

DELTA NATURAL GAS COMPANY, INC.

CASE NO. 2022-00085

FIRST PSC DATA REQUEST

DATED MAY 20, 2022

1. Refer to the testimony of Jonathan Morpew (incorporated from Case No. 2021-00185 by reference)(2021-00185 Morpew Testimony), page 9, lines 17-20.

a. Provide any documentation or information supporting the \$1 million estimated cost of upgrading Nicholasville transmission lines to address capacity bottlenecking issues.

b. Provide any documentation, studies, reports, complaints, or other information referencing Nicholasville transmission capacity bottlenecking issues.

Response:

a. The Nicholasville bottleneck is located in the inner-city area. The bottleneck piping consists of 100 feet of 3” steel pipe, and 10,300 feet of 4” steel pipe. The combination of these two sections of piping contribute to the inadequate pressure and volume scenarios encountered on peak day conditions on the north end of the system. Delta does not wish to eliminate the service of these two sections but rather loop them by installing 8” steel piping. The construction of the 8” loop around the bottleneck area is estimated to cost approximately \$1,328,466 as shown in the attached.

b. In January 2014, the Nicholasville pipeline system experienced a challenging operational situation due to lack of volume and pressure supply on the north end of the system. Extremely cold temperatures were experienced for an extended period of days in conjunction with an electricity outage for at least three days. A strong demand for natural gas capacity was anticipated in preparation of the restoration of electric service. Upon restoration of the electric service, most of Delta’s Nicholasville customers demanded maximum natural gas utilization volumes simultaneously. This demand for volume was so great that the existing pipeline system was barely able to deliver the peak load requirements. The north end of the Nicholasville system experienced less than 1 psi natural gas pressure. Had these conditions extended any longer, customers would have lost service rendering system failure and safety issues. These conditions were witnessed by numerous Delta Operations personnel. No studies, reports, or complaints have been performed or filed, prior to or after, the 2014 situation. For many years, this has been and remains to be, a concern to our operations in Nicholasville and Wilmore area. The 2014 situation validated our concern, and since that time Delta has continued to carefully monitor this situation in order to provide reliable service and public safety.

Sponsoring Witness: Jonathan Morpew

DELTA NATURAL GAS CO. INC.
WORK ORDER COST SUMMARY
8" STEEL EXTENSION - COURCHELLE STATION TO KEENE ROAD
NICHOLASVILLE, KY

<u>ITEM</u>	<u>ESTIMATED COST</u>
CONTRACTOR COST (See Contractor Cost Summary)	\$ 658,600.00
COMPANY PAYROLL (See Company Payroll Summary)	\$ 37,800.00
MATERIALS COST (See Materials List Summary)	\$ 181,438.51
ACCOUNTS PAYABLE (See Accounts Payable Summary)	\$ 122,136.00
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ESTIMATED SUB-TOTAL	\$ 999,974.51
ESTIMATED OVERHEAD COST 32.85%	\$ 328,491.63
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TOTAL ESTIMATED PROJECT COST	\$ 1,328,466.14

DELTA NATURAL GAS CO. INC.
CONTRACTOR COST SUMMARY
8" STEEL EXTENSION - COURCELLE STATION TO KEENE ROAD
NICHOLASVILLE, KY

	<u>ESTIMATED FOOTAGE</u>	<u>RATE PER FOOT</u>	<u>ESTIMATED COST</u>
CONTRACTOR COST PER FOOT	7400	\$ 53.00	\$ 392,200.00
ROCK TRENCH INSTALLATION (APPROX. 75%)	5550	\$ 48.00	\$ 266,400.00
US 27 HDD	350	\$ 135.00	\$ 47,250.00
ETTER DRIVE HDD	150	\$ 135.00	\$ 20,250.00
KEENE CENTRE DRIVE HDD	150	\$ 135.00	\$ 20,250.00
KY 169 HDD	150	\$ 135.00	\$ 20,250.00
TOTAL ESTIMATED CONTRACTOR INSTALLATION COST			\$ 658,600.00

DELTA NATURAL GAS CO. INC.
COMPANY PAYROLL SUMMARY
8" STEEL EXTENSION - COURCELLE STATION TO KEENE ROAD
NICHOLASVILLE, KY

	<u>ESTIMATED HOURS</u>	<u>RATE PER HOUR</u>	<u>ESTIMATED COST</u>
DELTA 5-MAN CONSTRUCTION CREW	40	\$ 225.00	\$ 9,000.00
DELTA CORROSION TECHNICIAN	320	\$ 45.00	\$ 14,400.00
DELTA INSPECTOR	320	\$ 45.00	\$ 14,400.00
TOTAL COMPANY LABOR			\$ 37,800.00

DELTA NATURAL GAS CO. INC.
MATERIALS LIST SUMMARY
8" STEEL EXTENSION - COURCELLE STATION TO KEENE ROAD
NICHOLASVILLE, KY

<u>QTY</u>	<u>DESCRIPTION</u>	<u>COST</u>	<u>TOTAL COST</u>
8200	8" Steel Pipe .322 Thin-Film	\$ 21.84	\$ 179,088.00
2	8" 45° Elbow - Weld	\$ 80.04	\$ 160.08
2	8" X 6" Steel Reducer	\$ 57.42	\$ 114.84
3	8" 90° Elbow - Weld	\$ 122.65	\$ 367.95
2	6" Linestopper	\$ 853.82	\$ 1,707.64
TOTAL ESTIMATED MATERIALS COST			\$ 181,438.51

DELTA NATURAL GAS CO. INC.
ACCOUNTS PAYABLE SUMMARY
8" STEEL EXTENSION - COURCELLE STATION TO KEENE ROAD
NICHOLASVILLE, KY

<u>ITEM</u>	<u>QUANTITY</u>	<u>UNIT</u>	<u>UNIT COST</u>	<u>COST</u>
SAND	2000	TONS	\$ 17.00	\$ 34,000.00
STRAW	800	BAIL	\$ 4.00	\$ 3,200.00
GRASS SEED	200	LBS.	\$ 1.15	\$ 230.00
X-RAY 8" WELD	8200	FOOT	\$ 10.33	\$ 84,706.00
TOTAL ESTIMATED ACCOUNTS PAYABLE COST				\$ 122,136.00

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2. Refer to plans and specifications appended to Application (incorporated from Case No. 2021-00185 by reference).
 - a. Identify any alternative designs or material that could be used for the proposed project.
 - b. Provide the estimated costs and useful lives of alternative pipeline designs or materials identified in the response to 2(a) above.

Response:

a. The current Nicholasville pipeline system consists of predominately 6" and 8" steel pipe. There are however, certain segments of 3" and 4" steel within the city of Nicholasville. The pipeline supplying all gas to the system consists of 8" steel from Buckeye, Kentucky, north to the south side of Nicholasville. On peak day scenarios, the internal segment of 3" and 4" steel piping creates a bottleneck effect, thus reducing the pressure and volume delivery capabilities to the north side of Nicholasville. The construction of an additional 8" steel pipeline from the southeast side of Nicholasville, to the north side of the system will alleviate the pressure and volume concerns. The pipeline design from the southeast would require a minimum of 8" steel to provide adequate supply. The north side of Nicholasville currently contains 8" steel pipe making the additional 8" steel pipe supply ideal.

This system also contains a substantial amount of 6" steel that extends to the west from the south side of Nicholasville, providing supply to the city of Wilmore, Kentucky. An alternate design to approach Nicholasville from the west was seriously considered. The design consisted of 8" steel in order to provide ample supply. Given the 8" steel supply from the south, 8" steel piping in the north system, and 6" piping in the west, it was not considered prudent to install any additional piping less than 8" diameter. This design is supported by the fact that the current bottleneck consists of 3" and 4" piping. Delta considered piping of smaller diameter but concluded it was incapable of providing ample supply and pressure. This is based on actual operational experience as described in response to Question 1. Additionally, any type of piping other than steel is not practical or capable to perform to the capacity and reliability required.

b. For the reasons stated in response to 2(a) above, Delta has not calculated estimated costs or life calculations on other materials or designs.

Sponsoring Witness: Jonathan Morphew

**DELTA NATURAL GAS COMPANY, INC.
CASE NO. 2022-00085**

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DATED MAY 20, 2022**

3. Provide any company policies or regulatory compliance plans regarding redundancy requirements for gas transmission pipelines.

Response:

The mission of Delta's parent company, Essential Utilities, Inc. is "To sustain life and improve economic prosperity by safely and reliably delivering Earth's most essential resources to our customers and communities." Delta's highest priority is public safety and the safe operation of its facilities. Further underscoring this objective, the title of the Essential's 2021 Annual Report is "Reliable for Life." Essential strongly values reliability and believes the most significant reliability risk in its Kentucky operations results from its Nicholasville and Wilmore system of over 9,000 connections being served by a single feed.

Delta is not aware of any specific regulatory compliance plans regarding redundancy requirements for gas transmission pipelines. It is common practice for transmission lines spanning the country to be laid in parallel so that if a problem develops with one line, the other line is available to serve customers without interruption. The current purchase station located at Buckeye, Kentucky, was installed with this need for reliability in mind. Two interstate transmission lines are tapped at this location increasing reliability of supply to the purchase station and Delta's single pipeline to Nicholasville. This reliability is critical in the event either interstate pipeline should experience loss of supply. A second feed to the city of Nicholasville from a new location will give Jessamine County the same robust reliability in their gas supply, as currently experienced at the Buckeye purchase station. The proposed tap for this pipeline will be on a second interstate pipeline company. This will provide even greater reliability of supply as well as offering competitive rates on natural gas pricing.

Sponsoring Witness: Jonathan Morphew

DELTA NATURAL GAS COMPANY, INC.
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4. Refer to the Application, paragraph 8. Provide a list of entities from which permits need to be acquired and an estimated timeline of applying for and receiving these permits.

Response:

Delta has researched the required permitting for this project and has determined the need for authorization from the following entities: Kentucky Department of Transportation, Kentucky Division of Water, and the U.S. Army Corps of Engineers. Delta expects to obtain permits from these entities as follows:

- Kentucky Department of Transportation (“KYDOT”): Upon application, Delta expects to receive authorization to construct on KYDOT property within 4 to 6 weeks.
- Kentucky Division of Water: Delta will be crossing waterways under Kentucky Division of Water jurisdiction by means of horizontal directional drilling (“HDD”). The HDD process allows Delta to proceed under the blanket Nationwide No. 12 permit. This permit has already been obtained.
- U.S. Army Corps of Engineers (“US COE”): The US COE jurisdiction will be encountered when crossing the Kentucky River and Silver Creek. As with the Kentucky Division of Water, the HDD process will be utilized for constructing these crossings. The HDD process allows Delta to proceed under the blanket Nationwide No. 12 permit. This permit has already been obtained.

Sponsoring Witness: Jonathan Morphey

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5. Refer to the Direct Testimony of Jonathan Morpew (Morpew Direct Testimony), page 3, lines 6-8. Provide an annual number of customers in the Jessamine County/Nicholasville area for the last ten years.

Response:

The following chart provides the billed customers in the Nicholasville system and Delta's entire system as of January of each year. Since 2013, Delta's customers in the Nicholasville area have increased by approximately 15% and have outpaced the growth of the rest of the Delta retail system.

Year	Nicholasville Customers	Total Delta retail Customers
2013	8,001	36,012
2014	8,083	35,879
2015	8,200	35,904
2016	8,184	35,629
2017	8,329	36,030
2018	8,435	36,100
2019	8,572	36,152
2020	8,684	36,523
2021	8,865	36,760
2022	9,163	37,574

Sponsoring Witness: Jonathan Morpew

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6. Refer to the Morphey Direct Testimony, page 3, lines 10–11. For the past five years, provide the incidences of capacity constraints and bottleneck in Delta’s system and how the incident was resolved.

Response:

Prior to the situation experienced in 2014, as described in the response to Question 1(b), Delta experienced pressure and volume concerns. Prior to 2014, extreme cold weather events were anticipated and as a result of these observations supply pressures were increased on the system to accommodate additional volumes when needed. The 2014 situation proved that under these conditions the existing system was not capable to supply the existing or future load demand even when increasing supply pressures in anticipation of the load. An upgrade of certain facilities in the Nicholasville system allowed for additional pressure and volume. This upgrade provided a slight improvement in system operations. Since the upgrade, operations personnel continue to anticipate extreme cold conditions and closely monitor the system.

Additionally, the Nicholasville system has experienced a growth in customer base of approximately 15% in the past 10 years. This increase in growth results in an increased load usage as well. With a continual increase in load demand, the monitoring of pressures on the north side of the system remains a mandatory operation. Therefore, it remains uncertain that the current system can maintain supply in the event of another peak day and electric outage scenario like Delta experienced in 2014. Additional supply from an alternate location as Delta has proposed in its pipeline project will entirely alleviate this concern as well as the potential of complete loss of supply, while simultaneously ensuring public safety.

Sponsoring Witness: Jonathan Morphey

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7. Refer to the Morphew Direct Testimony, page 6, lines 9–10. Provide the forecast of customers and annual usage that Delta expects will tap onto the proposed transmission pipeline.

Response:

The purpose of the proposed transmission line is to enhance reliability to the existing Jessamine County and Fayette County customers through increased capacity and providing a second source of supply for these customers to mitigate against the harm that could result from a catastrophic failure on the sole source of supply.

Because this is a project designed to benefit current customers, Delta has not measured— or based the need for the project—on additional customers that will tap onto the proposed transmission line. Delta will permit customers to tap on to the line, however. As shown in the response to Item No. 5, growth in the Nicholasville portion of Delta’s system has significantly outpaced growth as compared to other portions of Delta’s system in recent years.

Based on information presented by the Jessamine County Economic Development Authority, population within the county is expected to grow 7% from 2020 to 2025.¹ Likewise, according to the Kentucky State Data Center, Jessamine County is expected to have the seventh greatest percentage increase in population in Kentucky from 2015 to 2040 at 40%.² For comparison, overall population growth in Kentucky is expected to be only 10% during this time frame, demonstrating that Jessamine County’s growth is anticipated to outpace growth in Kentucky by four-fold.³

Jessamine County:

	2010 Census	2015 Estimate	2020 Projection	2025 Projection	2030 Projection	2035 Projection	2040 Projection
Total Population	48,586	51,961	56,126	60,271	64,398	68,573	72,917
Population in Households	46,807	50,195	54,329	58,442	62,537	66,678	70,987
Population in Group Quarters	1,779	1,766	1,797	1,829	1,861	1,895	1,930
Total Households	17,642	19,397	21,424	23,421	25,445	27,503	29,603
Average Household Size	2.65	2.59	2.54	2.50	2.46	2.42	2.40

¹ The information is available at <https://jessamineeda.com/>.

² This information is available at <http://ksdc.louisville.edu/data-downloads/projections/>.

³ This information, including the tables, is available at <http://ksdc.louisville.edu/data-downloads/projections/>.

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Kentucky:

		2010	2015	2020	2025	2030	2035	2040
FIPS	Location	Census	Estimate	Projection	Projection	Projection	Projection	Projection
21	Kentucky	4,339,367	4,425,092	4,533,464	4,634,415	4,726,382	4,808,682	4,886,381

In addition to the population growth, infrastructure developments are also likely to increase the demand for natural gas. The Kentucky Transportation Cabinet has completed the first of three phases of the US 27 Eastern Bypass, which is sometimes called the East Nicholasville Bypass. There is economic development potential associated with the new roadway. A map of the project is available at <https://transportation.ky.gov/DistrictSeven/Pages/East-Nicholasville-Bypass.aspx>.

Sponsoring Witness: John B. Brown

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8. Refer to the Morphew Direct Testimony, Exhibit JM-2. Given the recent surge in inflation and supply chain issues, explain whether Delta anticipates a change to the proposed budget.

Response:

Since the original filing of this request, Delta has experienced an increase in materials cost and contractor pricing. Attached is an updated Exhibit JM-2, which reflects the increased costs.

Sponsoring Witness: Jonathan Morphew

DELTA NATURAL GAS CO. INC.
ESTIMATED PROJECT COST SUMMARY
2nd TRANSMISSION FEED - 8" STEEL
NICHOLASVILLE, KY

<u>ITEM</u>	<u>ESTIMATED COST</u>
CONTRACTOR COST (See Contractor Cost Summary)	\$ 6,674,257.80
ENGINEERING COST (See Engineering Services Cost Summary)	\$ 980,121.30
COMPANY PAYROLL (See Company Payroll Summary)	\$ 342,000.00
MATERIAL COST (See Materials List Summary)	\$ 3,651,853.55
ACCOUNTS PAYABLE (See Accounts Payable Summary)	\$ 4,244,441.32
<hr/> ESTIMATED SUB-TOTAL	<hr/> \$ 15,892,673.97
ESTIMATED OVERHEAD COST 32.85%	\$ 5,220,743.40
<hr/> TOTAL ESTIMATED PROJECT COST	<hr/> \$ 21,113,417.37

DELTA NATURAL GAS CO. INC.
CONTRACTOR COST
2nd TRANSMISSION FEED - 8" STEEL
NICHOLASVILLE, KY

	<u>ESTIMATED FOOTAGE</u>	<u>RATE PER FOOT</u>	<u>ESTIMATED COST</u>
CONSTRUCTION CONTRACTOR COST PER FOOT	87897	\$ 53.00	\$ 4,658,541.00
ROCK TRENCH INSTALLATION (APPROX. 30%)	26369	\$ 48.00	\$ 1,265,716.80
HDD KENTUCKY RIVER CROSSING	1	\$ 500,000.00	\$ 500,000.00
HDD SILVER CREEK CROSSING	1	\$ 250,000.00	\$ 250,000.00
TOTAL ESTIMATED CONTRACTOR INSTALLATION COST			\$ 6,674,257.80

DELTA NATURAL GAS CO. INC.
ENGINEERING SERVICES COST
2nd TRANSMISSION FEED - 8" STEEL
NICHOLASVILLE, KY

	<u>PROPOSAL</u>	<u>RATE</u>	<u>ESTIMATED</u>
	<u>ESTIMATE</u>	<u>PER PROJECT</u>	<u>COST</u>
ENGINEERING SERVICES	\$ 383,392.65	1	\$ 383,392.65
LAND & RIGHT OF WAY ACQUISITION SERVICES	\$ 500,975.50	1	\$ 500,975.50
SURVEY SERVICES	\$ 90,331.15	1	\$ 90,331.15
CONSTRUCTION SUPPORT SERVICES	\$ 5,422.00	1	\$ 5,422.00
TOTAL ESTIMATED ENGINEERING SERVICES COST			\$ 980,121.30

DELTA NATURAL GAS CO. INC.
COMPANY PAYROLL SUMMARY
2nd TRANSMISSION FEED - 8" STEEL
NICHOLASVILLE, KY

	ESTIMATED <u>HOURS</u>	RATE <u>PER HOUR</u>	ESTIMATED <u>COST</u>
DELTA 5-MAN CONSTRUCTION CREW	320	\$ 225.00	\$ 72,000.00
DELTA CORROSION TECH. (2)	2000	\$ 90.00	\$ 180,000.00
DELTA INSPECTOR	2000	\$ 45.00	\$ 90,000.00
TOTAL ESTIMATED COMPANY PAYROLL COST			\$ 342,000.00

DELTA NATURAL GAS CO. INC.
MATERIAL LIST SUMMARY
2nd TRANSMISSION FEED - 8" STEEL
NICHOLASVILLE, KY

<u>QTY</u>	<u>DESCRIPTION</u>	<u>COST</u>	<u>TOTAL COST</u>
87897	8" STEEL PIPE - 0.322 WALL - X52 - THIN FILM	\$ 37.26	\$ 3,275,042.22
26369	ROCKSHIELD	\$ 0.41	\$ 10,811.33
1	METER SKID AND RTU BUILDING FOR INTERCONNECT	\$ 200,000.00	\$ 200,000.00
1	INDIRECT-FIRED WATER BATH HEATER	\$ 80,000.00	\$ 80,000.00
1	ODORIZATION EQUIPMENT	\$ 56,000.00	\$ 56,000.00
1	INTERCONNECT REGULATOR STATION	\$ 15,000.00	\$ 15,000.00
1	TOWN BORDER STATION	\$ 15,000.00	\$ 15,000.00
TOTAL ESTIMATED MATERIALS COST			\$ 3,651,853.55

DELTA NATURAL GAS CO. INC.
ACCOUNTS PAYABLE COST SUMMARY
2nd TRANSMISSION FEED - 8" STEEL
NICHOLASVILLE, KY

<u>ITEM</u>	<u>QUANTITY</u>	<u>UNIT</u>	<u>UNIT COST</u>	<u>COST</u>
SAND (PAD 30%)	9000	TONS	\$ 10.00	\$ 90,000.00
GRAVEL (10%)	4000	TONS	\$ 10.00	\$ 40,000.00
STRAW	17579.4	BALE	\$ 7.00	\$ 123,055.80
GRASS SEED	87897	LBS.	\$ 1.15	\$ 101,081.55
X-RAY 8" WELD	87897	FOOT	\$ 10.33	\$ 907,976.01
PIPELINE EASEMENT	87897	FOOT	\$ 14.68	\$ 1,290,327.96
ENBRIDGE INTERCONNECT TAP FEE	1	EA	\$ 1,677,000.00	\$ 1,677,000.00
PURCHASE STATION LOT (LAND)	1	LOT	\$ 10,000.00	\$ 10,000.00
TOWN BORDER STATION LOT (LAND)	1	LOT	\$ 5,000.00	\$ 5,000.00
TOTAL ESTIMATED ACCOUNTS PAYABLE COST				\$ 4,244,441.32

**DELTA NATURAL GAS COMPANY, INC.
CASE NO. 2022-00085**

**FIRST PSC DATA REQUEST
DATED MAY 20, 2022**

9. Provide all studies Delta performed supporting the proposed project, including any cost-benefit analysis of the new pipeline.

Response:

Delta has not performed any studies other than the information presented in this proceeding, including the information presented in Case No. 2021-00185 that has been incorporated by reference. Regarding cost-benefit analyses, please see the response to Item No. 7, which explains that because the project is principally needed to enhance reliability for current customers, there is no specific amount of forecast growth on which Delta has performed a cost-benefit analysis. The key benefit is avoiding the wide-ranging harm that would result from a catastrophic failure of the system's single source of supply.

Sponsoring Witness: Jonathan Morpew

**DELTA NATURAL GAS COMPANY, INC.
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10. Provide specific examples of any safety issues, operational situations involving lack of redundancy availability, or capacity (low pressure) incidents that have factored into the need for the proposed project.

Response:

See the responses to Questions 1(b), 2(a), 3, and 6.

Sponsoring Witness: Johnathan Morpew

DELTA NATURAL GAS COMPANY, INC.
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DATED MAY 20, 2022

11. Refer to 2021-00185 Morphew Testimony, page 5, line 10, Delta's response to Commission Staff's Second Request for Information (Staff's Second Request), Item 18; Delta's response to Commission Staff's Third Request for Information, Item 9:

a. Provide any communications (written or oral) with both Columbia Gas of Kentucky, Inc. (Columbia Kentucky) and Louisville Gas and Electric Company (LG&E) concerning Delta's attempts to negotiate a tap into their pipelines which would have eliminated the need to construct the pipeline requested in this case.

b. State whether Delta has made any subsequent attempts to contact either Columbia Kentucky since February 2021 or LG&E since April 2021, to ask for reconsideration of Delta's proposal to tap into their pipelines, given that it has been over one year since such proposals were declined.

Response:

a. Attached are Delta's email communications with Columbia Kentucky and LG&E concerning Delta's attempts to negotiate a tap into their pipelines. Also attached are internal communications discussing the specifics of a potential connection with Columbia Kentucky. Delta had numerous phone calls with Columbia Kentucky regarding the proposed tap, but Delta does not have records of the dates or times of those calls. Delta has records of the following meetings with Columbia representatives:

- August 10, 2018: Jonathan Morphew met with two representatives from Columbia (Gary Sullivan and Tony Tipton)
- February 19, 2019: John Brown met with one representative from Columbia (Tyler Burke)

b. Delta reached out to Columbia Kentucky and LG&E after receiving these data requests to ask if the companies had changed their position. Both indicated that their positions on the issue had not changed.

Sponsoring Witness: Jonathan Morphew and John B. Brown

From: tburke@nisource.com
Sent: Tuesday, February 2, 2021 2:15 PM
To: John Brown
Subject: CKY / Delta Gas Project

*** Exercise caution. This is an EXTERNAL email. DO NOT open attachments or click links from unknown senders or unexpected email. ***

Hi John:

I am reaching out to provide a project update and ultimately CKY's decision to not move forward with this project.

To recap, the main focus until recently has been on capacity and the impacts this project would have on our existing customers and future growth opportunities. As described in prior communication, our capacity is very limited, especially during the winter season. As a result, this project would limit our abilities from a capacity perspective to an interruptible, emergency feed only.

Our focus over the past few weeks has shifted to engineering design. We have made some progress on this front and the station design is proving to be very intricate. This is stemming from several things, including but not limited to: Delta's MAOP being in excess of ours, the need for flow/pressure control equipment, SCADA monitoring and remote capabilities (RTU), filter separators, etc.

The associated O&M, required resources, and limited system capacity have led us to the decision to not move forward with this.

I realize this is not what you or your team want to hear, but I can say with confidence that we have thoroughly vetted out this opportunity.

Thanks,
Tyler Burke
Major Accounts and Economic Development Manager
Columbia Gas of Kentucky
Cell: (859) 940-6218
tburke@nisource.com

From: tburke@nisource.com
Sent: Friday, January 8, 2021 2:15 PM
To: John Brown
Subject: Columbia Gas of KY - Service to Delta

*** Exercise caution. This is an EXTERNAL email. DO NOT open attachments or click links from unknown senders or unexpected email. ***

Hi John:

Hope you and your family had a great Christmas and New Year.

Circling back to the project we've been discussing, I know we've kicked around a few different potential options, but I want to provide you some more concrete guidance now that the appropriate folks have had an opportunity to commit some time to do this. A high level summary of our recommended approach is laid out below.

After completing a thorough system capacity review, along with identifying upcoming and prospective growth projects, the following parameters have been established to ensure CKY's ability to meet customers'/market commitments now and in the future while also providing Delta an interruptible emergency feed.

- CKY to design a station that would feed into Delta's system during emergency situations (e.g. if Delta's system pressure drops to ___ PSIG (Delta to provide this) the CKY system would feed in
- Location: Near intersection of Nicholasville Rd and Man O' War
- The maximum flow rate would be 50 MCFH
- If CKY's system (inlet side of the station) drops below 110 PSIG (this occurs at roughly -5F) the station would shut in
- Since gas would only feed in during an emergency situation, which I imagine would be rare, the applicable rate schedule would likely be the IUS (GCA rate + \$567.40 monthly customer charge + applicable riders and taxes)
- Delta would pay/reimburse CKY for 100% of the project costs

If Delta would like to further pursue this arrangement, I will move forward with having engineering finalize the design and budgetary cost estimate.

NOTE: Nothing in this email shall be considered binding upon either party and only represents preliminary discussions and negotiations.

Thanks,
Tyler Burke
Major Accounts and Economic Development Manager
Columbia Gas of Kentucky
Cell: (859) 940-6218
tburke@nisource.com

From: John Brown <JBROWN@DeltaGas.com>
Sent: Wednesday, August 12, 2020 4:32 PM
To: Jonathan Morpew <JMORPHEW@DeltaGas.com>
Subject: RE: Columbia Station - Nicholasville Distribution

Jonathan,

Tyler Burke (Nisource/Columbia Kentucky) and I are meeting Tuesday night to discuss why they ended up deciding they are not interested in us tapping their line south of Lexington and us purchasing or transporting gas from them.

The email below is the last thing I could find on the matter. I know subsequent to this conversation, your contact there told you no.

Would you please remind me the name of the person you talked to? Also, did they give you anything via email or was it all verbal?

Thanks

John

From: Jonathan Morpew <JMORPHEW@DeltaGas.com>
Sent: Friday, February 22, 2019 8:49 PM
To: Don Cartwright <DCARTWRIGHT@DeltaGas.com>; Jeff Steele <JSTEELE@DeltaGas.com>; John Brown <JBROWN@DeltaGas.com>
Cc: Jonathan Morpew <JMORPHEW@DeltaGas.com>
Subject: RE: Columbia Station - Nicholasville Distribution

Don, not a problem, I wasn't needing anything. Just an fyi.

All,

Good news. I learned this afternoon, that Columbia can supply **100 mcfh**, at **100 psi** on a **peak day**. That is MOST encouraging. I wasn't expecting to get that kind of news! Now Engineering can move forward with modeling. I look forward to the results. I think 100,000 cfh will go a long way toward supplying Nicholasville in the event of an crisis. I will advise as we learn more.

Jonathan

From: Don Cartwright
Sent: Friday, February 22, 2019 8:39 PM
To: Jonathan Morpew

Cc: Jeff Steele; John Brown

Subject: Re: Columbia Station - Nicholasville Distribution

Sure, we can talk volumes on Monday.
Sorry in replying so late, been a long day.

Sent from my iPhone

On Feb 22, 2019, at 4:47 PM, Jonathan Morphew <JMORPHEW@deltagas.com> wrote:

<image002.gif>

You are correct as I understand it. We don't need any "turf wars" here! Ha!

From: Jeff Steele

Sent: Friday, February 22, 2019 4:01 PM

To: Jonathan Morphew; Don Cartwright

Cc: John Brown

Subject: RE: Columbia Station - Nicholasville Distribution

Jon,

I think this is a really good route and would tie in directly to our steel line that terminates at the Jessamine and Fayette County border.

Columbia not long after we did the South Point project extended plastic down Hwy 27 to the Fayette County line to serve what was then Hillenmeyer's and to cover the brown field area which is zoned commercial and belonged to Lexington Developer Frank Standafer. This would be paralleling their plastic distribution to the best of my memory.

They did this to block us from going down Waveland Museum Lane and serving the Standafer project.

Looks good the location and route.

Sincerely,

Jeff Steele

Jeffrey C. Steele

Director – Administrative Services
Delta Natural Gas Company, Inc.
3617 Lexington Road
Winchester, Ky. 40391

Office: 1-800-262-2012 Ext: 1141

Cell: 1-859-749-0097

Fax: 1-859-745-0976

jsteele@deltagas.com

<image003.gif>

From: Jonathan Morphew

Sent: Friday, February 22, 2019 2:16 PM

To: Don Cartwright; Jeff Steele

Cc: John Brown; Jonathan Morphew

Subject: RE: Columbia Station - Nicholasville Distribution

Don & Jeff,

See attached. Here is a real rough draft of the project mentioned below.

Further conversation with Columbia today has indicated that the project may have come to life again. Thanks be given to John's interaction with Tyler Burke. Tyler has looked into this since his conversation with John and it looks like more discussions are coming in the very near future hopefully.

Don, we can talk flows if necessary Monday morning. They are going to provide us with a maximum volume number that they feel they can supply in the event that we have an unfortunate incident (well above the 25,000 mcf/yr). That number will be used for modeling in Engineering.

Jonathan

From: John Brown

Sent: Friday, February 22, 2019 10:27 AM

To: Jonathan Morphew

Cc: Don Cartwright

Subject: RE: Columbia Station - Nicholasville Distribution

Please show Don and Jeff your site location before talking to Columbia. I think its important we all be on the same page.

I don't think modeling 25,000 mcf a year would answer my question. To me, you would want to model the maximum that Columbia could give us at that point in an emergency situation. What I'd like to know if we do this, and we lose the river crossing, how many of our 8,600 customers would we likely be able to keep on in the summer vs. the winter.

JB

From: Jonathan Morphew
Sent: Friday, February 22, 2019 10:11 AM
To: John Brown <JBROWN@DeltaGas.com>
Cc: Jonathan Morphew <JMORPHEW@DeltaGas.com>; Don Cartwright <DCARTWRIGHT@DeltaGas.com>
Subject: RE: Columbia Station - Nicholasville Distribution

John,

I have visited the site more than once and we have had a particular site chosen for some time. It will require a mile of piping, preferably 6" or 8" steel and the station. Assuming we can get a station lot from the property owner, the job does not appear to be complicated at all. Expensive but not complicated. I anticipate Columbia's design requirements being the biggest complication.

I will run the 25,000mcf/yr volumes through Engineering to see what impact it might have on Nicholasville operations. We'll probably need to do a little modeling to get a better feel for it. I want to know what assistance 25,000mcf/yr can do for us, coming from the north.

Thanks for your involvement. I hope to be able to update on the matter soon.

Jonathan

From: John Brown
Sent: Tuesday, February 19, 2019 1:58 PM
To: Don Cartwright; Jonathan Morphew
Subject: Columbia

I had lunch with Tyler Burke from Columbia today asking him what would be involved if we wanted to tap their system..

He said their transportation tariff would be a minimum of 25,000 Mcf per year; \$2,000 monthly customer fee and 0.65 per mcf transportation rate.

He also is checking to see if there would be a less expensive option for us.

Would you both look at it and decide where is best to connect to Columbia, assuming we can work something out?

Thanks

JB

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From: John Brown <JBROWN@DeltaGas.com>
Sent: Tuesday, February 19, 2019 1:58 PM
To: Don Cartwright; Jonathan Morpew
Subject: Columbia

I had lunch with Tyler Burke from Columbia today asking him what would be involved if we wanted to tap their system..

He said their transportation tariff would be a minimum of 25,000 Mcf per year; \$2,000 monthly customer fee and 0.65 per mcf transportation rate.

He also is checking to see if there would be a less expensive option for us.

Would you both look at it and decide where is best to connect to Columbia, assuming we can work something out?

Thanks

JB

From: gsulli1@nisource.com <gsulli1@nisource.com>
Sent: Monday, April 22, 2019 5:36 PM
To: Jonathan Morpew <JMORPHEW@DeltaGas.com>
Subject: RE: Delta - Columbia Transfer Station

*** Exercise caution. This is an EXTERNAL email. DO NOT open attachments or click links from unknown senders or unexpected email. ***
That is correct.

Gary Sullivan, PE
Manager, Field Engineering | Columbia Gas of Kentucky
Office 859-288-0225 | Mobile 859-321-7377 | gsulli1@nisource.com

From: Jonathan Morpew <JMORPHEW@DeltaGas.com>
To: "gsulli1@nisource.com" <gsulli1@nisource.com>,
Cc: Jonathan Morpew <JMORPHEW@DeltaGas.com>
Date: 04/22/2019 02:44 PM
Subject: RE: Delta - Columbia Transfer Station

Gary,

I feel the need to clarify our discussion as I will need to give a report on this potential project. Are you saying that Columbia is not willing to proceed with a purchase/sales station with Delta (only for emergency situations), as previously discussed?

Jonathan

From: gsulli1@nisource.com [<mailto:gsulli1@nisource.com>]
Sent: Monday, April 22, 2019 12:54 PM
To: Jonathan Morpew
Subject: RE: Delta - Columbia Transfer Station

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Jonathan,

I have checked with our Gas Systems Planning, New Business, Major Accounts Manager, and Economic Development personnel, and with the planned load additions and speculative growth projects that we have planned to be served downstream of that line, it's our collective opinion that we need that line to supply our immediate and near future needs. I wish I had a better answer for you. I understand how important redundancy is.

Gary Sullivan, PE
Manager, Field Engineering | Columbia Gas of Kentucky
Office 859-288-0225 | Mobile 859-321-7377 | gsulli1@nisource.com

From: Jonathan Morpew <JMORPHEW@DeltaGas.com>
To: "gsulli1@nisource.com" <gsulli1@nisource.com>,
Cc: Jonathan Morpew <JMORPHEW@DeltaGas.com>
Date: 04/22/2019 11:01 AM
Subject: RE: Delta - Columbia Transfer Station

Hello Gary!

Just checking in to see what developments there may be on this project. I am looking forward to moving forward with a connecting station. Do you have any updates? Is there anything that I can be doing to help expedite the process?

Thanks,
Jonathan

From: gsulli1@nisource.com [<mailto:gsulli1@nisource.com>]
Sent: Friday, February 22, 2019 3:30 PM
To: Jonathan Morpew
Subject: RE: Delta - Columbia Transfer Station

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Jonathan,

I went on and ran our model for the delivery point we're talking about near Nicholasville Road and Man-o-War, and I'd be okay with 100 mcfh. I do have to run that through our Gas Systems Planning Department though. I'll do that this afternoon. Also, I was mistaken what system we'd come off of. We'll come off our 160 psig system. I estimate we'd have around 100 psig at that location on peak day and much higher than that when it's warmer.

I also have a meeting scheduled with Judy Cooper and Tyler on March 1st to discuss options. I'll stay in touch. Thanks.

Gary Sullivan, PE
Manager, Field Engineering | Columbia Gas of Kentucky
Office 859-288-0225 | Mobile 859-321-7377 | gsulli1@nisource.com

From: Jonathan Morpew <JMORPHEW@DeltaGas.com>
To: "gsulli1@nisource.com" <gsulli1@nisource.com>,
Cc: Jonathan Morpew <JMORPHEW@DeltaGas.com>
Date: 02/22/2019 11:40 AM
Subject: RE: Delta - Columbia Transfer Station

Hello Gary,

I would like to speak with you regarding our previous discussions on the proposed interconnect station near Hwy 27 and Man of War, in Fayette, County. We continue to have a focused interest in pursuing this project. I left you a message earlier today. Could you please give me a call at your earliest convenience?

Thanks,
Jonathan

From: Jonathan Morpew
Sent: Sunday, December 9, 2018 4:09 PM
To: gsulli1@nisource.com
Cc: Tony Tipton
Subject: Re: Delta - Columbia Transfer Station

Hello Guys!

I hope all has been well with you as of late. Just wondering if there has been any discussions/movement on our proposed transfer station project in Nicholasville, that we discussed back in August. We are still very interested in the possibility of conducting a bi-directional flow agreement/station with Columbia at that location.

I don't give up easy!

Thanks!
Jonathan

On Aug 12, 2018, at 10:04, "gsulli1@nisource.com" <gsulli1@nisource.com> wrote:
*** Exercise caution. This is an EXTERNAL email. DO NOT open attachments or click links from unknown senders or unexpected email. ***
Jonathan,

It was really good talking with you Friday. When we get the load information, I'll engage the people on our side that we need to and let you know next steps. Thanks!

Gary Sullivan, PE
Manager, Field Engineering | Columbia Gas of Kentucky
Office 859-288-0225 | Mobile 859-321-7377 | gsulli1@nisource.com

From: Jonathan Morpew <JMORPHEW@DeltaGas.com>
To: "tipton@nisource.com" <tipton@nisource.com>, "Gary Sullivan (E-mail) (gsulli1@nisource.com)" <gsulli1@nisource.com>,
Date: 08/10/2018 05:33 PM
Subject: Delta - Columbia Transfer Station

USE CAUTION: This email was sent from an external source. Think before you click links or open attachments. If suspicious, please forward to security@nisource.com for review.

Gary/Tony,

It was good to see you guys today. Thanks for all the info exchange and for hearing out my dream of a transfer station.

Gary, I will be providing you with a peak load in the near future.

Tony, any right of way contracting that you can forward my direction is appreciated.

Thanks again for your time,

Jonathan Morphey

Vice President - Operations

Delta Natural Gas Co., Inc.

3617 Lexington Rd

Winchester, KY 40391

859.744.6171 x 1123

859.749.3757 cell

Jmorphey@deltagas.com

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<http://www.deltagas.com/governance> to view copies of both our Employee Business Code of Conduct and Ethics and our Vendor Code of Conduct and Ethics.

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From: John Brown <JBROWN@DeltaGas.com>
Sent: Thursday, October 8, 2020 9:46 AM
To: Jonathan Morpew <JMORPHEW@DeltaGas.com>; Don Cartwright <DCARTWRIGHT@DeltaGas.com>; Jeff Steele <JSTEELE@DeltaGas.com>
Subject: RE: Delta tap

An option, but they reiterated to me recently they have no interest in that!

Even with that being said, perhaps we should design our side with that in mind.

JB

From: Jonathan Morpew <JMORPHEW@DeltaGas.com>
Sent: Thursday, October 8, 2020 9:40 AM
To: John Brown <JBROWN@DeltaGas.com>; Don Cartwright <DCARTWRIGHT@DeltaGas.com>; Jeff Steele <JSTEELE@DeltaGas.com>
Subject: RE: Delta tap

All;

If the opportunity presents itself, let's keep in mind that we can design the station bi-directional in order to supply Columbia, should their supply suffer a catastrophic incident. I realize that they have not really acknowledged interest in us doing so but if it helps move the project along, it's still an option.

Jonathan

From: John Brown <JBROWN@DeltaGas.com>
Sent: Wednesday, October 7, 2020 5:26 PM
To: tburke@nisource.com
Cc: Jonathan Morpew <JMORPHEW@DeltaGas.com>; Don Cartwright <DCARTWRIGHT@DeltaGas.com>; Jeff Steele <JSTEELE@DeltaGas.com>
Subject: Delta tap

Tyler,

Delta wants to proceed with becoming a transportation customer of Columbia in Southern Fayette County, as we have discussed. We understand the requirements of the Delivery Service (DS) tariff and know that we will need to install our own flow control system in order to for us to adhere to the daily nomination process as set forth in the tariff. The amount of gas we nominate will largely depend on how the delivered price compares with our current supply, but in no case would we take less than the 25,000 Mcf annual minimum requirement for the DS tariff. We will want the facilities constructed, though, to accommodate maximum flow in the event of a catastrophic failure of our supply south of Nicholasville.

Our new pipeline would cross the UK Horticulture Research Farm (South Farm); 4321 Emmert Farm Lane, at the intersection of Man O' War Boulevard and Nicholasville Road (US 27), a potential Columbia

customer. In no way do we intend to interfere with Columbia's growth plans with respect to that property as it develops and thus are willing to indicate such in the transportation agreement.

Thank you for your assistance in getting us to this point. Please let me know how we can get the ball rolling on this project.

John Brown, President
Delta Natural Gas Company, Inc.

UK Horticulture Research Farm (South Farm) 4321 Emmert Farm Lane, intersection of Man O' War Boulevard and Nicholasville Road (US 27)

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From: John Brown <JBROWN@DeltaGas.com>
Sent: Wednesday, October 7, 2020 5:26 PM
To: tburke@nisource.com
Cc: Jonathan Morpew <JMORPHEW@DeltaGas.com>; Don Cartwright <DCARTWRIGHT@DeltaGas.com>; Jeff Steele <JSTEELE@DeltaGas.com>
Subject: Delta tap

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Thank you for your assistance in getting us to this point. Please let me know how we can get the ball rolling on this project.

John Brown, President
Delta Natural Gas Company, Inc.

[UK Horticulture Research Farm \(South Farm\) 4321 Emmert Farm Lane, intersection of Man O' War Boulevard and Nicholasville Road \(US 27\)](#)

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From: Jonathan Morphey <JMORPHEW@DeltaGas.com>
Sent: Wednesday, January 13, 2021 3:11 PM
To: John Brown
Subject: FW: Columbia Gas of KY - Service to Delta

FYI

From: Jonathan Morphey
Sent: Wednesday, January 13, 2021 1:40 PM
To: 'tburke@nisource.com' <tburke@nisource.com>
Subject: RE: Columbia Gas of KY - Service to Delta

Tyler,
This is great news to us.

The Columbia station will be feeding into Delta's 8" steel line that has an maop of 175 psi. In the event of a catastrophic failure on our system, we could easily utilize four times the amount suggested (200 mcfh). Clearly an 8" steel line with 175 psig will do much more than 200mcfh. We would love to have all that Columbia is willing to supply in an emergency situation. If needed, I can provide a total peak load need for the City of Nicholasville but that will be substantially higher than 200 mcfh.

Does this answer your question?

Thanks,
Jonathan

From: tburke@nisource.com <tburke@nisource.com>
Sent: Wednesday, January 13, 2021 11:51 AM
To: Jonathan Morphey <JMORPHEW@DeltaGas.com>
Subject: Fw: Columbia Gas of KY - Service to Delta

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FYI - The 50 MCFH hour is what we can support during a peak design day (~-18F), **however, we can support substantially more than that during warm periods of time.**

With that in mind, I'd like to know what your market capacity is (i.e. MCF per hour) that we would be feeding into?

Thanks,
Tyler Burke
Major Accounts and Economic Development Manager
Columbia Gas of Kentucky
Cell: (859) 940-6218

----- Forwarded by Tyler Burke/COH/Enterprise on 01/13/2021 11:47 AM -----

From: John Brown <JBROWN@DeltaGas.com>
To: "tburke@nisource.com" <tburke@nisource.com>,
Cc: Jonathan Morpew <JMORPHEW@DeltaGas.com>
Date: 01/13/2021 09:15 AM
Subject: RE: Columbia Gas of KY - Service to Delta

Thanks, Tyler for following up.

After some internal debate, we have decided that we would need for Columbia's station to start delivering gas when our pipeline reaches 60 psig.

So, the updated bullet looks like this:

- CKY to design a station that would feed into Delta's system during emergency situations (e.g. if Delta's system pressure drops to 60 PSIG the CKY system would feed in)

JB

From: tburke@nisource.com <tburke@nisource.com>
Sent: Tuesday, January 12, 2021 1:08 PM
To: John Brown <JBROWN@DeltaGas.com>
Cc: Jonathan Morpew <JMORPHEW@DeltaGas.com>
Subject: Re: Columbia Gas of KY - Service to Delta

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Sounds great, John!

If you look back to the email I sent (bottom of this email chain) there's a blank I left in the first bullet point pertaining to the Delta system pressure that would signal an emergency situation. Can you guys fill that in for me?

Thanks,

Tyler Burke

Major Accounts and Economic Development Manager

Columbia Gas of Kentucky

Office: [\(859\) 288-6309](tel:(859)288-6309)

Cell: [\(859\) 940-6218](tel:(859)940-6218)

Fax: [\(859\) 288-0258](tel:(859)288-0258)

tburke@nisource.com

On Jan 12, 2021, at 11:56 AM, John Brown <JBROWN@deltagas.com> wrote:

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Tyler,

Thanks for moving things along to this point. We believe your recommended approach would enable us to keep a significant number of our customers in service during a gas supply emergency situation, particularly if it occurs in the construction season, when we think we are more likely to experience a dig in, etc.

The only addition we would suggest to the approach would be to anticipate the periodic testing of the interruptible emergency feed, perhaps a minimum of annually.

We look forward to receiving from you the budgetary cost estimate and a preliminary timeline so we can review this project together with our other capital plans. We reconfirm our understanding that we would pay/reimburse CKY for 100% of the project costs, but request that as you design and estimate the project, to assume that we would like to construct as much of the tie in as possible in order to keep our costs down.

John

From: tburke@nisource.com <tburke@nisource.com>
Sent: Friday, January 8, 2021 2:15 PM
To: John Brown <JBROWN@DeltaGas.com>
Subject: Columbia Gas of KY - Service to Delta

*** Exercise caution. This is an EXTERNAL email. DO NOT open attachments or click links from unknown senders or unexpected email. ***

Hi John:

Hope you and your family had a great Christmas and New Year.

Circling back to the project we've been discussing, I know we've kicked around a few different potential options, but I want to provide you some more concrete guidance now that the appropriate folks have had an opportunity to commit some time to do this. A high level summary of our recommended approach is laid out below.

After completing a thorough system capacity review, along with identifying upcoming and prospective growth projects, the following parameters have been established to ensure CKY's ability to meet customers'/market commitments now and in the future while also providing Delta an interruptible emergency feed.

- CKY to design a station that would feed into Delta's system during emergency situations (e.g. if Delta's system pressure drops to ___ PSIG (Delta to provide this) the CKY system would feed in
- Location: Near intersection of Nicholasville Rd and Man O' War
- The maximum flow rate would be 50 MCFH
- If CKY's system (inlet side of the station) drops below 110 PSIG (this occurs at roughly -5F) the station would shut in
- Since gas would only feed in during an emergency situation, which I imagine would be rare, the applicable rate schedule would likely be the IUS (GCA rate + \$567.40 monthly customer charge + applicable riders and taxes)
- Delta would pay/reimburse CKY for 100% of the project costs

If Delta would like to further pursue this arrangement, I will move forward with having engineering finalize the design and budgetary cost estimate.

NOTE: Nothing in this email shall be considered binding upon either party and only represents preliminary discussions

and negotiations.

Thanks,
Tyler Burke
Major Accounts and Economic Development Manager
Columbia Gas of Kentucky
Cell: (859) 940-6218
tburke@nisource.com

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From: John Brown <JBROWN@DeltaGas.com>
Sent: Friday, November 20, 2020 7:40 AM
To: Jonathan Morphew; Robert Nellipowitz; Craig Mitchell
Subject: FW: Update

As an update, I'm sharing this stream of emails yesterday. I thought Tyler's description of where the project stands was helpful.

As far as Mike's questions, I think I did a decent job of answering, other than MAOP. Robert, do we yet know the MAOP of Columbia where the tap will be?

Also, let me know if you think there are other things we should mention to Mike at this point.

Thanks

JB

From: Huwar, Michael
Sent: Thursday, November 19, 2020 7:52 PM
To: John Brown
Cc: Fox, Richard S
Subject: Re: Update

Thanks John. Good plan.

Mike

Sent from my iPhone

On Nov 19, 2020, at 5:32 PM, John Brown <JBROWN@deltagas.com> wrote:

While we thought that initially made the most sense, Columbia has no interest in this being an "exchange" station.

Therefore, we are simply asking to be an off-system transportation customer under their standard tariff. We will transport the minimum amount of gas annually unless we have an emergency, and then we would be able to nominate larger volumes.

Columbia will have a meter and we will be responsible for all regulation and flow to protect our system. We have already discussed that even though Columbia says they would never need our help, we may go ahead and design our end to make it easy to flow both ways in the event they have a problem if it doesn't add a lot to the cost of the project.

I'll get engineering to weigh in on the MAOP of the pipes in each system and share designs once we get to that point.

Thanks!

JB

From: Huwar, Michael <Michael.Huwar@peoples-gas.com>
Sent: Thursday, November 19, 2020 4:57 PM
To: John Brown <JBROWN@DeltaGas.com>
Cc: Fox, Richard S <RSFox@essential.co>
Subject: RE: Update

Yes, this is consistent with their process.

Sorry, have we agreed this will be an “exchange” station from Columbia to Delta?
Is regulation (over pressure protection) required to protect the downstream assets?
Are the MAOP’s equal between the two systems?

Peoples have multiple exchange agreements prior to shale development. Can we connect our engineering departments to look at design?

Mike

From: John Brown <JBROWN@DeltaGas.com>
Sent: Thursday, November 19, 2020 4:49 PM
To: Huwar, Michael <Michael.Huwar@peoples-gas.com>
Cc: Fox, Richard S <RSFox@essential.co>
Subject: FW: Update

Mike,

With your knowledge of Columbia, does this seem like we are still on track based on Tyler’s summary of the status (below)?

I’ve had two in person meetings with Tyler over the last several weeks plus lots of texts and emails and he has continued to assure me they are moving through the process, but it just takes a long time for them in this environment.

If they are going to do it, we are not in any huge hurry since this wouldn’t be a big project, it wouldn’t require a certificate from the PSC and we could knock it out fairly quickly and inexpensively.

The problem comes if they deny us for some reason, we will have wasted all these months getting started on the big project of getting a certificate to build all the way to the interstate pipeline.

JB

From: tburke@nisource.com <tburke@nisource.com>
Sent: Thursday, November 19, 2020 4:14 PM

To: John Brown <JBROWN@DeltaGas.com>

Subject: RE: Update

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Yes sir. We had a great trip (lot's of gluttonous eating). Thanks for the recommendations!

I apologize for the lack of progress on the project. It has been incredibly hard to get traction. I continue to push, but it's been really difficult. I checked with our engineer yesterday for a progress update on the suggested design. This seems like it would be relatively simple (and it should).

If this project comes to fruition, there's still a lot of hoops to jump through. Here's some of the primary things:

- Preliminary design (in the works)
- Design approval
- Develop & present business case internally (ball comes back into my court at this point)
- Seek project approval
- If I can get to this point, we can start working on the agreement between CKY / Delta

There's so many irons in the fire right now, coupled with an incredible amount of transitions (employees taking severance packages, etc.), that it's more difficult than ever to get things done.

Thanks,
Tyler Burke
Major Accounts and Economic Development Manager
Columbia Gas of Kentucky
Cell: (859) 940-6218
tburke@nisource.com

From: John Brown <JBROWN@DeltaGas.com>
To: "tburke@nisource.com" <tburke@nisource.com>,
Date: 11/19/2020 03:30 PM
Subject: RE: Update

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Make it back from TN?

JB

From: John Brown
Sent: Tuesday, November 10, 2020 11:27 AM
To: tburke@nisource.com
Subject: Update

Tyler,

I hope all is well with you. Checking in on our project status.

John

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From: John Brown <JBROWN@DeltaGas.com>
Sent: Wednesday, October 7, 2020 5:26 PM
To: tburke@nisource.com
Cc: Jonathan Morpew <JMORPHEW@DeltaGas.com>; Don Cartwright <DCARTWRIGHT@DeltaGas.com>; Jeff Steele <JSTEELE@DeltaGas.com>
Subject: Delta tap

Tyler,

Delta wants to proceed with becoming a transportation customer of Columbia in Southern Fayette County, as we have discussed. We understand the requirements of the Delivery Service (DS) tariff and know that we will need to install our own flow control system in order to for us to adhere to the daily nomination process as set forth in the tariff. The amount of gas we nominate will largely depend on how the delivered price compares with our current supply, but in no case would we take less than the 25,000 Mcf annual minimum requirement for the DS tariff. We will want the facilities constructed, though, to accommodate maximum flow in the event of a catastrophic failure of our supply south of Nicholasville.

Our new pipeline would cross the UK Horticulture Research Farm (South Farm); 4321 Emmert Farm Lane, at the intersection of Man O' War Boulevard and Nicholasville Road (US 27), a potential Columbia customer. In no way do we intend to interfere with Columbia's growth plans with respect to that property as it develops and thus are willing to indicate such in the transportation agreement.

Thank you for your assistance in getting us to this point. Please let me know how we can get the ball rolling on this project.

John Brown, President
Delta Natural Gas Company, Inc.

[UK Horticulture Research Farm \(South Farm\) 4321 Emmert Farm Lane, intersection of Man O' War Boulevard and Nicholasville Road \(US 27\)](#)

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From: Craig Mitchell <CMITCHELL@DeltaGas.com>
Sent: Monday, February 25, 2019 1:09 PM
To: Jonathan Morpew <JMORPHEW@DeltaGas.com>
Cc: Robert Nellipowitz <rnellipowitz@DeltaGas.com>
Subject: RE: Columbia Station - Nicholasville

Hey Jon,

I took a look at the benefits of having 100 MCFH available on a peak day if needed for a line break. I started with the biggest Nicholasville peak day to date. In January 2014, Nicholasville had a recorded peak day of 12,049 MCFD. When I divide that by 20 to obtain a peak hour load I get 602.45 MCFH. I spoke to Lawrence and he says that he currently has about 1,200 customers in Southpoint and along Brannon Rd. and he expects to add another 650 within the next five years. I also took a look at the total number of LVM's that were AL-800's or larger along Brannon Rd. and determined that we currently have 24 customers and a total LVM load of 47,156 CFH. The majority of the remaining commercial load customers are being served by AL-425 meters. When I apply a residential peak day load of 75 CFH for the 1,200 residential customers and add the LVM load of 47,156 CFH, I get a total peak day load of 137,156 CFH or 137 MCFH.

In summary, If the Columbia station was limited to 100 MCFH on a peak day and we had a line break at Southerland Chevrolet, we would probably only keep a limited portion of South Point and Brannon hot and lose everything between Brannon Rd. and Southerland Chevrolet. However, if the same break were to occur between May and September when Nicholasville's load is considerably less than 100 MCFH, it may save the majority of the system. It just depends on the scenario, the time of the year, and the location of the break.

Give me a call with any additional checking that you would like to do.

Thanks

Craig

From: Jonathan Morpew
Sent: Friday, February 22, 2019 8:51 PM
To: Robert Nellipowitz; Craig Mitchell
Subject: Columbia Station - Nicholasville

Okay, here are some real numbers. They say they can supply 100 mcfh, at 100 psi on a peak day! Now Craig, work your magic with that. I hope that will save a lot of Nicholasville in the event of an incident.

We probably need to model it on a very cold day but on a summer day as well.

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From: Jonathan Morphew <JMORPHEW@DeltaGas.com>

Sent: Monday, July 30, 2018 4:11 PM

To: Arvil Swafford <ASWAFFORD@DeltaGas.com>; Lawrence Riley <lriley@DeltaGas.com>

Cc: Jonathan Morphew <JMORPHEW@DeltaGas.com>

Subject: Ky River Crossing & Columbia Transfer Station

Lawrence and Arvil,

I spoke with Gary Sullivan at Columbia Gas last week and he “seemed” real interested in a bi-directional flow station on the north end of our system. I am meeting him on Friday, August 10 (he’s out of town quite a bit until then), to further these plans/discussions. I’m not sure where their line is laying exactly but I have to say that from Google Earth, that UK Farm property looks pretty tasty for a possible station site. Lawrence, you may have a lot better idea. I’m certainly open to your suggestions. Let’s keep the faith that this thing will move forward. Arvil, we will need to remember this project in our budget process if I can’t get it in this year’s projects.

Additionally, I received another quote for an accurate river crossing profile. I was intending to include it in our budgets for 2019. Then today, I discussed it with John Brown and I may be able to go ahead with it in this budget. I sure hope so.

.....and in addition to that last thought, while in the Officer’s meeting this morning, I suggested the second river crossing idea (again). We all agreed that we can put it in the budget for 2019. If PNG doesn’t kick it out, we may be headed for a better situation at the river as well. I’ve already contacted Rob Miller and he has going to take our contract boring company over there and get an estimate for boring it. I think we need to install two valves on each side of the river as well. Should we have any trouble with either crossing, this would allow us to shut off either one individually if we elected to do so. Not going to be a cheap project but hopefully we can get it in the budget.

Any thoughts?

Jonathan

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From: tburke@nisource.com <tburke@nisource.com>
Sent: Tuesday, January 19, 2021 7:53 PM
To: Jonathan Morpew <JMORPHEW@DeltaGas.com>
Subject: RE: Point of Design Review

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The folks on the call will be:

- Mark Hall - Leader, Design Engineering
- Gary Sullivan - Manger, Engineering
- John Hardy - Instrumentation and Control

Thanks,
Tyler Burke
Major Accounts and Economic Development Manager
Columbia Gas of Kentucky
Cell: (859) 940-6218
tburke@nisource.com

From: Jonathan Morpew <JMORPHEW@DeltaGas.com>
To: "tburke@nisource.com" <tburke@nisource.com>,
Date: 01/19/2021 07:42 PM
Subject: RE: Point of Design Review

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Hello Tyler,

Yes, I think that will work fine. Just provide the contact info and I'll be glad to dial in.

Thanks!
Jonathan

From: tburke@nisource.com <tburke@nisource.com>
Sent: Tuesday, January 19, 2021 7:38 PM
To: Jonathan Morpew <JMORPHEW@DeltaGas.com>
Subject: Point of Design Review

*** Exercise caution. This is an EXTERNAL email. DO NOT open attachments or click links from unknown senders or unexpected email. ***

Hi Jonathan. Are you available from 2:00 to 3:00 on Monday to join a couple guys from our design engineering group for a call? They would like to discuss a couple options they are considering for the station design.

Thanks,

Tyler Burke

Major Accounts and Economic Development Manager

Columbia Gas of Kentucky

Office: [\(859\) 288-6309](tel:(859)288-6309)

Cell: [\(859\) 940-6218](tel:(859)940-6218)

Fax: [\(859\) 288-0258](tel:(859)288-0258)

tburke@nisource.com

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From: Jonathan Morpew <JMORPHEW@DeltaGas.com>
Sent: Wednesday, January 13, 2021 8:36 AM
To: John Brown
Subject: RE: Columbia Gas of KY - Service to Delta

John,

I have discussed this in detail with Lawrence and we are in agreement that we would need Columbia's station to start delivering gas when our pipeline reaches 60 psig.

If any questions, please advise.

Jonathan

From: tburke@nisource.com <tburke@nisource.com>
Sent: Tuesday, January 12, 2021 1:08 PM
To: John Brown <JBROWN@DeltaGas.com>
Cc: Jonathan Morpew <JMORPHEW@DeltaGas.com>
Subject: Re: Columbia Gas of KY - Service to Delta

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Sounds great, John!

If you look back to the email I sent (bottom of this email chain) there's a blank I left in the first bullet point pertaining to the Delta system pressure that would signal an emergency situation. Can you guys fill that in for me?

Thanks,
Tyler Burke
Major Accounts and Economic Development Manager
Columbia Gas of Kentucky
Office: [\(859\) 288-6309](tel:8592886309)
Cell: [\(859\) 940-6218](tel:8599406218)
Fax: [\(859\) 288-0258](tel:8592880258)
tburke@nisource.com

On Jan 12, 2021, at 11:56 AM, John Brown <JBROWN@deltagas.com> wrote:

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Tyler,

Thanks for moving things along to this point. We believe your recommended approach would enable us to keep a significant number of our customers in service during a gas supply emergency situation, particularly if it occurs in the construction season, when we think we are more likely to experience a dig in, etc.

The only addition we would suggest to the approach would be to anticipate the periodic testing of the interruptible emergency feed, perhaps a minimum of annually.

We look forward to receiving from you the budgetary cost estimate and a preliminary timeline so we can review this project together with our other capital plans. We reconfirm our understanding that we would pay/reimburse CKY for 100% of the project costs, but request that as you design and estimate the project, to assume that we would like to construct as much of the tie in as possible in order to keep our costs down.

John

From: tburke@nisource.com <tburke@nisource.com>

Sent: Friday, January 8, 2021 2:15 PM

To: John Brown <JBROWN@DeltaGas.com>

Subject: Columbia Gas of KY - Service to Delta

*** Exercise caution. This is an EXTERNAL email. DO NOT open attachments or click links from unknown senders or unexpected email. ***

Hi John:

Hope you and your family had a great Christmas and New Year.

Circling back to the project we've been discussing, I know we've kicked around a few different potential options, but I want to provide you some more concrete guidance now that the appropriate folks have had an opportunity to commit some time to do this. A high level summary of our recommended approach is laid out below.

After completing a thorough system capacity review, along with identifying upcoming and prospective growth projects, the following parameters have been established to ensure CKY's ability to meet customers/market commitments now and in the future while also providing Delta an interruptible emergency feed.

- CKY to design a station that would feed into Delta's system during emergency situations (e.g. if Delta's system pressure drops to ___ PSIG (Delta to provide this) the CKY system would feed in
- Location: Near intersection of Nicholasville Rd and Man O' War
- The maximum flow rate would be 50 MCFH
- If CKY's system (inlet side of the station) drops below 110 PSIG (this occurs at roughly -5F) the station would shut in
- Since gas would only feed in during an emergency situation, which I imagine would be rare, the applicable rate schedule would likely be the IUS (GCA rate + \$567.40 monthly customer charge + applicable riders and taxes)
- Delta would pay/reimburse CKY for 100% of the project costs

If Delta would like to further pursue this arrangement, I will move forward with having engineering finalize the design and budgetary cost estimate.

NOTE: Nothing in this email shall be considered binding upon either party and only represents preliminary discussions and negotiations.

Thanks,
Tyler Burke
Major Accounts and Economic Development Manager
Columbia Gas of Kentucky
Cell: (859) 940-6218
tburke@nisource.com

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From: tburke@nisource.com
Sent: Wednesday, January 13, 2021 11:14 AM
To: John Brown
Subject: RE: Columbia Gas of KY - Service to Delta

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Thanks, John.

Periodic testing is a good idea and something we will definitely want to make a requirement. Thanks for bringing that up.

I believe I have everything I need now. If not, I'll let you know ASAP.

Thanks,
Tyler Burke
Major Accounts and Economic Development Manager
Columbia Gas of Kentucky
Cell: (859) 940-6218
tburke@nisource.com

From: John Brown <JBROWN@DeltaGas.com>
To: "tburke@nisource.com" <tburke@nisource.com>,
Cc: Jonathan Morpew <JMORPHEW@DeltaGas.com>
Date: 01/13/2021 09:15 AM
Subject: RE: Columbia Gas of KY - Service to Delta

Thanks, Tyler for following up.

After some internal debate, we have decided that we would need for Columbia's station to start delivering gas when our pipeline reaches 60 psig.

So, the updated bullet looks like this:

- CKY to design a station that would feed into Delta's system during emergency situations (e.g. if Delta's system pressure drops to 60 PSIG the CKY system would feed in)

JB

From: tburke@nisource.com <tburke@nisource.com>
Sent: Tuesday, January 12, 2021 1:08 PM
To: John Brown <JBROWN@DeltaGas.com>
Cc: Jonathan Morpew <JMORPHEW@DeltaGas.com>
Subject: Re: Columbia Gas of KY - Service to Delta

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Sounds great, John!

If you look back to the email I sent (bottom of this email chain) there's a blank I left in the first bullet point pertaining to the Delta system pressure that would signal an emergency situation. Can you guys fill that in for me?

Thanks,

Tyler Burke

Major Accounts and Economic Development Manager

Columbia Gas of Kentucky

Office: [\(859\) 288-6309](tel:(859)288-6309)

Cell: [\(859\) 940-6218](tel:(859)940-6218)

Fax: [\(859\) 288-0258](tel:(859)288-0258)

tburke@nisource.com

On Jan 12, 2021, at 11:56 AM, John Brown <JBROWN@deltagas.com> wrote:

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Tyler,

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John

From: tburke@nisource.com <tburke@nisource.com>

Sent: Friday, January 8, 2021 2:15 PM

To: John Brown <JBROWN@DeltaGas.com>

Subject: Columbia Gas of KY - Service to Delta

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Hi John:

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Circling back to the project we've been discussing, I know we've kicked around a few different potential options, but I want

to provide you some more concrete guidance now that the appropriate folks have had an opportunity to commit some time to do this. A high level summary of our recommended approach is laid out below.

After completing a thorough system capacity review, along with identifying upcoming and prospective growth projects, the following parameters have been established to ensure CKY's ability to meet customers'/market commitments now and in the future while also providing Delta an interruptible emergency feed.

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- Location: Near intersection of Nicholasville Rd and Man O' War
- The maximum flow rate would be 50 MCFH
- If CKY's system (inlet side of the station) drops below 110 PSIG (this occurs at roughly -5F) the station would shut in
- Since gas would only feed in during an emergency situation, which I imagine would be rare, the applicable rate schedule would likely be the IUS (GCA rate + \$567.40 monthly customer charge + applicable riders and taxes)
- Delta would pay/reimburse CKY for 100% of the project costs

If Delta would like to further pursue this arrangement, I will move forward with having engineering finalize the design and budgetary cost estimate.

NOTE: Nothing in this email shall be considered binding upon either party and only represents preliminary discussions and negotiations.

Thanks,
Tyler Burke
Major Accounts and Economic Development Manager
Columbia Gas of Kentucky
Cell: (859) 940-6218
tburke@nisource.com

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From: Jonathan Morpew <JMORPHEW@DeltaGas.com>
Sent: Friday, February 22, 2019 2:16 PM
To: Don Cartwright; Jeff Steele
Cc: John Brown; Jonathan Morpew
Subject: RE: Columbia Station - Nicholasville Distribution
Attachments: Delta - Columbia Transfer Station.pdf

Don & Jeff,

See attached. Here is a real rough draft of the project mentioned below.

Further conversation with Columbia today has indicated that the project may have come to life again. Thanks be given to John's interaction with Tyler Burke. Tyler has looked into this since his conversation with John and it looks like more discussions are coming in the very near future hopefully.

Don, we can talk flows if necessary Monday morning. They are going to provide us with a maximum volume number that they feel they can supply in the event that we have an unfortunate incident (well above the 25,000 mcf/yr). That number will be used for modeling in Engineering.

Jonathan

From: John Brown
Sent: Friday, February 22, 2019 10:27 AM
To: Jonathan Morpew
Cc: Don Cartwright
Subject: RE: Columbia Station - Nicholasville Distribution

Please show Don and Jeff your site location before talking to Columbia. I think its important we all be on the same page.

I don't think modeling 25,000 mcf a year would answer my question. To me, you would want to model the maximum that Columbia could give us at that point in an emergency situation. What I'd like to know if we do this, and we lose the river crossing, how many of our 8,600 customers would we likely be able to keep on in the summer vs. the winter.

JB

From: Jonathan Morpew
Sent: Friday, February 22, 2019 10:11 AM
To: John Brown <JBROWN@DeltaGas.com>

Cc: Jonathan Morpew <JMORPHEW@DeltaGas.com>; Don Cartwright <DCARTWRIGHT@DeltaGas.com>

Subject: RE: Columbia Station - Nicholasville Distribution

John,

I have visited the site more than once and we have had a particular site chosen for some time. It will require a mile of piping, preferably 6" or 8" steel and the station. Assuming we can get a station lot from the property owner, the job does not appear to be complicated at all. Expensive but not complicated. I anticipate Columbia's design requirements being the biggest complication.

I will run the 25,000mcf/yr volumes through Engineering to see what impact it might have on Nicholasville operations. We'll probably need to do a little modeling to get a better feel for it. I want to know what assistance 25,000mcf/yr can do for us, coming from the north.

Thanks for your involvement. I hope to be able to update on the matter soon.

Jonathan

From: John Brown
Sent: Tuesday, February 19, 2019 1:58 PM
To: Don Cartwright; Jonathan Morpew
Subject: Columbia

I had lunch with Tyler Burke from Columbia today asking him what would be involved if we wanted to tap their system..

He said their transportation tariff would be a minimum of 25,000 Mcf per year; \$2,000 monthly customer fee and 0.65 per mcf transportation rate.

He also is checking to see if there would be a less expensive option for us.

Would you both look at it and decide where is best to connect to Columbia, assuming we can work something out?

Thanks

JB



Cecumman Pkwy
200'± MAOP
Man O' War Blvd.

Prop Station Sites
50150
Project

Waveland Museum Lane
Prop Station Sites
50150
Project

Prop Death
6 1/2\"/>

Delta 8\"/>

3-181
8\"/>

503-202
4\"/>

US 27 Nicholasville Road

From: Jonathan Morpew <JMORPHEW@DeltaGas.com>
Sent: Friday, February 22, 2019 8:49 PM
To: Don Cartwright; Jeff Steele; John Brown
Cc: Jonathan Morpew
Subject: RE: Columbia Station - Nicholasville Distribution

Don, not a problem, I wasn't needing anything. Just an fyi.

All,
Good news. I learned this afternoon, that Columbia can supply **100 mcfh**, at **100 psi** on a **peak day**. That is MOST encouraging. I wasn't expecting to get that kind of news! Now Engineering can move forward with modeling. I look forward to the results. I think 100,000 cfh will go a long way toward suppling Nicholasville in the event of an crisis. I will advise as we learn more.

Jonathan

From: Don Cartwright
Sent: Friday, February 22, 2019 8:39 PM
To: Jonathan Morpew
Cc: Jeff Steele; John Brown
Subject: Re: Columbia Station - Nicholasville Distribution

Sure, we can talk volumes on Monday.
Sorry in replying so late, been a long day.

Sent from my iPhone

On Feb 22, 2019, at 4:47 PM, Jonathan Morpew <JMORPHEW@deltagas.com> wrote:

<image002.gif>

You are correct as I understand it. We don't need any "turf wars" here! Ha!

From: Jeff Steele
Sent: Friday, February 22, 2019 4:01 PM
To: Jonathan Morpew; Don Cartwright
Cc: John Brown
Subject: RE: Columbia Station - Nicholasville Distribution

Jon,

I think this is a really good route and would tie in directly to our steel line that terminates at the Jessamine and Fayette County border.

Columbia not long after we did the South Point project extended plastic down Hwy 27 to the Fayette County line to serve what was then Hillenmeyer's and to cover the brown field area which is zoned commercial and belonged to Lexington Developer Frank Standafer. This would be paralleling their plastic distribution to the best of my memory.

They did this to block us from going down Waveland Museum Lane and serving the Standafer project.

Looks good the location and route.

Sincerely,

Jeff Steele

Jeffrey C. Steele

Director – Administrative Services
Delta Natural Gas Company, Inc.
3617 Lexington Road
Winchester, Ky. 40391

Office: 1-800-262-2012 Ext: 1141

Cell: 1-859-749-0097

Fax: 1-859-745-0976

jsteele@deltagas.com

<image003.gif>

From: Jonathan Morpew
Sent: Friday, February 22, 2019 2:16 PM
To: Don Cartwright; Jeff Steele
Cc: John Brown; Jonathan Morpew
Subject: RE: Columbia Station - Nicholasville Distribution

Don & Jeff,

See attached. Here is a real rough draft of the project mentioned below.

Further conversation with Columbia today has indicated that the project may have come to life again. Thanks be given to John's interaction with Tyler Burke. Tyler has looked into this since his conversation with John and it looks like more discussions are coming in the very near future hopefully.

Don, we can talk flows if necessary Monday morning. They are going to provide us with a maximum volume number that they feel they can supply in the event that we have an unfortunate incident (well above the 25,000 mcf/yr). That number will be used for modeling in Engineering.

Jonathan

From: John Brown
Sent: Friday, February 22, 2019 10:27 AM
To: Jonathan Morpew
Cc: Don Cartwright
Subject: RE: Columbia Station - Nicholasville Distribution

Please show Don and Jeff your site location before talking to Columbia. I think its important we all be on the same page.

I don't think modeling 25,000 mcf a year would answer my question. To me, you would want to model the maximum that Columbia could give us at that point in an emergency situation. What I'd like to know if we do this, and we lose the river crossing, how many of our 8,600 customers would we likely be able to keep on in the summer vs. the winter.

JB

From: Jonathan Morpew
Sent: Friday, February 22, 2019 10:11 AM
To: John Brown <JBROWN@DeltaGas.com>
Cc: Jonathan Morpew <JMORPHEW@DeltaGas.com>; Don Cartwright <DCARTWRIGHT@DeltaGas.com>
Subject: RE: Columbia Station - Nicholasville Distribution

John,

I have visited the site more than once and we have had a particular site chosen for some time. It will require a mile of piping, preferably 6" or 8" steel and the station. Assuming we can get a station lot from the property owner, the job does not appear to be complicated at all. Expensive but not complicated. I anticipate Columbia's design requirements being the biggest complication.

I will run the 25,000mcf/yr volumes through Engineering to see what impact it might have on Nicholasville operations. We'll probably need to do a little modeling to get a better feel for it. I want to know what assistance 25,000mcf/yr can do for us, coming from the north.

Thanks for your involvement. I hope to be able to update on the matter soon.

Jonathan

From: John Brown
Sent: Tuesday, February 19, 2019 1:58 PM

To: Don Cartwright; Jonathan Morphey

Subject: Columbia

I had lunch with Tyler Burke from Columbia today asking him what would be involved if we wanted to tap their system..

He said their transportation tariff would be a minimum of 25,000 Mcf per year; \$2,000 monthly customer fee and 0.65 per mcf transportation rate.

He also is checking to see if there would be a less expensive option for us.

Would you both look at it and decide where is best to connect to Columbia, assuming we can work something out?

Thanks

JB

From: Jonathan Morphew <JMORPHEW@DeltaGas.com>
Sent: Wednesday, February 20, 2019 10:25 AM
To: John Brown
Cc: Don Cartwright
Subject: RE: Columbia

That isn't a problem. However, I'm somewhat confused. I have covered this in great detail with Columbia personnel at their office some time ago. Hmm.....

Would you be comfortable with me speaking with Tyler Burke?.....or do you prefer to remain as Delta's contact person with him?

From: John Brown
Sent: Wednesday, February 20, 2019 10:22 AM
To: Jonathan Morphew
Cc: Don Cartwright
Subject: RE: Columbia

I wouldn't worry about pricing yet. Columbia said they think they can sharpen their pencil.

They just need to know first exactly where we would want service from them and then they can give us a proposal to consider.

JB

From: Jonathan Morphew
Sent: Wednesday, February 20, 2019 10:14 AM
To: John Brown <JBROWN@DeltaGas.com>
Cc: Don Cartwright <DCARTWRIGHT@DeltaGas.com>; Jonathan Morphew <JMORPHEW@DeltaGas.com>
Subject: RE: Columbia

So sorry. I guess I let "tap" throw me off in light of our other projects. I had Gulf on the brain. Yes, this would be the bi-directional flow, transfer station in Fayette County, which turns out being more like a purchase station since they show little or no interest in bi-directional supply to each other. That being said, my questions still remain.

Don, do you have any thoughts on the three items I mentioned? Prices and/or requirements they have on our stations in Montgomery or Powell Counties? I thought our existing distribution purchase station agreements might give us an idea. I think that documentation for these were in Steve Billings (now Wayne) possession?

Jonathan

From: John Brown
Sent: Wednesday, February 20, 2019 10:05 AM
To: Jonathan Morphey; Don Cartwright
Subject: RE: Columbia

No, this is your idea to connect our high pressure Nicholasville line to Columbia high pressure line in south Lexington.

From: Jonathan Morphey
Sent: Wednesday, February 20, 2019 9:29 AM
To: John Brown <JBROWN@DeltaGas.com>; Don Cartwright <DCARTWRIGHT@DeltaGas.com>
Cc: Jonathan Morphey <JMORPHEW@DeltaGas.com>
Subject: RE: Columbia

John/Don,

I need a little refresher here. When referring to the Columbia tap, are we referring to the proposed tap south of Stanford like we originally suggested? Which would mean extending back north if we desired to serve KY Fresh?.....or south from the proposed tap to the Mt Vernon project? We've been on the "Kinder Morgan" tap discussion for a while and I'm just wanting to make sure I'm on the right track here. With regard to their requirements, I'm curious as to whether or not any of their requirements are negotiable.

My initial thoughts/concerns.....

First item; does the 25,000 mcf/yr have to come through this tap entirely or can that volume be shared with other existing taps? I'm assuming it can be dispersed through other existing taps but I would like to see this verified.

Second item; the \$2,000 monthly customer fee is higher than what I have authorized payment for at Speedwell. If memory serves me correct, we are paying \$1,530 at that location. That agreement was entered into a number of years ago and I'm uncertain if an extra \$470/mo is warranted here or not. Again, it seems too much to me but if necessary, so be it.

Third item; I'm not sure what we're usually charged at other locations but I think the \$.65/mcf rate seems abnormally high. I may be unrealistic in my thoughts here. I'm sure Don has data that will support whether or not they are even close with charges from other locations.

Thanks,
Jonathan

From: John Brown
Sent: Tuesday, February 19, 2019 1:58 PM
To: Don Cartwright; Jonathan Morphey
Subject: Columbia

I had lunch with Tyler Burke from Columbia today asking him what would be involved if we wanted to tap their system..

He said their transportation tariff would be a minimum of 25,000 Mcf per year; \$2,000 monthly customer fee and 0.65 per mcf transportation rate.

He also is checking to see if there would be a less expensive option for us.

Would you both look at it and decide where is best to connect to Columbia, assuming we can work something out?

Thanks

JB

From: tburke@nisource.com
Sent: Monday, February 18, 2019 12:35 PM
To: John Brown
Subject: Re: Lunch

*** Exercise caution. This is an EXTERNAL email. DO NOT open attachments or click links from unknown senders or unexpected email. ***

Yes, you are correct. Loma's is actually what I intended to recommend. Thanks for catching that (I had my restaurant names mixed up).

See you at Loma's tomorrow at 11:45.

Looking forward to it.

Thanks,
Tyler Burke
Major Accounts and Economic Development Manager
Columbia Gas of Kentucky
Office: [\(859\) 288-6309](tel:(859)288-6309)
Cell: [\(859\) 940-6218](tel:(859)940-6218)
Fax: [\(859\) 288-0258](tel:(859)288-0258)
tburke@nisource.com

On Feb 18, 2019, at 12:24 PM, John Brown <JBROWN@DeltaGas.com> wrote:

USE CAUTION: This email was sent from an external source. Think before you click links or open attachments. If suspicious, please forward to security@nisource.com for review.

Hey Tyler, lunch tomorrow would be great.

Ranada's Bistro looks amazing but wasn't your original suggestion Loma's since you are going to be in Winchester?

John

From: tburke@nisource.com [<mailto:tburke@nisource.com>]
Sent: Monday, February 18, 2019 9:37 AM
To: John Brown <JBROWN@DeltaGas.com>
Subject: Lunch

*** Exercise caution. This is an EXTERNAL email. DO NOT open attachments or click links from unknown senders or unexpected email. ***

Hi John - I will be working in Winchester tomorrow and thought I would check to see if you are available for lunch?

Perhaps Ranada's Bistro @ 11:45ish tomorrow?

Thanks,

Tyler Burke

Major Accounts and Economic Development Manager

Columbia Gas of Kentucky

Office: (859) 288-6309

Cell: (859) 940-6218

Fax: (859) 288-0258

tburke@nisource.com

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<http://www.deltagas.com/governance> to view copies of both our Employee Business Code of Conduct and Ethics and our Vendor Code of Conduct and Ethics.

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From: Robert Nellipowitz <rnellipowitz@DeltaGas.com>
Sent: Tuesday, October 20, 2020 3:22 PM
To: John Brown
Subject: RE: Tyler Burke

John,

I spoke to Tyler this afternoon and provided him with the information he was needing. He said if he needed anything else he would reach back out.

Thanks,

Robert Nellipowitz

Director – Engineering Services



Delta Natural Gas Company, Inc.

3617 Lexington Road

Winchester, Kentucky 40391

Email: rnellipowitz@deltagas.com

Office: 859-744-6171, Ext. 1167

Mobile: 859-338-8384

www.deltagas.com



From: John Brown <JBROWN@DeltaGas.com>
Sent: Tuesday, October 20, 2020 11:15 AM
To: Robert Nellipowitz <rnellipowitz@DeltaGas.com>
Subject: Tyler Burke

Robert,

Please give Tyler Burke a call at Columbia.

His cell # is 859.940.6218

Thanks!

John

From: John Brown <JBROWN@DeltaGas.com>
Sent: Monday, December 7, 2020 2:43 PM
To: 'tburke@nisource.com'
Subject: RE: Update

Ok—thanks.

JB

From: tburke@nisource.com <tburke@nisource.com>
Sent: Monday, December 7, 2020 2:40 PM
To: John Brown <JBROWN@DeltaGas.com>
Subject: Re: Update

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John - Nothing definitive. I promise I will follow-up as soon as I have something.

Thanks,
Tyler Burke
Major Accounts and Economic Development Manager
Columbia Gas of Kentucky
Cell: (859) 940-6218
tburke@nisource.com

From: John Brown <JBROWN@DeltaGas.com>
To: "tburke@nisource.com" <tburke@nisource.com>,
Date: 12/07/2020 02:14 PM
Subject: Update

USE CAUTION: This email was sent from an external source. Think before you click links or open attachments. If suspicious, please forward to security@nisource.com for review.

Tyler,

I have a meeting tomorrow afternoon where all the state presidents tell the corporate officers status of projects. Do you have an update for me on our project?

Thanks

John

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From: John Brown <JBROWN@DeltaGas.com>
Sent: Thursday, December 3, 2020 2:33 PM
To: 'tburke@nisource.com'
Subject: RE: Update

Tyler, just pinging you for an update. Be nice when the restaurants reopen and we can meet in person again. Trust all is well.

JB

From: tburke@nisource.com <tburke@nisource.com>
Sent: Thursday, November 19, 2020 5:01 PM
To: John Brown <JBROWN@DeltaGas.com>
Subject: Re: Update

*** Exercise caution. This is an EXTERNAL email. DO NOT open attachments or click links from unknown senders or unexpected email. ***

It's not that we don't want to jump on a project with revenue potential. I probably misspoke in my prior email. I've been trying to get this moved up the queue and that is what I'm referring to when I say I've had trouble getting traction to accomplish that.

This type of project would typically be handled by our engineering or gas supply folks, but I felt as if I may have a better shot of expediting it than they would, which is why I've been involved.

Thanks,
Tyler Burke
Major Accounts and Economic Development Manager
Columbia Gas of Kentucky
Office: [\(859\) 288-6309](tel:(859)288-6309)
Cell: [\(859\) 940-6218](tel:(859)940-6218)
Fax: [\(859\) 288-0258](tel:(859)288-0258)
tburke@nisource.com

On Nov 19, 2020, at 4:31 PM, John Brown <JBROWN@deltagas.com> wrote:

Man you all live in a different world than we do here. We even get the least scent of a new customer and we are ON IT!

Particularly with a year like 2020, we need every \$ revenue dollar we can scrounge up.

JB

From: tburke@nisource.com <tburke@nisource.com>
Sent: Thursday, November 19, 2020 4:14 PM

To: John Brown <JBROWN@DeltaGas.com>

Subject: RE: Update

*** Exercise caution. This is an EXTERNAL email. DO NOT open attachments or click links from unknown senders or unexpected email. ***

Yes sir. We had a great trip (lot's of gluttonous eating). Thanks for the recommendations!

I apologize for the lack of progress on the project. It has been incredibly hard to get traction. I continue to push, but it's been really difficult. I checked with our engineer yesterday for a progress update on the suggested design. This seems like it would be relatively simple (and it should).

If this project comes to fruition, there's still a lot of hoops to jump through. Here's some of the primary things:

- Preliminary design (in the works)
- Design approval
- Develop & present business case internally (ball comes back into my court at this point)
- Seek project approval
- If I can get to this point, we can start working on the agreement between CKY / Delta

There's so many irons in the fire right now, coupled with an incredible amount of transitions (employees taking severance packages, etc.), that it's more difficult than ever to get things done.

Thanks,
Tyler Burke
Major Accounts and Economic Development Manager
Columbia Gas of Kentucky
Cell: (859) 940-6218
tburke@nisource.com

From: John Brown <JBROWN@DeltaGas.com>
To: "tburke@nisource.com" <tburke@nisource.com>,
Date: 11/19/2020 03:30 PM
Subject: RE: Update

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Make it back from TN?

JB

From: John Brown
Sent: Tuesday, November 10, 2020 11:27 AM
To: tburke@nisource.com
Subject: Update

Tyler,

I hope all is well with you. Checking in on our project status.

John

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From: Robert Nellipowitz <rnellipowitz@DeltaGas.com>
Sent: Friday, November 20, 2020 7:57 AM
To: John Brown
Cc: Jonathan Morphew; Craig Mitchell
Subject: Re: Update

John,

The MAOP of our system is 175 PSIG and the MAOP of Columbia's system, at the proposed interconnect, is 160 PSIG. Therefore, there the need for overpressure protection would not be required. However, we were planning on regulation and flow control in addition to the meter.

Thanks,
Rob Nellipowitz
Director - Engineering Services
Delta Natural Gas Company, Inc.
3617 Lexington Road
Winchester, KY 40391
Email: rnellipowitz@deltagas.com
(O): 859-744-6171, Ext. 1167
(C): 859-338-8384
www.deltagas.com
Sent from my iPhone

On Nov 20, 2020, at 7:40 AM, John Brown <JBROWN@deltagas.com> wrote:

As an update, I'm sharing this stream of emails yesterday. I thought Tyler's description of where the project stands was helpful.

As far as Mike's questions, I think I did a decent job of answering, other than MAOP. Robert, do we yet know the MAOP of Columbia where the tap will be?

Also, let me know if you think there are other things we should mention to Mike at this point.

Thanks

JB

From: Huwar, Michael <Michael.Huwar@peoples-gas.com>
Sent: Thursday, November 19, 2020 7:52 PM
To: John Brown <JBROWN@DeltaGas.com>
Cc: Fox, Richard S <RSFox@essential.co>
Subject: Re: Update

Thanks John. Good plan.

Mike

Sent from my iPhone

On Nov 19, 2020, at 5:32 PM, John Brown <JBROWN@deltagas.com> wrote:

While we thought that initially made the most sense, Columbia has no interest in this being an “exchange” station.

Therefore, we are simply asking to be an off-system transportation customer under their standard tariff. We will transport the minimum amount of gas annually unless we have an emergency, and then we would be able to nominate larger volumes.

Columbia will have a meter and we will be responsible for all regulation and flow to protect our system. We have already discussed that even though Columbia says they would never need our help, we may go ahead and design our end to make it easy to flow both ways in the event they have a problem if it doesn't add a lot to the cost of the project.

I'll get engineering to weigh in on the MAOP of the pipes in each system and share designs once we get to that point.

Thanks!

JB

From: Huwar, Michael <Michael.Huwar@peoples-gas.com>
Sent: Thursday, November 19, 2020 4:57 PM
To: John Brown <JBROWN@DeltaGas.com>
Cc: Fox, Richard S <RSFox@essential.co>
Subject: RE: Update

Yes, this is consistent with their process.

Sorry, have we agreed this will be an “exchange” station from Columbia to Delta?

Is regulation (over pressure protection) required to protect the downstream assets?

Are the MAOP's equal between the two systems?

Peoples have multiple exchange agreements prior to shale development. Can we connect our engineering departments to look at design?

Mike

From: John Brown <JBROWN@DeltaGas.com>
Sent: Thursday, November 19, 2020 4:49 PM
To: Huwar, Michael <Michael.Huwar@peoples-gas.com>
Cc: Fox, Richard S <RSFox@essential.co>
Subject: FW: Update

Mike,

With your knowledge of Columbia, does this seem like we are still on track based on Tyler's summary of the status (below)?

I've had two in person meetings with Tyler over the last several weeks plus lots of texts and emails and he has continued to assure me they are moving through the process, but it just takes a long time for them in this environment.

If they are going to do it, we are not in any huge hurry since this wouldn't be a big project, it wouldn't require a certificate from the PSC and we could knock it out fairly quickly and inexpensively.

The problem comes if they deny us for some reason, we will have wasted all these months getting started on the big project of getting a certificate to build all the way to the interstate pipeline.

JB

From: tburke@nisource.com <tburke@nisource.com>
Sent: Thursday, November 19, 2020 4:14 PM
To: John Brown <JBROWN@DeltaGas.com>
Subject: RE: Update

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Yes sir. We had a great trip (lot's of gluttonous eating). Thanks for the recommendations!

I apologize for the lack of progress on the project. It has been incredibly hard to get traction. I continue to push, but it's been really difficult. I checked with our engineer yesterday for a progress update on the suggested design. This seems like it would be relatively simple (and it should).

If this project comes to fruition, there's still a lot of hoops to jump through. Here's some of the primary things:

- Preliminary design (in the works)
- Design approval

- Develop & present business case internally (ball comes back into my court at this point)
- Seek project approval
- If I can get to this point, we can start working on the agreement between CKY / Delta

There's so many irons in the fire right now, coupled with an incredible amount of transitions (employees taking severance packages, etc.), that it's more difficult than ever to get things done.

Thanks,
Tyler Burke
Major Accounts and Economic Development Manager
Columbia Gas of Kentucky
Cell: (859) 940-6218
tburke@nisource.com

From: John Brown <JBROWN@DeltaGas.com>
To: "tburke@nisource.com" <tburke@nisource.com>,
Date: 11/19/2020 03:30 PM
Subject: RE: Update

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Make it back from TN?

JB

From: John Brown
Sent: Tuesday, November 10, 2020 11:27 AM
To: tburke@nisource.com
Subject: Update

Tyler,

I hope all is well with you. Checking in on our project status.
John

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From: John Brown <JBROWN@DeltaGas.com>
Sent: Thursday, November 19, 2020 5:16 PM
To: tburke@nisource.com
Subject: Re: Update

Believe me, I am very thankful you are involved!

Sent from my iPhone

On Nov 19, 2020, at 5:00 PM, "tburke@nisource.com" <tburke@nisource.com> wrote:

*** Exercise caution. This is an EXTERNAL email. DO NOT open attachments or click links from unknown senders or unexpected email. ***

It's not that we don't want to jump on a project with revenue potential. I probably misspoke in my prior email. I've been trying to get this moved up the queue and that is what I'm referring to when I say I've had trouble getting traction to accomplish that.

This type of project would typically be handled by our engineering or gas supply folks, but I felt as if I may have a better shot of expediting it then they would, which is why I've been involved.

Thanks,
Tyler Burke
Major Accounts and Economic Development Manager
Columbia Gas of Kentucky
Office: [\(859\) 288-6309](tel:(859)288-6309)
Cell: [\(859\) 940-6218](tel:(859)940-6218)
Fax: [\(859\) 288-0258](tel:(859)288-0258)
tburke@nisource.com

On Nov 19, 2020, at 4:31 PM, John Brown <JBROWN@deltagas.com> wrote:

Man you all live in a different world than we do here. We even get the least scent of a new customer and we are ON IT!

Particularly with a year like 2020, we need every \$ revenue dollar we can scrounge up.

JB

From: tburke@nisource.com <tburke@nisource.com>
Sent: Thursday, November 19, 2020 4:14 PM
To: John Brown <JBROWN@DeltaGas.com>
Subject: RE: Update

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Yes sir. We had a great trip (lot's of gluttonous eating). Thanks for the recommendations!

I apologize for the lack of progress on the project. It has been incredibly hard to get traction. I continue to push, but it's been really difficult. I checked with our engineer yesterday for a progress update on the suggested design. This seems like it would be relatively simple (and it should).

If this project comes to fruition, there's still a lot of hoops to jump through. Here's some of the primary things:

- Preliminary design (in the works)
- Design approval
- Develop & present business case internally (ball comes back into my court at this point)
- Seek project approval
- If I can get to this point, we can start working on the agreement between CKY / Delta

There's so many irons in the fire right now, coupled with an incredible amount of transitions (employees taking severance packages, etc.), that it's more difficult than ever to get things done.

Thanks,
Tyler Burke
Major Accounts and Economic Development Manager
Columbia Gas of Kentucky
Cell: (859) 940-6218
tburke@nisource.com

From: John Brown <JBROWN@DeltaGas.com>
To: "tburke@nisource.com" <tburke@nisource.com>,
Date: 11/19/2020 03:30 PM
Subject: RE: Update

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Make it back from TN?

JB

From: John Brown
Sent: Tuesday, November 10, 2020 11:27 AM
To: tburke@nisource.com
Subject: Update

Tyler,

I hope all is well with you. Checking in on our project status.
John

Our mission is to provide premier natural gas services while having a positive impact on customers, employees and shareholders. In achieving our mission, we act with integrity and ethics and we expect those with whom we do business to adhere to such standards. Visit <http://www.deltagas.com/governance> to view copies of both our Employee Business Code of Conduct and Ethics and our Vendor Code of Conduct and Ethics.

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From: tburke@nisource.com
Sent: Friday, October 16, 2020 11:07 AM
To: John Brown
Subject: Re: update

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Hi John: Been a busy week but overall a good one (glad it's Friday).

First off, apologies for the delay on this. With all the transitions going on at NiSource, coupled with some project timelines coming up, it's been a little difficult for me to obtain the right folk's time and attention for this. I'm going to keep pushing it, as I think it seems like something we should pursue. Just to clarify, I'm not getting resistance, at least not at this point, the issue I'm having is just getting time/attention with the appropriate folks.

Hope you have a good weekend. Sorry I do not have a more meaningful/helpful update...

Thanks,
Tyler Burke
Major Accounts and Economic Development Manager
Columbia Gas of Kentucky
Office: (859) 288-6309
Cell: (859) 940-6218
Fax: (859) 288-0258
tburke@nisource.com

From: John Brown <JBROWN@DeltaGas.com>
To: "tburke@nisource.com" <tburke@nisource.com>,
Date: 10/15/2020 04:28 PM
Subject: update

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Tyler,

Hope you are having a good week. Checking in as far as when we can expect to hear something back for next steps.

Thanks

John

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From: Burke Tyler John <TBurke@nisource.com>
Date: June 6, 2022 at 12:39:50 PM EDT
To: John Brown <JBROWN@deltagas.com>
Cc: Cole Kimra Harper <kimracole@nisource.com>
Subject: RE: KYPSC Data Request - Delta Gas

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Good Afternoon, John:

Sorry for the delay. We revisited the matter, and our position is still the same.

Thanks,
Tyler Burke
Major Accounts & Economic Development Manager
859-940-6218

From: John Brown <JBROWN@DeltaGas.com>
Sent: Tuesday, May 24, 2022 2:00 PM
To: Cole \ Kimra \ Harper <kimracole@nisource.com>
Cc: Burke \ Tyler \ John <TBurke@nisource.com>
Subject: KYPSC Data Request - Delta Gas

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Kimra,

As part of our current CPCN proceeding to build a new transmission line to serve our Nicholasville system, the KYPSC is asking for details about the alternatives we explored prior to filing the CPCN. This data request is due June 7. Along with the other information requested in 11.a. below, we will be providing Tyler's formal email he sent to me Feb. 2021 (attached) notifying us of your final decision to not grant our request for a tap.

In order for us to answer 11.b. below, **has there been any change or reconsideration to Columbia's position in this matter** since then?

Thanks for your assistance with this. I enjoyed working with and getting to know Tyler through this process. He handled every interaction with the utmost in professionalism.

John

11. Refer to 2021-00185 Morphew Testimony, page 5, line 10, Delta's response to Commission Staff's Second Request for Information (Staff's Second Request), Item 18;⁴ Delta's response to Commission Staff's Third Request for Information, Item 9:⁵

a. Provide any communications (written or oral) with both Columbia Gas of Kentucky, Inc. (Columbia Kentucky) and Louisville Gas and Electric Company (LG&E) concerning Delta's attempts to negotiate a tap into their pipelines which would have eliminated the need to construct the pipeline requested in this case.

b. State whether Delta has made any subsequent attempts to contact either Columbia Kentucky since February 2021 or LG&E since April 2021, to ask for reconsideration of Delta's proposal to tap into their pipelines, given that it has been over one year since such proposals were declined.

⁴ Case No. 2021-00185, *Electronic Application of Delta Natural Gas Company, Inc. for an Adjustment of Its Rates and a Certificate of Public Convenience and Necessity*, Delta's Responses to Commission Staff's Second Request for Information (filed July 28, 2021).

⁵ Case No. 2021-00185, *Electronic Application of Delta Natural Gas Company, Inc. for an Adjustment of Its Rates and a Certificate of Public Convenience and Necessity*, Delta's Responses to Commission Staff's Third Request for Information (filed Sept. 8, 2021)

c. If Delta has not made any such attempts, state why.

John B. Brown, President
Delta Natural Gas Company, Inc.
Essential in Kentucky

3617 Lexington Road
Winchester, KY 40391
859.744.6171 x1109
jbrown@deltagas.com

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From: Blake, Kent <Kent.Blake@lge-ku.com>
Sent: Tuesday, May 24, 2022 2:05 PM
To: John Brown <JBROWN@DeltaGas.com>
Subject: Re: KYPSC Data Request RE Dix Dam

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This message came from outside your organization.

John,

I circled the wagons at LG&E to confirm there has been no change in our position.

Kent

From: John Brown <JBROWN@DeltaGas.com>
Sent: Tuesday, May 24, 2022 12:45 PM
To: Blake, Kent <Kent.Blake@lge-ku.com>
Subject: KYPSC Data Request RE Dix Dam

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Kent,

We have a data request on our Nicholasville CPCN project due June 7 where you can see below the KYPSC is asking us to discuss our request for a tap on your transmission line in the Dix Dam area. At the time we talked (April 2021), you declined our request citing potential supply constraints considering future plans for the area, as well as FERC regulatory considerations.

In order for us to answer 11b below, has there been any change or reconsideration to LGE's position in this matter over the course of the last year?

Thanks,

John

11. Refer to 2021-00185 Morphey Testimony, page 5, line 10, Delta's response to Commission Staff's Second Request for Information (Staff's Second Request), Item 18;⁴ Delta's response to Commission Staff's Third Request for Information, Item 9:⁵

a. Provide any communications (written or oral) with both Columbia Gas of Kentucky, Inc. (Columbia Kentucky) and Louisville Gas and Electric Company (LG&E) concerning Delta's attempts to negotiate a tap into their pipelines which would have eliminated the need to construct the pipeline requested in this case.

b. State whether Delta has made any subsequent attempts to contact either Columbia Kentucky since February 2021 or LG&E since April 2021, to ask for reconsideration of Delta's proposal to tap into their pipelines, given that it has been over one year since such proposals were declined.

⁴ Case No. 2021-00185, *Electronic Application of Delta Natural Gas Company, Inc. for an Adjustment of Its Rates and a Certificate of Public Convenience and Necessity*, Delta's Responses to Commission Staff's Second Request for Information (filed July 28, 2021).

⁵ Case No. 2021-00185, *Electronic Application of Delta Natural Gas Company, Inc. for an Adjustment of Its Rates and a Certificate of Public Convenience and Necessity*, Delta's Responses to Commission Staff's Third Request for Information (filed Sept. 8, 2021)

c. If Delta has not made any such attempts, state why.

John B. Brown, President
Delta Natural Gas Company, Inc.
Essential in Kentucky

3617 Lexington Road
Winchester, KY 40391
859.744.6171 x1109
jbrown@deltagas.com

From: Blake, Kent <Kent.Blake@lge-ku.com>
Sent: Wednesday, March 31, 2021 6:15 PM
To: John Brown <JBROWN@DeltaGas.com>
Subject: RE: Call John Brown RE Dix Dam

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I'll reach out tomorrow.

From: John Brown <JBROWN@DeltaGas.com>
Date: March 31, 2021 at 2:00:33 PM EDT
To: Blake, Kent <Kent.Blake@lge-ku.com>
Subject: RE: Call John Brown RE Dix Dam

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Hey Kent hope you had a good vacation. I'm sure you are slammed with case and all. I'm getting out from under some 3/31 deadlines so am back to thinking about this Dix Dam extension opportunity. Any chance to talk?

John

From: Blake, Kent <Kent.Blake@lge-ku.com>
Sent: Wednesday, March 10, 2021 9:05 AM
To: John Brown <JBROWN@DeltaGas.com>
Subject: Re: Call John Brown RE Dix Dam

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John,

Good to hear from you. I'm on vacation this week. Let me get some information from my folks, and I'll get back to you next week.

Kent

From: John Brown <JBROWN@DeltaGas.com>
Date: March 9, 2021 at 9:56:26 AM CST
To: Blake, Kent <Kent.Blake@lge-ku.com>
Subject: Call John Brown RE Dix Dam

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Hey Kent,

I think we have managed to go all of the pandemic without talking. Hope all is well with you all.

I've been wanting to ask you about something for several months and just haven't gotten around to it.

Our Nicholasville system, with about 9,000 customers, is our largest with service from a single feed. While our supply continues to be sufficient, we believe we need to be thinking in terms of finding a second feed for the obvious reasons.

We believe that your line that serves the Dix Dam Generating Station is our closest connection from Jessamine County to a high pressure high capacity line. Our VP-Distribution, Jonathan Morpew, talked to Joe Ryan a long time ago and got the feeling that it was a good fit operationally, with our peak being winter and the power plant's peak being summer. The way Jonathan understood it, Joe ultimately did some checking and got the word that due to FERC regulation, LG&E wouldn't be able to sell or transport gas to us.

Ever since I heard that I've been wanting to chat with you to brainstorm if there is any way we could make it worth your while to allow us to tap your line despite regulatory challenges. We like the idea that it would give us access to another interstate pipeline rather than just doing something parallel to our existing line. We could commit to minimum volumes—whatever it would take to make it work. The service could be interruptible since we have plenty of firm capacity already.

Give me a call when you have a few minutes to chat.

Thanks!

John

Cell-859.771.5553

John B. Brown, President

Delta Natural Gas Company, Inc.
3617 Lexington Road
Winchester, KY 40391

859.744.6171 x1109
jbrown@deltagas.com

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From: Wood, Gabriel <Gabriel.Wood@lge-ku.com>
Sent: Wednesday, April 22, 2020 10:53 AM
To: Jonathan Morpew <JMORPHEW@DeltaGas.com>
Subject: RE: KU/LG&E Pipeline

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Jonathan,

Sorry for taking so long to get back to you on this. I can't remember if I did ever send that to you or not. As you said, life has been a bit different lately! Greg Wilson is who you would need to talk to at our Brown power plant. His email is greg.wilson@lge-ku.com. I'm not sure how the COVID stuff is affecting things at the plants, so email might be the easiest way to get a hold of him right now.

I hope that y'all are managing well through the pandemic and staying healthy!

Gabe

From: Jonathan Morpew <JMORPHEW@DeltaGas.com>
Sent: Thursday, April 09, 2020 7:19 AM
To: Wood, Gabriel <Gabriel.Wood@lge-ku.com>
Subject: KU/LG&E Pipeline

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Gabe,

Did you ever send me that contact info regarding the gas line serving your power plant? I still need to speak with someone regarding that project and I can't find the info you were going to send. I may have accidentally deleted it in this swarm of COVID-19 emails/frenzy we are in! Ha!

Thanks,
Jonathan

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**DELTA NATURAL GAS COMPANY, INC.
CASE NO. 2022-00085**

**FIRST PSC DATA REQUEST
DATED MAY 20, 2022**

12. Refer to Morphew Direct Testimony, page 6, line 11 regarding the estimated annual cost of operation of the proposed pipeline of \$16,050, and the statement that this estimate “does not include depreciation, property tax expense, insurance, and financing expenses.”

a. State whether Delta has made any estimates as to how much these items will increase the estimate annual cost of operation.

b. State why these items were not included in the estimated annual cost.

Response:

a. Attached is an estimate of property tax and depreciation associated with the proposed pipeline. Delta does not anticipate a material increase in insurance or financing expense associated with the pipeline.

b. Delta initially provided the annual estimated operating expenses for the pipeline but agrees there will be depreciation and property tax expense associated with the project.

Sponsoring Witness: Jonathan Morphew and John B. Brown

Nicholasville 2nd Transmission Feed 8" Steel Line Project
 Estimated Depreciation Expense and Property Taxes

Total Project Estimate

2,399,674.00	Account 365 - Land and Land rights	(2023 & 2024 - 20% Madison and 80% Jessamine)
15,999,618.00	Account 367 - Transmission Mains	(1/2 in 2024 and 1/2 in 2025 - 20% Madison and 80% Jessamine)
2,694,198.00	Account 369 - Tap Fee/Transmission Station	(to be constructed in 2024 - Madison County)
19,927.00	Account 379 - Distribution Town Border Station	(2025 - Jessamine County)
<u>21,113,417.00</u>		

Estimated Depreciation Expense

	Rate		2023	2024	2025	2026	2027	2028	2029	2030	
2,399,674.00	365	Non Depreciable		0	0	0	0	0	0	0	
7,999,809.00	367	2.90% 34.48 year life		115,997	231,994	231,994	231,994	231,994	231,994	231,994	(Half in 2024)
7,999,809.00	367	2.90% 34.48 year life			115,997	231,994	231,994	231,994	231,994	231,994	(Half in 2025)
				<u>115,997</u>	<u>347,992</u>	<u>463,989</u>	<u>463,988</u>	<u>463,988</u>	<u>463,988</u>	<u>463,988</u>	
2,694,198.00	369	3.50% 28.57 year life		47,148	94,297	94,297	94,297	94,297	94,297	94,297	(2024)
19,927.00	379	2.20% 45.45 year life			219	438	438	438	438	438	(2025)
<u>21,113,417.00</u>		Total Estimated Depr Exp by Year		<u>163,146</u>	<u>442,508</u>	<u>558,724</u>	<u>558,723</u>	<u>558,723</u>	<u>558,723</u>	<u>558,723</u>	

Estimated Property Taxes

			Real Estate		2023	2024	2025	2026	2027	2028	2029	2030	
			Rates										
2,399,674.00	80%	365	Jessamine	1.0549%	10,126	20,251	20,251	20,251	20,251	20,251	20,251	20,251	
	20%		Madison	0.9156%	2,197	4,394	4,394	4,394	4,394	4,394	4,394	4,394	
					<u>12,323</u>	<u>24,646</u>	<u>24,645</u>	<u>24,645</u>	<u>24,645</u>	<u>24,645</u>	<u>24,645</u>	<u>24,645</u>	
7,999,809.00	80%	367	Jessamine	1.5490%		97,696	192,518	186,768	181,018	175,268	169,519	163,769	
7,999,809.00	20%	367	Madison	0.9156%		14,437	28,449	27,599	26,750	25,900	25,050	24,201	
						<u>112,133</u>	<u>220,966</u>	<u>214,367</u>	<u>207,768</u>	<u>201,168</u>	<u>194,569</u>	<u>187,969</u>	(half 2024 half 2025)
2,694,198.00	100%	369	Madison	<u>Tangible Rates</u> 0.9979%		26,415	25,474	24,533	23,592	22,651	21,710	20,769	(2024)
19,927.00	100%	379	Jessamine	1.0822%			213	209	204	199	194	190	(2025)
<u>21,113,417.00</u>		Total Estimated Property Tax			<u>12,323</u>	<u>163,194</u>	<u>271,299</u>	<u>263,753</u>	<u>256,208</u>	<u>248,663</u>	<u>241,118</u>	<u>233,573</u>	

**DELTA NATURAL GAS COMPANY, INC.
CASE NO. 2022-00085**

**FIRST PSC DATA REQUEST
DATED MAY 20, 2022**

13. Refer to Delta's response to Staff's Second Request, Item 15(b), as well as 2021-00185 Morphew Testimony, pages 4–5.

a. State what the present expected timeline is for completion of the Nicholasville Project.

b. State why Delta's response to Staff's Second Request, Item 15(b) states that the timeline for the Nicholasville Project was being extended through 2025, with amounts budgeted of "\$2,564,005 in 2023 for all metering and regulating station construction and tap fees associated with the purchase station facilities, \$7,541,825 in 2024 for construction of one-half of the Nicholasville Project, and \$7,541,825 in 2025 for construction of the remaining half of the Nicholasville Project", yet the Morphew Direct Testimony, pages 4-5, states that "Delta hopes to complete the pipeline by the end of the construction season in 2024."

c. If the timeline for completion of the project has been advanced from 2025 to 2024, explain the reasons for advancement.

d. If the timeline for completion of the project has been advanced from 2025 to 2024, explain how that affects the amounts of the annual budgets for the years 2023-24 as compared to the amounts stated in Delta's response to Staff's Second Request, Item 15(b) for the years 2023-25.

Response:

a. Delta expects to complete the Nicholasville pipeline project in its entirety before the end of 2025. The schedule for this project is as follows. Engineering design and right-of-way acquisition are anticipated to be completed in 2023. One half of the pipeline, the tap on the

**DELTA NATURAL GAS COMPANY, INC.
CASE NO. 2022-00085**

**FIRST PSC DATA REQUEST
DATED MAY 20, 2022**

interstate pipeline, and purchase station construction, are to be completed in 2024. The second half of the pipeline and city gate station are to be completed in 2025.

b. The initial plan for the construction of the pipeline indicated a completion date in 2024. Since the initial estimate and scheduling, other factors have created the need to adjust the estimated cost and schedule. As stated in response to part a, Delta now plans to complete the entire project by the end of 2025. The estimated cost and schedule for each phase, are as follows:

- 2023: Complete all engineering design, right of way acquisition, and permitting - \$3,036,219
- 2024: Complete construction of the tap on the interstate pipeline, install purchase station, and construct the first half of the pipeline - \$10,375,734
- 2025: Complete construction of the second half of the pipeline and city gate regulating station - \$7,701,464

c. There is no advancement of the pipeline construction schedule. See the timeline depicted in parts a and b.

d. Not applicable. See parts a-c.

Sponsoring Witness: Jonathan Morpew

**DELTA NATURAL GAS COMPANY, INC.
CASE NO. 2022-00085**

**FIRST PSC DATA REQUEST
DATED MAY 20, 2022**

14. State whether Delta intends to recapture the cost of the Nicholasville Project in a future rate case.

Response: Yes.

Sponsoring Witness: John Brown