



Utility Safety & Design, Inc.
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www.usdi.us

January 27, 2022

Kerry Kasey
President
401 s 1st Street
Irvington, KY 40146

RE: Valley Gas System – 2021 Services and Activities

Kerry,

This letter is to serve as documentation that Valley Gas hired Utility Safety and Design, Inc. (USDI) in 2021 to assist with certain compliance activities as it relates to the operation and maintenance of the Valley Gas natural gas system. Included below is a list of the newly developed written plans and manuals, as well as services provided by USDI, at the request of Valley Gas, in accordance with applicable state and federal pipeline safety regulations.

1. Operations and Maintenance (O&M) Manual
2. Emergency Plan
3. Public Awareness Program Plan
4. Operator Qualification (OQ) Plan
5. Leakage Survey - Business District and Zone 3 of the system
6. Cathodic Protection (CP) Survey
7. Regulator and Relief Inspections
8. KY PSC Inspection representation and assistance
9. Regulator station reconfigurations
10. OQ online training enrollment and testing
11. OQ training and field evaluations
12. Emergency plan training and evaluations
13. OME procedures training
14. Odorizer adjustment and remediation
15. Odorant testing equipment – calibrated loaner equipment
16. Tool and equipment recommendations
17. Regulatory consultation

If you have any questions or need any additional information, please let me know. We appreciate the opportunity and look forward to our continued partnership.

Sincerely,

Jason Brangers, P.E.
Senior VP

OLNEY, ILLINOIS
1927 Miller Drive
Olney, IL 62450
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Belleville, IL 62226
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President
401 s 1st Street
Irvington, KY 40146

RE: Valley Gas System Operations and Maintenance Proposal

Kerry,

Utility Safety and Design, Inc. (USDI) is pleased to respond to your Request for Proposal (RFP) regarding operation and maintenance tasks on the Valley Gas natural gas distribution system located in Irvington, KY for 2022. USDI has prepared the enclosed proposal for conducting operation and maintenance tasks pursuant to state and federal pipeline safety regulations, as applicable, for the approximately 12 miles of distribution mains servicing 480 customers. We appreciate this opportunity and look forward to working with you in regards to this system.

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 pipeline system, please let me know.

Sincerely,

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

Jason Brangers, P.E.
VP of Operations – KY

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VALLEY GAS NATURAL GAS DISTRIBUTION SYSTEM OPERATIONS AND MAINTENANCE PROPOSAL

Irvington, KY

Prepared By:



Utility Safety and Design, Inc.

January 27, 2022

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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.



1.2 QUALIFICATIONS AND EXPERIENCE OF TEAM

a) Principals

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

Darin Houchin, P.E. – Executive Vice President, USDI

b) Project Manager

Anthony Everette, P.E. – Vice President, USDI

Jason Brangers, P.E. – Vice President, USDI

c) Engineering and Technical Staff

Zac Farhat

Jace Greenwood

Matt Rhody

Tyler Enloe, P.E.

Mike Wendling

USDI is comprised of approximately seventy-five (75) professional and technical staff, including five (5) professional engineers with more than 90 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 30 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 25 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 ensure performance of 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 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



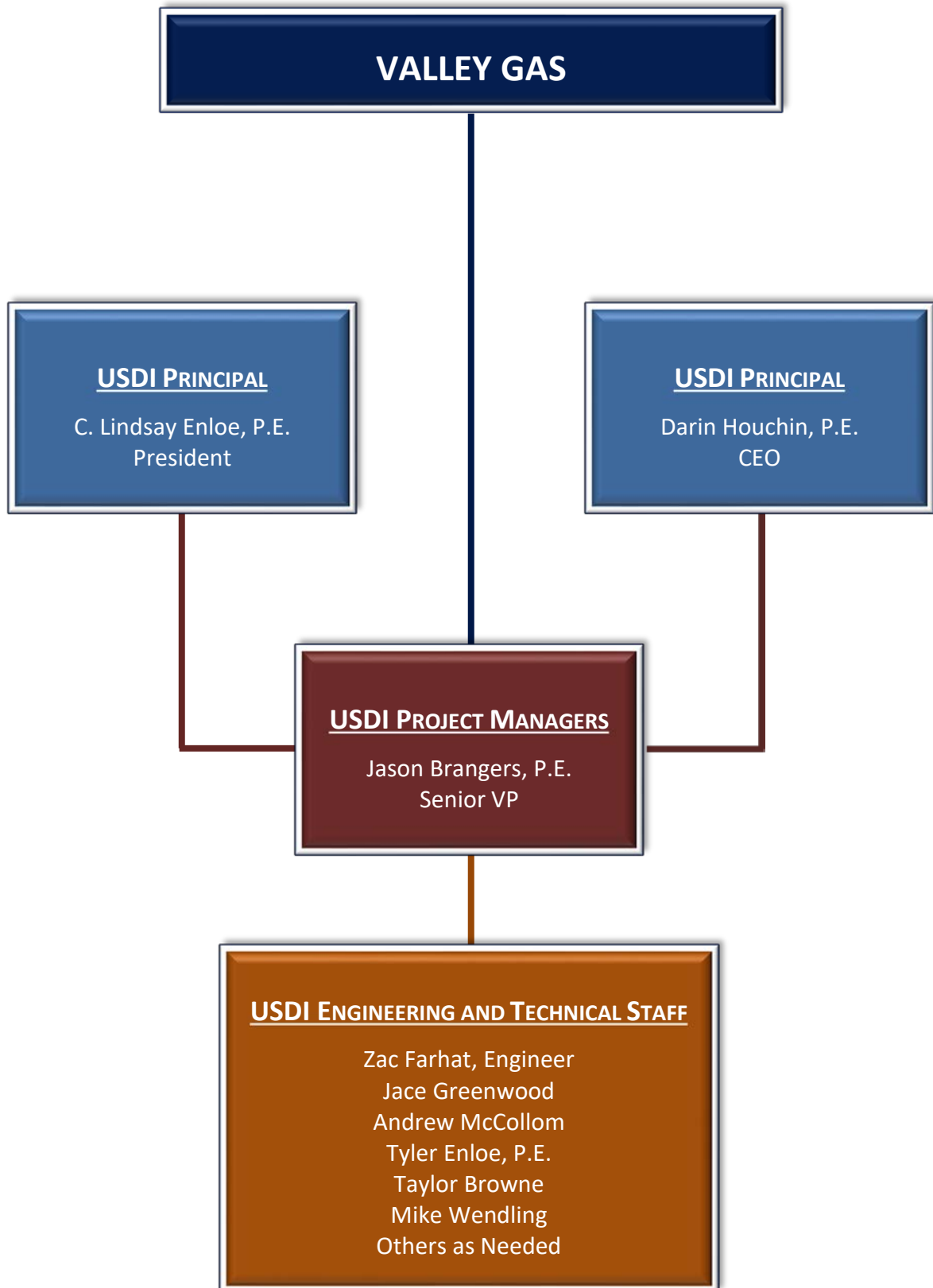
Public Service Commission where he was responsible for overseeing and administering the natural gas pipeline safety program for the Commonwealth of Kentucky.

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.

Zac Farhat, Jace Greenwood, Andrew McCollom, Taylor Browne, Mike Wendling, and/or others may serve as Technical Staff on this project and perform activities required within the scope of this project. Mr. Jefferson, Mr. McCollum, Mr. Morris, 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 AND MAINTENANCE MANUAL

- a) Review and update, as necessary, the Operations and Maintenance Manual
- b) Conduct review and instruction for employees on O&M Procedures

USDI shall review and update, as necessary, the written Operations and Maintenance (O&M) Manual in accordance with 49 CFR 192.605. USDI will review the O&M Manual annually and make minor updates, as required. The O&M manual 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 manual should contain the procedures employees should follow when completing tasks covered in the Operator Qualification plan.

USDI will provide a review to 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) Review and update, as necessary, the written Emergency Plan
- b) Provide review and instructions for employees on the Emergency Plan

USDI shall review 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 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) Review and update, as necessary, the written Public Awareness Program (PAP) in accordance with 49 CFR 192.616
- b) Perform and document an effectiveness evaluation of the PAP

USDI shall 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 shall enroll the facilities into the Paradigm Liaison Services, LLC Public Awareness Collaborative Program to assist in meeting the requirements of 49 CFR 192.616. USDI shall manage and ensure that all requirements of the Public Awareness and Education Program are met. Valley Gas will be billed for the cost of the mailings.

USDI will also perform an effectiveness evaluation of the PAP and associated data. This evaluation will be documented on appropriate forms and/or reports.

2.4 OPERATOR QUALIFICATION PROGRAM

- a) Review and update, as necessary, the written operator qualification (OQ) program in accordance with 49 CFR 192 Subpart N
- b) Enroll gas system personnel in Energy Worldnet (EWN) Online Training Program
- c) Provide Field Evaluations for gas system personnel*

USDI shall 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 partners with Energy Worldnet (EWN) to provide online training and testing for Operator Qualification (OQ). As part of this agreement, operator personnel will be enrolled in the EWN program for OQ purposes.

*USDI will provide OQ Performance Evaluations (field evaluations) for operator personnel at USDI T&M retainer rates.

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 O (General & Site Manuals)
- 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 O.

USDI will provide documentation of the DIMP manual review.

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 D/A Consortium
- c) D/A Program Management

USDI shall develop and update, as necessary, written Anti-Drug and Alcohol Misuse plans and manuals, enroll the Company in USDI's consortium, and assist the Company in managing the program, including the random selection of at least 50% 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 Pipeline and Hazardous Materials Safety Administration (PHMSA) is the agency within the Department of Transportation that regulates the operators in the natural gas and hazardous liquid pipeline industry. 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 50% 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.

One-time fee of \$1,500.00 + \$150/administered test



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3 ANNUAL FIELD SERVICES

3.1 CATHODIC PROTECTION AND ATMOSPHERIC CORROSION SURVEYS

- a) Perform Cathodic Protection Test/Survey in accordance with 49 CFR 192.465(a)
- b) Perform Atmospheric Corrosion Inspection
- c) 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 shall conduct an inspection of each pipeline or portion of pipeline that is exposed to the atmosphere for evidence of atmospheric corrosion in accordance with 49 CFR 192.481. USDI will give particular attention to pipe at soil-to-air interfaces, under thermal insulation, under disbanded coatings at pipe supports, in splash zones, at deck penetrations, and in spans over water.

USDI will create a compliance record at the conclusion of the atmospheric corrosion inspection and 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 SERVICE ALL KEY VALVES

- a) Identify, Inspect, and Service Key Valves
- b) Create Compliance Record

USDI shall identify, inspect, and service (i.e. partially operate where applicable) each main line valve that may be necessary for the safe operation of the system and each valve that may be required during an emergency and designated as a “key” valve (also known as critical or



emergency valve). USDI shall perform this task on the key valves in accordance with 49 CFR 192, Subpart M, Section 747.

USDI will create a compliance record of the valve inspections, including the location of the valve, the as-found position (open/closed), as-left position, any maintenance performed, and any issue(s) identified.

3.3 CONDUCT A GAS LINE LEAKAGE SURVEY

- a) Conduct a Gas Leakage Survey of System
- b) Record Results on a Leak Report
- c) Provide a Written Report of Leak Survey Results

USDI will perform a 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; in business districts at least once per year, not to exceed 15 months and outside business districts at least once every five (5) calendar years, not to exceed 63 months.

USDI will provide the results of the leak surveys in a leak report and will provide a detailed written report at the conclusion of the leakage survey. A leak survey report shall be completed documenting the area(s) covered and a description, location, and an appropriate classification of all leaks discovered. These reports will be provided to Valley Gas 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.

3.4 INSPECT AND TEST REGULATORS AND RELIEFS

- 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.

3.5 ODORIZATION TESTING AND ODORIZER INSPECTION

- a) Conduct odorant tests
- b) Perform an odorizer inspection and fill with odorant, as required
- c) Provide a written report of the odorization testing results

USDI shall conduct odorant tests four (4) times per year to determine if the gas is readily detectable at a concentration in air of one-fifth the lower explosive limit (LEL) or, stated another way, 1% gas in air. Valley Gas will be responsible for conducting and documenting monthly odor tests.

USDI shall conduct odorant tests in accordance with 49 CFR 192.625 to determine the effectiveness of the odorization program. Tests shall be made utilizing an instrument capable of providing a percent gas in air at which the operator can readily detect the smell of gas. These tests shall be performed at the extremities of the system where possible. A Heath Odorator, DTEX DX1000, or equivalent, shall be used to accomplish this task. Tests indicating a readily detectable gas percentage equal to or less than 1% shall be considered normal while readings higher than 1% shall be considered abnormal. Company shall be notified of any abnormal tests in order to take any necessary action. Additional tests may then be required to verify readily detectable levels below 1% gas in air.

All odor tests shall be performed by a person with a normal sense of smell and who is Operator Qualified for odor testing. Odor test records shall be kept on file by the Company. The tests shall be recorded on the ***OdORIZATION Check Report Form*** (paper or electronic).

USDI shall conduct odorizer inspections at least four (4) times per year to determine if the odorizer is functioning properly, contains adequate levels of odorant and/or if any settings need to be modified. USDI will fill odorizer storage tanks, as appropriate, at current USDI rate.

USDI will provide a written report of the odorization testing and odorizer inspection results.

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 require 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 the Paradigm Liaison Services, LLC 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 Company personnel

USDI shall provide on-site training for 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 Company personnel that may receive natural gas related emergency and/or customer calls

USDI shall provide training and testing of 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 tasks

c) Provide Detailed Documentation of OQ Results

USDI shall conduct Operator Qualification (OQ) training and testing for 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 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 gas employee

USDI shall conduct two (2) task reviews of each 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 PSC 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 (including on-site) 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 company'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 company's continued use of 192.GIS by assisting in the extraction of data for annual reports that the company may wish to create. USDI will provide as part of this scope additional storage on its cloud-based storage (Sharefile) for the company 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 company 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. Implementation Fee \$3,500.00
2. Annual 192.GIS Fee \$5,250.00 per year
 - a. Includes 10 hours of customization/support
 - b. Additional development will be billed at current T&M rate
3. 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

Client: Valley Gas
Accepted By: _____
Title: _____
Signature: _____
Date: _____

7.1 SERVICES

1. PLANS AND MANUALS:

- 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. Atmospheric Corrosion Survey Annual
- c. Valve Inspection and Maintenance Annual
- d. Leakage Survey Annual
- e. Regulator Station and Relief Testing and Inspections Annual
- f. Odorization Checks (Sniff Tests) 4 times/year
- g. Odorizer Inspection 4 times/year

3. ANNUAL REPORTS AND DOCUMENTATION

- a. PHMSA/DOT Report Annual
- b. KY PSC Report, if applicable Annual
- c. Continuing Surveillance Annual
 - o Public Awareness Mailings and Documentation (2x/year)
\$0.85/ mailing (\$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 \$95.00/person/year
 - o EWN Program Administration
 - o Field Evaluations USDI T&M Rates
- f. Consultation with Regulatory Authorities

ANNUAL COST OF SERVICES

\$ 18,000.00 plus

Drug and Alcohol Program (one-time admin setup fee)

\$ 1,500.00

Employee Drug Test (cost per test)

\$ 150.00

Public Awareness Mailings (cost per mailing)

\$ 0.85

OQ EWN Enrollment (cost per person)

\$ 95.00

OQ Evaluations

\$ USDI T&M Rates

