the OQ Program

USDI shall develop, review, and update, as necessary, the written operator qualification (OQ) program to establish the policies and procedures for individuals performing covered tasks on the pipeline facilities in accordance with 49 CFR 192 Subpart N. The plan will identify relevant operating and maintenance tasks (Covered Tasks) and provide guidance for achieving compliance with the requirements of Subpart N.

USDI will provide training to personnel with regards to OQ procedures, including a review of the OQ manual, its implementation, and instructions on proper methods for filling out applicable forms and reports.

2.5 DISTRIBUTION INTEGRITY MANAGEMENT PROGRAM

- a) Review and update, as necessary, the written distribution integrity management program (DIMP) accordance with 49 CFR 192 Subpart P
- b) Provide training and instructions for employees on DIMP

USDI shall review and update, as necessary, the written distribution integrity management program (DIMP) in accordance with 49 CFR 192 Subpart P.

USDI will provide training to gas system personnel with regards to DIMP procedures, including a review of the DIMP manual, its implementation, and instructions on proper methods for filling out applicable forms and reports.

USDI will provide documentation of the DIMP manual review and provided training.

2.6 DRUG AND ALCOHOL PLAN, CONSORTIUM, AND TESTING

- a) Develop and update, as necessary, the written Anti-Drug and Alcohol Misuse Plans
- b) Enrollment in the USDI Drug and Alcohol Consortium
- c) Drug and Alcohol Program Management

USDI shall develop and update, as necessary, written Anti-Drug and Alcohol Misuse plans and manuals, enroll the City in USDI's consortium, and assist the City in managing the program, including the random selection of consortium participants and providing Management Information System (MIS) reports and data. The purpose of the plan is to establish a program designed to help prevent accidents and injuries resulting from the use of prohibited drugs by employees who perform covered functions for operators of certain pipeline facilities subject to part 192, 193, or 195 by following guidelines set forth by part 199. The



plan is not intended to replace the rules; its purpose is to detail how the Company implements and follows said rules.

The written plan combines the anti-drug plan with the alcohol misuse prevention plan into one cohesive document. All requirements of 49 CFR Part 40 & Part 199 are covered within this one document. The plan will meet the requirements of §199.101 & §199.202, respectfully, to develop and maintain a written anti-drug and alcohol misuse plan that conforms to the requirements of PHMSA Regulations and DOT Procedures concerning testing programs. The plan contains methods and procedures for compliance with all the requirements, including required testing, recordkeeping, reporting, education, and training elements.

A Consortium/Third Party Administrator (C/TPA) is utilized to assist in execution of the Plan. The C/TPA will offer guidance to the Designated Employee Representative in plan implementation, including but not limited to: locating collection facilities, administering the random selection, and consultation on program compliance issues. Periodic random drug tests will be conducted each calendar year that will meet or exceed the current annual percentage. The required annual minimum percentage rate is set by PHMSA and is currently set at 25% of the current covered employees. A C/TPA has been chosen to manage the random drug testing program. Since the services of a C/TPA are being utilized, the random number of employees that are tested will be based on the total number of employees within the Consortium's random pool.

NOTE: A fee of \$150.00 will be charged for each administered test, the cost of which will be in addition to those listed in this proposal as part of the routine and on-going services.



3 ANNUAL FIELD SERVICES

3.1 CATHODIC PROTECTION SURVEY

- a) Perform Cathodic Protection Test/Survey in accordance with 49 CFR 192.465(a)
- b) Create Compliance Record

USDI shall evaluate the condition of the corrosion control system by conducting a cathodic protection survey on the system. Recommendations will be made, as applicable, as to the cathodic protection status, observances of insulation, shorts, and pipe-to-soil readings.

Each survey will be conducted in accordance with 49 CFR 192 Subpart I to ensure the level of cathodic protection complies with one or more of the applicable criteria contained in 49 CFR 192 Appendix D. The survey will be performed to obtain pipe-to-soil potentials throughout the system using a digital multi-meter in conjunction with a copper-copper sulfate electrode. The pipe-to-soil potentials will be expressed and recorded in volts negative. Following the survey, the pipe-to-soil potential readings will be reviewed and any other tests necessary to adequately evaluate the system will be conducted.

A negative (cathodic) voltage of at least 0.85 volts, with reference to a saturated copper-copper sulfate half-cell, is the criterion for protection most commonly used.

USDI will create a compliance record at the conclusion of the cathodic protection survey. The record shall be completed documenting the area(s) covered, description of the inspection/survey, pipe-to-soil potential readings, and any issues noted.

3.2 CONDUCT A GAS LINE LEAK SURVEY

- a) Conduct a Gas Leakage Survey of System
- b) Create Compliance Record

USDI will perform a complete leakage survey of the pipelines using a Southern Cross Flame Pack 400 Flame-Ionization (FI) instrument and/or a Heath Consultants Remote Methane Leak Detector (RMLD) (or equivalent), both of which are capable of registering natural gas in concentrations at or below 50 ppm. USDI shall conduct leakage surveys on the pipelines in accordance with 49 CFR 192, Subpart M, Section 723.

USDI will create a compliance record of the results of the leak surveys which will be made available at the conclusion of the leakage survey. A compliance record shall be completed documenting the area(s) covered and a description, location, and an appropriate classification of all leaks discovered. These records will be provided to you and shall be kept for the life of the system.



All leaks shall be classified according to the Operation and Maintenance manual (O&M) or, if not specifically listed in the O&M, GPTC guidelines. In-building leaks shall be classified as Grade 1 leaks. Above ground leaks that can be repaired by lubrication, tightening, or adjustment are not considered reportable leaks, however, may be recorded in the survey for the use by the operator.

3.3 INSPECT AND TEST REGULATOR(S) AND RELIEF(S)

- a) Inspect and test each pressure regulating station and relief device
- b) Provide a Written Report of Regulator/Relief Inspections

USDI shall identify, inspect, and test each regulating station and relief device on the jurisdictional facilities in accordance with 49 CFR 192.739. Inspection and testing will be conducted at least once each calendar year, not to exceed 15 months, to determine that it is in good mechanical condition, adequate from the standpoint of capacity and reliability of operation, set to control or relieve at the correct pressure, and properly installed and protected from dirt, liquids, or other conditions that might prevent proper operation.

USDI will provide a written report of the inspections, including the set points of each regulator/relief, inlet and outlet pressures, capacity, condition, any maintenance performed, and any issue(s) identified.



4 ANNUAL REPORTS & DOCUMENTATION

4.1 PHMSA/DOT AND KY PSC REPORTS

- a) Provide assistance in preparing and/or filling out required state and federal reports, if applicable.

USDI shall provide assistance in preparing and/or filling out annual reports required by state and/or federal pipeline safety regulations and rules required within the scope of this project.

USDI is intimately familiar with pipeline safety regulations, the Pipeline and Hazardous Materials Safety Administration (PHMSA), state utility commissions, and recordkeeping and compliance documentation. USDI represents landfill, master meter, municipal, transmission, and distribution operators and has participated in numerous state and federal audits of their natural gas systems.

4.2 CONTINUING SURVEILLANCE

- a) Review appropriate documentation and annual reports, document on continuing surveillance form.

USDI shall review appropriate annual documentation and reports to determine if changes in class location, failures, leakage history, corrosion, substantial changes in CP requirements, and other operating conditions exist on the pipeline and required appropriate follow-up action to address.

4.3 PUBLIC AWARENESS PROGRAM MAILINGS

- a) Enrollment in Paradigm Liaison Services PA Collaborative Program
- b) Perform required Public Awareness mailings and documentation (2x/year)

USDI shall enroll the facilities into its Public Awareness Collaborative Program to assist in meeting the requirements of 49 CFR 192.616. The program will provide and send the required mailings at the appropriate frequencies, provide, collect, and tabulate surveys, and provide the results of the surveys. USDI shall manage and ensure that all requirements of the Public Awareness and Education Program are met.

\$0.85/mailing (\$585.00 minimum)



5 ANNUAL TRAINING & MEETINGS

5.1 EMERGENCY PLAN TRAINING AND TESTING

- a) Provide emergency plan training and testing of City personnel

USDI shall provide on-site training for City personnel in which the emergency plan will be reviewed and updated, as appropriate, and a knowledge test will be administered to confirm the effectiveness of the training.

5.2 EMERGENCY AND PUBLIC OFFICIAL LIAISON MEETING(S)

- a) Provide liaison with emergency and public officials

USDI shall establish and maintain liaison with appropriate fire, police, and other public officials to learn the responsibility and resources of each government organization that may respond to a gas pipeline emergency; Acquaint the officials with the operator's ability in responding to a gas pipeline emergency; identify the types of gas pipeline emergencies of which the operator notifies the officials; and plan how the operator and officials can engage in mutual assistance to minimize hazards to life or property.

5.3 CALL TAKER TRAINING

- a) Provide training and testing for City personnel that may receive natural gas related emergency and/or customer calls

USDI shall provide training and testing of City personnel that are "call-takers" of emergency calls related to the natural gas system. The training will include the properties and characteristics of natural gas, effects of carbon monoxide, what constitutes a gas emergency, basic information that should be obtained from the caller, appropriate responses, and customer call scenarios. A test will be administered to determine the effectiveness of the training.

5.4 OPERATOR QUALIFICATION (OQ) OF FIELD PERSONNEL

- a) Conduct operator training and testing on covered tasks
- b) Perform OQ field evaluations on covered task
- c) Provide Detailed Documentation of OQ Results

USDI shall conduct Operator Qualification (OQ) training and testing for up to four (4) City personnel on appropriate identified covered tasks to ensure the individual possess the knowledge and skills to perform each covered task.

USDI shall perform OQ field evaluations for City personnel on the identified covered tasks to determine the individual's skills and ability to perform each covered task. (Any employee to be field evaluated shall



have successfully passed the appropriate training module prior to the field evaluation). This includes two days on-site.

USDI will provide written documentation of the OQ evaluation and testing results.

5.5 OQ PROCEDURE AND PERFORMANCE EFFECTIVENESS REVIEW

a) Perform two (2) OQ Procedure and Performance Effectiveness Reviews per City gas employee
USDI shall conduct two (2) task reviews of each City gas personnel to determine the adequacy of the procedures to perform each task, that the employee performed the tasks correctly, recognition and reaction to AOCs, and determine if any additional training is necessary. These will be documented on the appropriate OQ Procedure and Performance Effectiveness Review Form.

5.6 CONSULTATION WITH REGULATORY AUTHORITIES

a) Provide assistance on code compliance efforts related to a regulatory audit.

USDI shall provide assistance to review plans, records, training, and records for compliance with applicable pipeline safety rules and regulations as well as provide recommendations and comments on code compliance efforts during a PHMSA (and/or PUC, if applicable) audit or inspection.

USDI will participate in any applicable state and/or federal pipeline safety audits, this proposal includes up to five (5) days of on-site, phone, email, and/or internet (Zoom, WebEx, GoTo meeting, etc.).

Additional days for PSC audits will be performed at USDI current T&M rates.

6 ADDITIONAL SERVICES

6.1 USDI's 192 GIS COMPLIANCE TOOL SET

- a) *Data Conversion*
- b) *192 GIS and Survey 123 Apps, Implementation and Use*
- c) *ESRI License*
- d) *Training and Support Services*

USDI has developed an ESRI-based mapping and compliance suite of solutions for the gas industry that allows for real-time, field-based records creations and compliance tracking and monitoring. The *192.GIS* tool set is used to perform routine compliance activities (i.e. CP survey, leak survey, valve inspections, etc.), to create and maintain accurate maps, store data and information securely on the cloud, and allow access to maps and records on your phone or tablet to designated personnel. The compliance activity maps will update automatically as data is collected, allowing it to be viewed almost instantly.

USDI will convert the City's existing map and facilities information into a Master System Map to be utilized by gas personnel for collecting and storing inspection and maintenance records. USDI will also create and enable functions within its Survey 123 application that allows for real-time field-based records creation.

USDI will provide one (1) ESRI Level 2 User License for the ability to add, edit, and modify data through the ESRI web platform. This license will be included as part of the annual cost of this agreement. Additional Level 2 user Licenses can be purchased, if needed.

Compliance tools will be provided for the following items/actions at a minimum:

- Cathodic Protection Survey
- Leak Survey
- Customer Reported Leak Investigations
- Regulator/Relief and Station Inspections
- Damage Prevention (811 Response)
- Odor Intensity Checks
- CGI Calibration
- Main and Service Line Inspections
- Atmospheric Corrosion Survey
- System Leak Tracking
- Valve Inspections
- Pipeline Patrol
- Excavation Damage Reporting
- Odorizer Inspections
- New Construction As-Builts

TRAINING

USDI will provide one day of on-site implementation and training in the use of the Collector and Survey 123 application-based functions as well as the use/view of the online web maps and dashboards. Additional telephonic support will also be provided. Additional training is available at normal retainer client T and M rates.



SUPPORT SERVICES

USDI will support the City's continued use of 192.GIS by assisting in the extraction of data for annual reports that the City may wish to create. USDI will provide as part of this scope additional storage on its cloud-based storage (Sharefile) for the City to have the opportunity to backup any compliance records or reports it may wish to extract from the ESRI based compliance system. USDI will also provide updates, enhancements and improvements to the originally delivered set of tools so that pipeline safety compliance in the areas where the tools are utilized can occur to the satisfaction of the City and the Kentucky Public Service Commission. As needed, USDI will also provide technical support. As new features or enhancements become available, USDI can provide training for these items.

192.GIS and Survey 123 Cost of Services

1. Annual 192.GIS Fee \$2,500.00 per year
 - a. Includes 10 hours of customization/support
 - b. Additional development will be billed at T&M rate (\$130/hr)

2. Additional Licenses
 - a. ESRI ArcGIS Online Creator Users \$500 per user/ per year
 - b. ESRI ArcGIS Online Field Worker Users \$350 per user/ per year
 - c. ESRI ArcGIS Online Viewer Users \$100 per user/ per year



7 COST OF SERVICES

7.1 COST OF SERVICES

- | | |
|--|----------------------|
| 1. PLANS AND MANUALS: | Annual |
| a. Operations and Maintenance (O&M) Manual | |
| o Includes Procedures Manual and Forms | |
| b. Emergency Response Plan | |
| c. Public Awareness Program Manual | |
| d. Public Awareness Effectiveness Documentation | |
| e. Operator Qualification (OQ) Plan | |
| f. Damage Prevention Program (included in O&M) | |
| g. Distribution Integrity Management Plan (DIMP) | |
| h. Drug and Alcohol Plan, Consortium, and Testing | \$150.00/test |
| 2. OPERATION AND MAINTENANCE SERVICES | |
| a. Cathodic Protection (CP) Pipe to Soil Survey | Annual |
| b. Leakage Survey | Annual |
| c. Regulator Station and Relief Testing and Inspections | Annual |
| 3. ANNUAL REPORTS AND DOCUMENTATION | |
| a. PHMSA/DOT Report | Annual |
| b. KY PSC Report, if applicable | Annual |
| c. Continuing Surveillance | Annual |
| i. Public Awareness Mailings and Documentation (2x/year) | \$0.85/ mailing |
| o (\$585 minimum) | |
| 4. TRAINING AND MEETINGS | |
| a. Emergency Plan Training and Testing | Annual |
| b. Liaison Meeting w/Emergency and Public Officials | Annual |
| c. Call Taker Training | Annual |
| d. OQ Procedure and Performance Effectiveness Review | Annual |
| e. Operator Qualification (OQ) of Field Personnel | |
| o EWN Enrollment for Gas Personnel | \$150.00/person/year |
| o EWN Program Administration | |
| o Field Evaluations | |
| f. Consultation with Regulatory Authorities | |

COST OF SERVICES

	\$24,000.00¹ plus
Public Awareness Mailings	\$ 0.85/ mailing
EWN Enrollment and OQ CBT	\$ 150.00/person
Employee Drug Test	\$ 150.00/test
OQ Evaluations	\$ USDI T&M Rates
ESRI License Fee	\$ 2,500.00 per year
USDI Retainer Rates	Attached: Section 8

¹ Payable in monthly installments of \$2,000.00



Additional Services: provided at current USDI rates (labor) and cost plus 15% (materials):

- Professional Engineering associated with extensions, relocations, or other facility alterations
- Emergency call-out response availability
- System maintenance, repairs, and/or replacements
 - a. Pipe replacement
 - b. Leak repair and remediation
 - c. Damaged pipe repair
- Facility painting
- Pipe re-coat work
- New facilities installation
- Anode replacement and installation
- Test station replacement and installation
- Locate request response
 - a. Review tickets and provide positive response through KY811
 - b. Pipeline locating and marking
 - c. Watch and protect activities

Drakesboro Natural Gas Agrees to:

- Perform and document all other required pipeline safety activities not specifically listed above
- Provide space for on-site training and occasional office space for USDI engineer, as necessary
- Allow employees time for completion of EWN Courses
- Pay all EWN related license fees for OQ Training and Testing
- Pay for all Drug and Alcohol related testing fees
- Pay all costs associated with the production and distribution of Public Awareness Plan materials
- Pay for and utilize USDI's 192.GIS compliance app for natural gas utility compliance activities

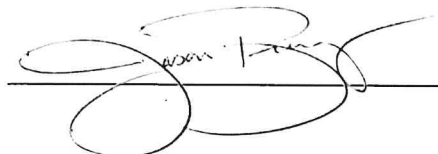
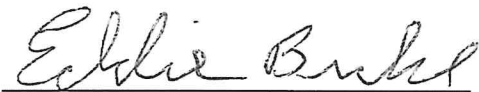
Terms of Agreement

The initial term of the contract will be for two (2) years beginning February 2023. The Routine and On-Going Services Fees will be fixed for the first one (1) year term of the contract. The contract will be cancellable by either party by providing a written notice at least three (3) months prior to the cancellation date. After the expiration of the initial term, the scope of the agreement and fees may be revised by mutual agreement of both parties. If no revisions are initiated then this agreement will renew for successive one (1) year periods.

Signature and Notices for the parties to the Agreement:

Eddie Brake, Mayor
Drakesboro Natural Gas
P.O. Box 129
Drakesboro, Kentucky 42337

Jason Brangers, P.E., Senior VP
Utility Safety and Design, Inc.
1018 Mt Vernon Drive
Shelbyville, KY 40065



USDI

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8 USDI RETAINER RATE SCHEDULE



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**ENGINEERING &
UTILITY SERVICES**

USDI SERVICES

FULL-SPECTRUM NATURAL GAS SOLUTIONS

USDI is your full-service natural gas and renewable natural gas (RNG) partner – whether you operate a utility, pipeline, or master meter system we can oversee management and operations, support your in-house team, or help you respond to emergencies. More than 500 clients across the Midwest have trusted our expertise since 1969. While engineering is our foundation, we also have utility professionals on staff skilled in operations, maintenance and construction tasks who bring an operator’s perspective to every project. That combined expertise helps ensure we deliver the best solutions to your project. We develop quality, progressive solutions that meet expectations today and tomorrow through our Consultation, Engineering, Construction, Operations, Corrosion Services, GIS Services, and Odorization Solutions. Our goal it to be your trusted partner!

Have questions about our services or industry experience? See the following pages or reach out to one of our experts by contacting an office close to you.

OLNEY, IL

1927 Miller Drive
Olney, IL 62450
(618) 392-5502

BELLEVILLE, IL

9 Executive Woods Ct.
Belleville, IL 62226
(618) 277-1520

UNIONVILLE, MO

28847 US HWY 136
Unionville, MO 63565
(660) 947-3316

PITTSBORO, IN

7241 N. Co Rd. 225 E.
Pittsboro, IN 46167
(317) 892-7662

SHELBYVILLE, KY

1018 Mt. Vernon Drive
Shelbyville, KY 40065
(502) 513-5127

WICHITA, KS

9540 W. Harry St.
Wichita, KS 67209
(316) 239-7317

PRINCETON, MN

31484 125 1/2 St.
Princeton, MN 55371
(660) 474-0789

KIRKSVILLE, MO

210 N Elson St. Suite C
Kirksville, MO 63501
(660) 474-0079



CONSULTATION

- *Code Compliance*
- *Operator Qualification*
- *Operations, Maintenance, and Emergency Manuals*
- *Public Awareness Solutions*
- *Transmission Integrity Management Plans (TIMP)*
- *Distribution Integrity Management Plans (DIMP)*
- *Surveying and Mapping*
- *System Supply Analysis and Network Modeling*
- *National Pipeline Mapping System (NPMS)*
- *Material Selection*
- *Construction Inspection*
- *Consultation with Regulatory Authorities*

ENGINEERING

- *Professional Engineers*
- *Pipeline Design*
- *Regulator Station Design and Sizing*
- *Odorization System Design*
- *Meter Station Design*
- *Cathodic Protection System Design*
- *Network Analysis and Modeling*

CONSTRUCTION

- *Operator Qualified Personnel*
 - *API 1104 Qualified Welders*
 - *OQ Plastic Fusion Personnel*
 - *Equipment Operators*
 - *Skilled Gas Installers*
- *Welding and Fusion*
- *Service Line and Main Installation and Repair*
- *Regulator and Metering Fabrication and Installation*
- *Mueller Tapping and Stopping*
- *Horizontal Directional Drilling (HDD)/Boring*
- *Pipeline & Distribution System Installation*
- *Emergency Response*



OPERATIONS

- *Operation, Maintenance, and Code Compliance (Plans, Manuals, and Documentation)*
- *Operator of Record*
- *Leakage Surveys and Leak Investigations*
- *Cathodic Protection Surveys*
- *Odorizer Maintenance and Refill*
- *Meter Testing*
- *Audit Representation*
- *Regulator Station and Relief Valve Inspection and Testing*
- *Valve Inspection and Maintenance*
- *Rectifier Inspections and Maintenance*
- *Atmospheric Corrosion Inspections*
- *Pipeline Patrols and Line Marker Surveys*
- *Class Location, HCA, and MCA Surveys*
- *Integrity Management Services for both Transmission and Distribution Systems*
- *ROW Clearing Administration and Inspection*
- *Odor Tests, Odorant Delivery, and Odorizer Inspection and Maintenance*
- *Line Locating and Facility Marking*
- *Excavation Monitoring and Damage Prevention Activities, including “watch and protect” services*
- *Emergency Response*

CORROSION SERVICES

- *NACE Certified CP3 and CP4 Professional Engineers*
- *Galvanic or Impressed Current System Design*
- *CP System Installation*
 - *Anodes*
 - *Rectifier & Conventional Ground Beds*
 - *AC Mitigation*
 - *Bond & Test Stations*
- *Testing and Maintenance*
- *Integrity Management Services*
 - *External Corrosion Direct Assessment (ECDA)*
 - *Close Interval Surveys (CIS)*
 - *Direct Current Voltage Gradient (DCVG) Surveys*
 - *Alternate Current Voltage Gradient (ACVG) Surveys*
 - *Depth of Cover Surveys*



GIS SERVICES

- *192.GIS* – USDI’s customizable, ESRI GIS based compliance tool set for gas utilities
- *Mapping and Surveying*
- *Data Integration*
- *AutoCad Drafting and Design*
- *National Pipeline Mapping System (NPMS) Data*

ODORIZATION SERVICES

- *Exclusive Micro-Bulk Delivery Partner of Chevron Phillips*
- *Odorizer Installation, Maintenance, and Testing*
- *Odorant Delivery*
- *Bulk Deliveries*
- *Closed-Loop, Meter Delivery Systems*
- *OQ Gas Professionals*
- *Short Lead Times*



UTILITY RETAINER RATES

Effective January 1, 2023

PERSONNEL	HOURLY RATES¹
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Principal	\$ 160.00
Engineering Personnel (Including OQ Services)	\$ 145.00
Technical Personnel and Drafting	\$ 130.00
Construction Labor ²	\$ 130.00
Clerical & Non-Technical	\$ 90.00

SERVICES	HOURLY RATES
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Leak Survey/Atmospheric Corrosion Survey (8 hr Min)	\$ 130.00
Cathodic Protection Survey	\$ 160.00

SPECIALIZED SERVICES	DAILY RATES
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Expert Witness Testimony or Court Representation	\$4,000.00
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TRANSPORTATION	MILEAGE RATES
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Auto	\$ 0.78
Construction	\$ 0.98

OVERNIGHT	RATES PER NIGHT
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Overnight Expenses	\$ 250.00
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OTHER	RATES
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Communication	At Cost
Subsistence	At Cost
Reproduction & Miscellaneous	At Cost

¹ Hourly rates include payroll taxes, insurances, and other overheads

² Rate includes utility truck and small hand tools.



EQUIPMENT RATES

Effective January 1, 2023

PERSONNEL	HOURLY RATES⁵
Construction Labor ⁶	\$ 130.00

TRANSPORTATION	MILEAGE RATES
Construction	\$ 0.98

EQUIPMENT	HOURLY RATES
Welding Rig	\$ 35.00
Trencher	\$ 50.00
Mini-Excavator	\$ 55.00
Backhoe	\$ 65.00
Vacuum Excavator	\$ 65.00
Skid Steer	\$ 75.00
Horizontal Directional Drill (HDD) Boring Machine	\$ 225.00

EQUIPMENT	DAILY RATES
Air Compressor	\$ 125.00
Hydraulic/Electric Torque Tools	\$ 150.00
Pipe Trailer with Tamer	\$ 400.00

TAPPING AND STOPPING SERVICES	RATES PER EACH
¾" – 2" D-5 Mueller Tap	\$ 150.00
¾" – 2" D-5 Mueller Tap and Stop	\$ 275.00
3" – 4" D-5 Mueller Tap	\$ 400.00
3" – 4" D-5 Mueller Tap and Stop	\$ 550.00
4" C136 Tap and Stop (per fitting)	\$3,500.00
6" C136 Tap and Stop (per fitting)	\$4,000.00
8" C136 Tap and Stop (per fitting)	\$5,200.00

OTHER	RATES PER FOOT
Pre-Tested Pipe	\$18.00 + Pipe Cost

⁵ Hourly rates include payroll taxes, insurances, and other overheads

⁶ Rate includes utility truck and small hand tools.