

DELTA NATURAL GAS COMPANY, INC.
CASE NO. 2022-00341

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION
DATED JANUARY 10, 2023

1. Refer to the Direct Testimony of Jonathan Morpew (Morpew Direct Testimony), page 4, lines 13-17, and Schedule IV 2022-Summary. Explain why Delta is proposing to include in its Pipeline Replacement Program (PRP) 2022 spend in excess of amounts recovered in base rates.

Response:

Delta is proposing to recover “PRP-related plant in service not included in base gas rates minus the associated PRP-related accumulated depreciation and accumulated deferred income taxes,” in accordance with Sheet No. 43 of its tariff. If Delta was recovering all of its PRP-related plant in service expenses from 2022 in base rates, Delta would not have proposed recovering a portion of its 2022 PRP spend in this case. As the record in Case No. 2021-00285 clearly reflects, Delta did not receive complete recovery of its 2022 PRP spend because the requirements for a forecasted test year mandate use of a 13-month average rate base.

The Commission’s January 3, 2022 Order in Case No. 2021-00185 stated, “The Commission denies Delta’s request to file a true-up adjustment for any over- or under-recoveries realized in **2021**, as such revenues and expenses are now included in rate base; therefore, a true-up filing would be inappropriate.”¹ It is undisputed that the “revenues and expenses” from **2022** are not fully “included in rate base.” It was Delta’s understanding based upon this Order that the recovery of unincluded 2022 expense would be permitted in this filing, following the Commission’s examination of the expenditures for prudence.

Delta’s PRP approved in Case No. 2010-00116 gave Delta the opportunity to earn a return on qualifying historic pipeline expenditures. Delta submitted all eligible pipeline expenditures to the Commission each year for review, and the PRP rate was ordered by the Commission based on the historic pipeline expenditures deemed by the Commission to be eligible under the program. Delta’s use of the PRP allowed Delta to defer a base rate case for more than a decade, which greatly benefited customers. Consistent utilization of the PRP allows for a timely return on these safety investments, while smoothing out rate increases to customers. Moreover, Delta’s unaccounted for gas and the number of leaks have materially declined, which demonstrates that the PRP is allowing the company to operate more safely.

In Case No. 2021-00185, Delta proposed revisions to its PRP tariff. The Commission granted Delta’s proposal to utilize a forecasted PRP with a true-up period. Delta’s main goals in this transition filing from a historic mechanism to a forward-looking mechanism are three-fold:

First, to include in the PRP rate an estimate of PRP work to be performed in the current year, to reduce regulatory lag by currently earning a return on current expenditures. Second, to provide to the Commission the same level of detail of historical spending as in the past, giving the

¹ Case No. 2021-00185, Order at 21(Ky. PSC Jan. 3, 2022).

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Commission the same opportunity to analyze each cost included by Delta in the calculation, with the Commission making the final determination of which actual expenditures ultimately are included in PRP rate base, and third, to ensure that the PRP rate base calculation going forward properly excludes any rate base earning a return from Case No. 2021-00185, but properly rolls forward into the 2023 PRP calculation the appropriate beginning balances. Delta is not attempting to recover 2022 under-recoveries. There needs to be proper recognition of the fact, though, that the 1/1/2023 beginning balance of PRP rate base used in calculating the 2023 rate includes the net book value of the PRP expenditures made in 2022 that were not included in base rates from Case No. 2021-00185.

The third goal above relates to why Delta is proposing to include in its PRP its 2022 eligible expenditures in excess of amounts recovered in base rates.

The chart attached at Exhibit 1 illustrates the interaction between 2022 and 2023 PRP expenses. The only amount from 2022 that influences the 2023 PRP calculation is in determining the correct beginning balance for the 2023 PRP calculation. Based on the application of the 13-month convention for the rate case, \$3,282,404 is and will continue to be earned through Case No. 2021-00185 base rates and should not be included in the beginning balance of the 2023 calculation. That leaves \$3,282,404 of expenditures to be included in the beginning balance for 2023. In addition, Delta anticipated spending \$2,551,061 in excess of the projection in the rate case and thus received no recovery of that amount in 2022. Including the \$2,551,061 in the beginning balance of the 2023 PRP calculation acknowledges that while Delta received \$0 recovery during 2022 on these eligible expenses and does not propose to receive any recovery during 2022, these amounts should be included in the beginning balance in order to begin recovery on these expenditures in 2023. All of these expenditures will be subject to Commission review in connection with the filing in March 2023 of actual expenditures.

Not including either reconciling item, the \$3,282,404 of the original estimate not in base rates, or the \$2,551,061 spent in addition to the original estimate, in the beginning balance of 2023 PRP would deny Delta the opportunity to earn its allowed return of 9.175% on eligible PRP expenditures currently and going forward.

Note that the \$2,551,061 is an estimate. Delta will file detail of PRP additions with the Commission for future approval and adjustment of the rate to reflect any adjustments due to the Commission's review or differences in projections to actual expenditures.

The use of a forecasted test year in the recent rate case, which is permitted under Kentucky law, should not prohibit Delta from recovering its prudently incurred PRP-related expenses, especially given the lack of standard filing requirements for PRP mechanisms. To do so is inconsistent with Delta's tariff, the purposes of KRS 278.509, which are to encourage the accelerated replacement of gas infrastructure and would result in disallowing or deferring recovery in 2023 PRP rates on over \$5 million of prudent capital expenditures, which is anticipated to have a revenue impact of approximately \$1.1 million. This amount is material to Delta's operations, as this equates to **20%**

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of Delta's rate increase ordered in Case No. 2021-00185. Given the timing of Delta's rate proceeding—its first in over a decade—Delta has already experienced regulatory lag associated with the unrecovered 2022 expenses and Delta has not proposed (and has no plans to propose) any recovery that will cure the regulatory lag experienced in 2022. But the financial impact to Delta if such expenses are not included for recovery in this proceeding in determining the 2023 rates is material to 2023 and in every year after 2023 until the next general rate case. Absent a finding that the PRP-related expenses were imprudently incurred, Delta is being deprived timely recovery simply as a result of the timing of its rate proceeding. This delay in recovery will erode Delta's projected ROE to the point of requiring Delta to accelerate plans for the next rate case filing.

Witness: John B. Brown

EXHIBIT 1 IS ATTACHED IN EXCEL FORMAT

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2. Refer to the Morphew Direct Testimony, page 4, lines 19-20. Explain why Delta is proposing to true-up PRP amounts recovered in base rates.

Response:

As explained in more detail in the response to Question No. 1 above, the true-up adjustment referred to in the Morphew testimony is to true-up the \$2,551,061 estimate of 2022 PRP expenditures in excess of the PRP expenditures included in base rates (\$3,282,404). This amount included in base rates of \$3,282,404 is fixed and not subject to adjustment. The unknown amount is the amount of eligible PRP expenditures during 2022 that earned zero recovery during 2022 but should be included in the beginning balance of PRP rate base when calculating 2023 PRP rates so that Delta would begin to recover on those expenditures.

Witness: John B. Brown

DELTA NATURAL GAS COMPANY, INC.
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3. Refer to Schedule I and Schedule II 2023. Explain why Delta did not use a 13-month average rate base to calculate its forecasted PRP rates.

Response:

Delta did not use a 13-month average rate base to calculate its forecasted PRP rates because it utilized the historical PRP model it has used in the past which utilizes the terminal value. The terminal value can be used as the base for the current year PRP as well as the following years, allowing for earning a return on all PRP expenditures between general rate cases. Utilizing the terminal value for the calculation is consistent with previously issued Commission Orders related to forecasted PRP mechanisms. Delta is attaching an updated model (Exhibit 2) which includes the calculation of 13-month average rate base consistent with its forecasted rate base calculation in Case No. 2021-00085. Making this change reduces the 2023 PRP adjustment from \$1,482,509 as originally filed to \$1,039,062, but in order for the mechanism to have integrity and not create a donut hole of expenditures not earning a return, the terminal value, not the average value, must be used as the beginning balance of the following year's calculation. Likewise, the terminal value of PRP expenditures not earning a return in 2022 must be considered in the beginning balance for the 2023 PRP rate calculation.

Since its inception in 2010, Delta has hewed closely to the purposes and intent of pipeline replacement programs. The PRP has permitted Delta to accelerate the replacement of aging infrastructure without increasing base rates for over a decade. This has benefited Delta's customers both operationally and financially. From an operational perspective, Delta's number of leaks and unaccounted-for gas are declining. These metrics demonstrate that Delta's use of the PRP is allowing Delta to operate more safely. Financially, Delta has filed rate increases less frequently than its peers. If the Commission utilizes a 13-month average, Delta will be forced to consider accelerating rate relief, which is contrary to the purposes of pipeline replacement programs.

Witness: John B. Brown

EXHIBIT 4 IS ATTACHED IN EXCEL FORMAT

DELTA NATURAL GAS COMPANY, INC.
CASE NO. 2022-00341

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4. Provide a 2023 PRP rate calculation that uses a rate base which excludes 2022 spend, includes a 13-month average of 2023 spend, and uses the pro rata method to determine accumulated deferred income taxes.

Response:

See the attached Exhibit 3. Delta emphasizes that in order for a portion of 2022 PRP expenditures to ever earn a return through the PRP, those expenses need to be included in the beginning balance for recovery as modeled in the response to Question No. 3 (Exhibit 2). The model attached to this response, Exhibit 3, excludes \$5,833,465 of prudently incurred PRP expenses from current and future recovery.

Exhibit 3 also contains an "ROE Comparison" tab, which compares the as-filed position to the modeling scenarios in Exhibits 2 and 3 and the 2021 "As Approved" and 2022 "Experienced" positions. Delta experienced an effective ROE on the PRP in 2022 of 3.216%. As the chart illustrates, only the proposal as filed gives Delta the opportunity to earn a return approaching the 9.175% authorized return. As shown in the requested Exhibit 3, the rate of return falls to only 2.528%, which is a steep drop from the rate authorized by the Commission only last year.

Witness: John B. Brown

EXHIBIT 5 IS ATTACHED IN EXCEL FORMAT

**DELTA NATURAL GAS COMPANY, INC.
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5. Provide the number of leaks per year on Delta's system from 2018 through the most recently available leak survey.

Response:

Provided below are the number of leaks per year on Delta's system from 2018, through 2022.

2018 – 330
2019 – 228
2020 – 257
2021 – 250
2022 - 210

Witness: Jonathan Morpew

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6. Provide the lost and unaccounted for gas percentage on Delta's system from 2018 through the most recently available information.

Response:

The percent of unaccounted for gas as defined on annual DOT reporting from 2018 through 2021 is as follows:

2018 – 3.4%
2019 – 2.9%
2020 – 2.0%
2021 – 1.16%

Witness: Jonathan Morpew

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7. Provide all Requests for Proposals (RFPs) or invitations to bid that Delta has sent to construction companies related to this pipe replacement program since January 1, 2019.

Response:

Please find the attached Invitations to Bid from 2019 through 2023. Please note the absence of a 2022 Invitation to Bid. Martin Contracting offered an increase of 5% above the 2021 Contract pricing of which Delta accepted. The bid sheet for 2022 pricing is provided on the responses to Question 8. Martin Contracting has provided a letter requesting the 2022 bid to be continued into 2023. Delta intends to accept this proposal and continue with the 2022 pricing in 2023.

Witness: Jonathan Morpew



DELTA NATURAL GAS COMPANY, INC.

3617 Lexington Road
Winchester, Kentucky 40391-9797

www.deltagas.com

PHONE: 859-744-6171

FAX: 859-744-3623

INVITATION TO BID

February 11, 2019

Mr. Shawn Martin, President
Martin Contracting, Inc.
2371 Irvine Road
Richmond, KY 40475

Dear Shawn:

You are invited to bid on Delta's 2019 Continuing Contract. The enclosed bid package includes the Pipeline Construction Agreement, Bid Sheets, General Conditions and General Pipeline Specifications. Again this year, we are requesting bids for a five man crew and a three man crew. Utilization of these crews will be determined on an as-needed basis.

Sealed bids, consisting of nine completed bid sheets, must be received by me at Delta's Winchester office no later than noon February 25, 2019. Delta reserves the right to waive any informalities or to reject any and all bids.

At the time of the bid opening, each bidder will be presumed to have read and be thoroughly familiar with the bid package documents, including any addenda. Failure or omission of a bidder to examine all forms, instruments or documents shall in no way release the bidder from his obligation with respect to his bid. Please note revised Safety Standard Practice S-3, Personal Protective Equipment, reference in the General Pipeline Specifications.

The successful bidder will be required to execute the Pipeline Construction Agreement. The successful bidder will also furnish to Delta a copy of bidder's drug and alcohol testing program required in Section 16.1, page 31, of the General Conditions, and a copy of bidder's Operator Qualification Plan along with copies of Operator Qualification records for employees that will be working on Delta projects. No work will be scheduled to commence until the successful bidder's aforementioned qualification supporting documents have been received and approved.

If you have any questions or need any additional information concerning this Continuing Contract, please contact me at 859-744-6171, extension 1154 or 859-771-1249.

Very truly yours,

Robert C. Miller Jr.
Manager - Construction



DELTA NATURAL GAS COMPANY, INC.

3617 Lexington Road
Winchester, Kentucky 40391-9797

www.deltagas.com

PHONE: 859-744-6171

FAX: 859-744-3623

INVITATION TO BID

February 11, 2019

Mr. Bill Harp, President
Stanley Pipeline, Inc.
Post Office Box 4656
Winchester, KY 40392-4656

Dear Bill:

You are invited to bid on Delta's 2019 Continuing Contract. The enclosed bid package includes the Pipeline Construction Agreement, Bid Sheets, General Conditions and General Pipeline Specifications. Again this year, we are requesting bids for a five man crew and a three man crew. Utilization of these crews will be determined on an as-needed basis.

Sealed bids, consisting of nine completed bid sheets, must be received by me at Delta's Winchester office no later than noon February 25, 2019. Delta reserves the right to waive any informalities or to reject any and all bids.

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The successful bidder will be required to execute the Pipeline Construction Agreement. The successful bidder will also furnish to Delta a copy of bidder's drug and alcohol testing program required in Section 16.1, page 31, of the General Conditions, and a copy of bidder's Operator Qualification Plan along with copies of Operator Qualification records for employees that will be working on Delta projects. No work will be scheduled to commence until the successful bidder's aforementioned qualification supporting documents have been received and approved.

If you have any questions or need any additional information concerning this Continuing Contract, please contact me at 859-744-6171, extension 1154 or 859-771-1249.

Very truly yours,

Robert C. Miller Jr.
Manager - Construction



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3617 Lexington Road
Winchester, Kentucky 40391-9797

www.deltagas.com

PHONE: 859-744-6171

FAX: 859-744-3623

INVITATION TO BID

February 11, 2019

Mr. Kyle Swartz
Swartz Pipeline
Post Office Box 44
Olympia, KY 40358

Dear Kyle:

You are invited to bid on Delta's 2019 Continuing Contract. The enclosed bid package includes the Pipeline Construction Agreement, Bid Sheets, General Conditions and General Pipeline Specifications. Again this year, we are requesting bids for a five man crew and a three man crew. Utilization of these crews will be determined on an as-needed basis.

Sealed bids, consisting of nine completed bid sheets, must be received by me at Delta's Winchester office no later than noon February 25, 2019. Delta reserves the right to waive any informalities or to reject any and all bids.

At the time of the bid opening, each bidder will be presumed to have read and be thoroughly familiar with the bid package documents, including any addenda. Failure or omission of a bidder to examine all forms, instruments or documents shall in no way release the bidder from his obligation with respect to his bid. Please note revised Safety Standard Practice S-3, Personal Protective Equipment, reference in the General Pipeline Specifications.

The successful bidder will be required to execute the Pipeline Construction Agreement. The successful bidder will also furnish to Delta a copy of bidder's drug and alcohol testing program required in Section 16.1, page 31, of the General Conditions, and a copy of bidder's Operator Qualification Plan along with copies of Operator Qualification records for employees that will be working on Delta projects. No work will be scheduled to commence until the successful bidder's aforementioned qualification supporting documents have been received and approved.

If you have any questions or need any additional information concerning this Continuing Contract, please contact me at 859-744-6171, extension 1154 or 859-771-1249.

Very truly yours,

Robert C. Miller Jr.
Manager - Construction



DELTA NATURAL GAS COMPANY, INC.

3617 Lexington Road
Winchester, Kentucky 40391-9797

www.deltagas.com

PHONE: 859-744-6171

FAX: 859-744-3623

INVITATION TO BID

February 11, 2019

Mr. John Wells
Division Manager
Team Fishel
1064 Manchester Street
Lexington, KY 40508

Dear John:

You are invited to bid on Delta's 2019 Continuing Contract. The enclosed bid package includes the Pipeline Construction Agreement, Bid Sheets, General Conditions and General Pipeline Specifications. Again this year, we are requesting bids for a five man crew and a three man crew. Utilization of these crews will be determined on an as-needed basis.

Sealed bids, consisting of nine completed bid sheets, must be received by me at Delta's Winchester office no later than noon February 25, 2019. Delta reserves the right to waive any informalities or to reject any and all bids.

At the time of the bid opening, each bidder will be presumed to have read and be thoroughly familiar with the bid package documents, including any addenda. Failure or omission of a bidder to examine all forms, instruments or documents shall in no way release the bidder from his obligation with respect to his bid. Please note revised Safety Standard Practice S-3, Personal Protective Equipment, reference in the General Pipeline Specifications.

The successful bidder will be required to execute the Pipeline Construction Agreement. The successful bidder will also furnish to Delta a copy of bidder's drug and alcohol testing program required in Section 16.1, page 31, of the General Conditions, and a copy of bidder's Operator Qualification Plan along with copies of Operator Qualification records for employees that will be working on Delta projects. No work will be scheduled to commence until the successful bidder's aforementioned qualification supporting documents have been received and approved.

If you have any questions or need any additional information concerning this Continuing Contract, please contact me at 859-744-6171, extension 1154 or 859-771-1249.

Very truly yours,

Robert C. Miller Jr.
Manager - Construction



DELTA NATURAL GAS COMPANY, INC.

3617 Lexington Road
Winchester, Kentucky 40391-9797

www.deltagas.com

PHONE: 859-744-6171

FAX: 859-744-3623

February 26, 2020

Mr. Shawn Martin, President
Martin Contracting, Inc.
2371 Irvine Road
Richmond, KY 40475

Dear Shawn:

You have proposed to continue the natural gas related construction and maintenance services for Delta Natural Gas Company, Inc. under the same terms, conditions, specifications and pricing set forth in the Continuing Contract dated March 1, 2019.

This proposed Continuing Contract includes an addendum to the March 1, 2019 Contract for the cost and structure of a three-man restoration crew as set forth on the attached Bid Sheets. The number of restoration crews required by Delta are not guaranteed, nor are the amount of hours worked.

The proposal for the continuation of services and the additional three-man restoration crew(s) by Martin Contracting Inc. are hereby accepted and agreed upon by Delta Natural Gas Company, Inc. This Agreement will be effective for one-year beginning March 1, 2020 through February 28, 2021.

Respectfully,

Robert C. Miller Jr.
Manager - Construction

Witness to Company

Agreed to and accepted by

Shawn Martin, President
Martin Contracting Inc.

Witness to Contractor

2371 IRVINE RD.
RICHMOND, KY 40475

SHAWN MARTIN
OWNER

Martin
Contracting INC.

[TEL] 859-623-0112
[CELL] 606-305-6434
[FAX] 859-626-0822

SHMARTIN1@BELLSOUTH.NET

Rob Miller
Delta Natural Gas Company
3617 Lexington Rd
Winchester, KY 40391

Mr. Miller, I wanted to reach out to express how much that myself and everyone with the Martin Contracting team appreciate the relationship and opportunity we have had to work with Delta over the past several years and look forward to many years to come. Martin would like to propose the option to continue working at the current 2019-2020 rates through the 2020-2021 contract season. Martin will maintain the crews that have been in place currently, as needed, with the ability of adding addition forces if need be. I will be available at anytime to discuss. Our Crews are prepared to mobilize with minimal notice. Thank you in advance for your consideration and I look forward to hearing from you concerning this matter.

Kind Regards

Shawn Martin, President
Martin Contracting, Inc



DELTA NATURAL GAS COMPANY, INC.

3617 Lexington Road
Winchester, Kentucky 40391-9797

www.deltagas.com

PHONE: 859-744-6171

FAX: 859-744-3623

February 4, 2021

Mr. Shawn Martin, President
Martin Contracting, Inc.
2371 Irvine Road
Richmond, Ky. 40475


Shawn,

Martin Contracting Inc. has proposed to continue natural gas related construction and maintenance services for Delta Natural Gas Company, Inc. under the same terms, conditions, specifications and pricing set forth in the Continuing Contract agreement between Delta Natural Gas Company, Inc. and Martin Contracting, Inc. dated February 26, 2020. The February 26, 2020 agreement was an extension of the contract terms and conditions dated March 1, 2019, with an accepted addendum to add pricing for Restoration Crews.

The Martin Contracting Inc. proposal to continue the Continuing Contract includes labor and equipment pricing for 5-Man crews at an hourly rate of \$320, 3-Man crews at an hourly rate of \$170 and 3-Man Restoration crews at an hourly rate of \$147. The Continuing Contract shall not specify a minimum or maximum number of crews required by Delta.

The proposal for the continuation of construction services by Martin Contracting Inc. as outlined above, are hereby accepted and agreed upon by Delta Natural Gas Company, Inc. This agreement will be effective for one-year beginning February 5, 2021 through February 5, 2022.

Respectfully,


Robert C. Miller Jr.
Manager – Construction


Witness to Company

Agreed to and accepted by


Shawn Martin, President
Martin Contracting Inc.


Witness to Contractor

INVITATION TO BID

June 27, 2022

Mr. Bill Harp, President
Stanley Pipeline Inc.
6109 Lexington Road
Winchester, Ky. 40391

Dear Bill,

You are invited to bid on Delta's CBC PRP Pipeline Replacement project in Williamsburg, Whitley County Ky.

The enclosed bid package for the CBC Pipeline Replacement Project includes Plans, Bid Sheets, General Conditions, Supplemental Specifications and General Pipeline Specifications. All of which outlines the intended scope of work for the project.

Sealed bids, consisting of Plans, Bid Sheets, General Conditions, Supplemental Specifications and General Pipeline Specifications, must be received by me at Delta's Winchester office no later than noon July 8, 2022. Delta reserves the right to waive any informalities or to reject any and all bids.

At the time of the bid opening, each bidder will be presumed to have read and be thoroughly familiar with the bid package documents, including any addenda. Failure or omission of a bidder to examine all forms, instruments or documents shall in no way release the bidder from his obligation with respect to his bid. Please note revised Safety Standard Practice S-3, Personal Protective Equipment, reference in the General Pipeline Specifications.

The successful bidder will be required to execute Delta's Construction Agreement. The successful bidder will also furnish to Delta a copy of bidder's drug and alcohol testing program required in Section 16.1, page 31, of the General Conditions. No work will be scheduled to commence until the successful bidder's aforementioned qualification supporting documents have been received and approved.

If you have any questions or need any additional information concerning this project, please contact me at 859-744-6171.

Respectfully,

Robert C. Miller Jr.
Manager of Construction / Engineering



DELTA NATURAL GAS COMPANY, INC.

3617 Lexington Road
Winchester, Kentucky 40391-9797

PHONE: 859-744-6171 • FAX: 859-744-3623 • www.deltagas.com

INVITATION TO BID

June 27, 2022

Mr. Kyle Swartz, Vice President
Roe Enterprises Inc. DBA
Swartz Pipeline Contracting
P.O. Box 44
Olympia, Ky. 40358

Dear Kyle,

You are invited to bid on Delta's CBC PRP Pipeline Replacement project in Williamsburg, Whitley County Ky.

The enclosed bid package for the CBC Pipeline Replacement Project includes Plans, Bid Sheets, General Conditions, Supplemental Specifications and General Pipeline Specifications. All of which outlines the intended scope of work for the project.

Sealed bids, consisting of Plans, Bid Sheets, General Conditions, Supplemental Specifications and General Pipeline Specifications, must be received by me at Delta's Winchester office no later than noon July 8, 2022. Delta reserves the right to waive any informalities or to reject any and all bids.

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If you have any questions or need any additional information concerning this project, please contact me at 859-744-6171.

Respectfully,

Robert C. Miller Jr.
Manager of Construction / Engineering



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3617 Lexington Road
Winchester, Kentucky 40391-9797

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INVITATION TO BID

June 27, 2022

Mr. Shawn Martin, President
Martin Contracting Inc.
2371 Irvine Road
Richmond, KY 40475

Dear Shawn,

You are invited to bid on Delta's CBC PRP Pipeline Replacement project in Williamsburg, Whitley County Ky.

The enclosed bid package for the CBC Pipeline Replacement Project includes Plans, Bid Sheets, General Conditions, Supplemental Specifications and General Pipeline Specifications. All of which outlines the intended scope of work for the project.

Sealed bids, consisting of Plans, Bid Sheets, General Conditions, Supplemental Specifications and General Pipeline Specifications, must be received by me at Delta's Winchester office no later than noon July 8, 2022. Delta reserves the right to waive any informalities or to reject any and all bids.

At the time of the bid opening, each bidder will be presumed to have read and be thoroughly familiar with the bid package documents, including any addenda. Failure or omission of a bidder to examine all forms, instruments or documents shall in no way release the bidder from his obligation with respect to his bid. Please note revised Safety Standard Practice S-3, Personal Protective Equipment, reference in the General Pipeline Specifications.

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If you have any questions or need any additional information concerning this project, please contact me at 859-744-6171.

Respectfully,

Robert C. Miller Jr.
Manager of Construction / Engineering

2371 IRVINE RD.
RICHMOND, KY 40475

SHAWN MARTIN
OWNER

Martin
Contracting INC.

[TEL] 859-623-0112

[CELL] 606-305-6434

[FAX] 859-626-0822

SHMARTIN1@BELLSOUTH.NET

Delta Natural Gas Company, Inc
3617 Lexington Rd
Winchester, KY 40391

January 12, 2023

Attention: Rob Miller

Rob, I want to let you know that Martin Contracting is very much appreciative of the working relationship that we have with Delta gas. I would like to propose that Martin Contracting, Inc will extend the 2022 annual contract pricing through the duration of the 2023 contract period, including additional crew as needed.

Shawn Martin, President
Martin Contracting, Inc

**DELTA NATURAL GAS COMPANY, INC.
CASE NO. 2022-00341**

**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION
DATED JANUARY 10, 2023**

8. Provide all responses or bids that Delta received to any RFPs or invitations to bid sent to construction companies related to this pipe replacement program since January 1, 2019. Identify the winning bids and the method used to select the winning bids.

Response:

The following contracts were awarded by lowest bid on the project. They were awarded as follows:

2019 Martin Contracting – Annual Contract
2020 Martin Contracting – Annual Contract (renewal)
2021 Martin Contracting – Annual Contract (renewal)
2022 Martin Contracting – Annual Contract (renewal w/5% increase)
2022 Swartz Contracting – Croley Bend Line

Witness: Jonathan Morpew



**DELTA NATURAL GAS COMPANY, INC.
3617 LEXINGTON ROAD
WINCHESTER, KENTUCKY 40391**

2019 CONTINUING CONTRACT

CONTRACT DOCUMENTS

- 1. PIPELINE CONSTRUCTION AGREEMENT**
- 2. BID SHEETS**

- 3. GENERAL CONDITIONS**
- 4. GENERAL PIPELINE SPECIFICATIONS**

PIPELINE CONSTRUCTION AGREEMENT

PIPELINE CONSTRUCTION AGREEMENT

THIS AGREEMENT, more readily defined as Continuing Contract, made and entered into this 1st day of March, 2019, by and between DELTA NATURAL GAS COMPANY, INC., having its principal office at 3617 Lexington Road, Winchester, Clark County, Kentucky 40391, hereinafter called "Company" and MARTIN CONTRACTING, INC., a Kentucky corporation having its principal office at 2371 Irvine Road, Richmond, Madison County, Kentucky 40475, hereinafter called "Contractor",

WITNESSETH:

THAT WHEREAS, the Company desires to have a Continuing Contract on an annual basis with a reputable Contractor for the purpose of constructing gas pipe facilities on various projects throughout the Company's service area. Said projects being deemed necessary solely by the Company as it may add to or delete from any project schedule.

AND WHEREAS, Contractor acknowledges receipt and has fully acquainted itself with the General Pipeline Specifications, General Conditions and Bid Sheets.

NOW THEREFORE, in consideration of the mutual covenants, promises and agreements herein contained, the Company and Contractor hereby agree as follows:

(1) The term of this Agreement shall be one (1) year from the day and year first above written. Either party may, at their

option, terminate and cancel this Agreement by giving the other party thirty (30) days written notice prior to cancellation.

(2) The Company shall furnish all pipeline materials, including, but not limited to, pipe, valves, fittings, anodes, rock shield, gravel, sand, primer, tape, etc.

(3) The Contractor shall furnish only the labor, supervision, vehicles, equipment, tools, safety equipment, employee personal protective equipment required by the Company and supplies required to perform contracted services specified in the Bid Sheets.

(4) The Contractor agrees to perform the work and do all things necessary for proper construction and completion of the facilities as deemed necessary by the Company, in accordance with the Company's General Pipeline Specifications, the General Conditions, Plans, Supplemental Specifications and the Bid Sheets, all of which are incorporated by reference.

(5) Prior to the commencement of any work, the Contractor shall provide its Drug and Alcohol Testing Program, in accordance with the Company's General Conditions, which are incorporated by reference and its Operator Qualification Plan along with Operator Qualification records for employees to be employed to work on Company projects within the contract period.

(6) The Company shall pay the Contractor for the performance of the Contract, subject to additions and deductions provided for herein, in accordance with the prices set forth on the Bid Sheets. Items in addition to the hourly crew will be paid only for the

hours the labor and/or equipment are used or required by the Company to be on the job.

(7) The Contractor shall bill the Company monthly for work authorized by the Company and completed on the Daily Inspection Report (Form 408). The authorized Company representative and the authorized representative of the Contractor shall agree daily as to the work accomplished during that day and on the amount of labor and equipment to be billed by the Contractor. If there is no progress on a given work day, Form 408 is still to be completed. The reason for no progress shall be stated. Each representative shall receive a signed copy of the Daily Inspection Report.

(8) Compensated time will begin and end on the job location each day. The Company does not guarantee the Contractor the employment of a certain number of crews or any minimum hours of work. The Company will determine the required number of crews and work hours based on conditions of the projects assigned. No compensation shall be paid to the Contractor for any time lost due to weather conditions. Compensation for overtime paid by the contractor will not be paid by the Company.

(9) The Company will compensate the Contractor for two (2) crew hours of "show-up" time in the event that the Contractor has not been contacted ("called-off") due to inclement weather or other reasons determined by the Company, prior to a mutually agreed upon time when the Contractor's employees would normally be

in-route to the Company's project location from the Contractor's assigned shop location. This "call-Off" communication shall be coordinated between the Company's representative and the Contractor's crew foreman assigned to the project.

(10) The Company shall compensate the Contractor one time per crew for four (4) "crew hours" of "mobilization time" at the beginning of the contract period and one time per crew for four (4) "crew hours" of "demobilization time" at the end of the contract period. This time shall be noted on a Daily Inspection Report, (Form 408). Contractor shall acknowledge that there shall be only one "contract period" within each calendar year.

(11) Contractor shall not remove any equipment or key men from a job location unless such removal is agreed to by the Company representative. The Company shall have the right to require Contractor to employ an additional crew or crews and provide additional equipment, tools and supplies if necessary.

THIS AGREEMENT shall be binding upon the parties hereto, their heirs, executors, administrators, successors and assigns. Neither party shall assign any of its rights or obligations hereunder without the written consent of the other party.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

WITNESS:

AS TO CONTRACTOR

Mary Virginia Rypard

MARTIN CONTRACTING, INC.

BY:

Shawn Martin
SHAWN MARTIN

TITLE: President

WITNESS:

AS TO COMPANY

Mary Virginia Rypard

DELTA NATURAL GAS COMPANY, INC.

BY:

Robert C. Miller, Jr.
Robert C. Miller, Jr.

TITLE: Manager - Construction

BID SHEETS

DELTA NATURAL GAS COMPANY, INC.
CONTINUING CONTRACT
BID SHEET

CONTRACT YEAR 2019

Five (5) man construction crew fully staffed and equipped with supervision, labor, equipment, vehicles, tools, safety equipment, employee personal protective equipment and miscellaneous supplies to perform all functions necessary to completely install various plastic natural gas facilities ranging in size from one-half (1/2) inch up to and including four (4) inch in diameter.

Functions to be performed may include but will not be limited to loading, hauling, unloading, stringing and installing pipe, including right-of-way clearing and preparation, ditching, solid rock removal, fence crossing removal and replacement, rock shield installation or soil padding where necessary, all crossings whether creek, road or railroad, all proposed valves and appurtenances whether above or below ground and all tie-ins, cutting and capping as required. Perform all work including backfilling and testing pipeline and appurtenances in accordance with the plans, General Conditions, General Pipeline Specifications and any Supplemental Specifications. Right-of-way restoration to include, but not limited to, rock removal, grading, water breaks, seeding and strawing. Preparation for restoration and repair by others of all streets, driveways and sidewalks, as required, to allow resurfacing to as near original condition as practical.

Total Hourly Crew Price
As Described on Attached Sheet

320.00

DELTA NATURAL GAS COMPANY, INC.
CONTINUING CONTRACT
BID SHEET

CONTRACT YEAR 2019

Three (3) man construction crew fully staffed and equipped with supervision, labor, equipment, vehicles, tools, safety equipment, employee personal protective equipment and miscellaneous supplies to perform all functions necessary to completely install various plastic natural gas service lines ranging in size from one-half (1/2) inch up to and including two (2) inch in diameter.

Functions to be performed may include but will not be limited to loading, hauling, unloading, stringing and installing pipe, including right-of-way clearing and preparation, ditching, solid rock removal, fence crossing removal and replacement, rock shield installation or soil padding where necessary, all crossings whether creek, road or railroad, all proposed valves and appurtenances whether above or below ground and all tie-ins, cutting and capping as required. Perform all work including backfilling and testing pipeline and appurtenances in accordance with the plans, General Conditions, General Pipeline Specifications and any Supplemental Specifications. Right-of-way restoration to include, but not limited to, rock removal, grading, water breaks, seeding and strawing. Preparation for restoration and repair by others of all streets, driveways and sidewalks, as required, to allow resurfacing to as near original condition as practical.

Total Hourly Crew Price
As Described on Attached Sheet

170.⁰⁰

DELTA NATURAL GAS COMPANY, INC.
CONTINUING CONTRACT
BID SHEET

CONTRACT YEAR 2019

The quoted **five** (5) man hourly crew price contains a minimum of the following listed equipment, vehicles, tools and miscellaneous supplies. A vibrating plow with trencher attachment to be used when installing service lines is required. (List to be completed by bidder):

<u>DESCRIPTION</u>	<u>QUANTITY</u>
1/2 ton PU truck	1
• 1 1/3 ton utility bed	1
• 12,000 lb mini	1
• skid steer	1
• Vibrating plow w/ trenches attachment	1
single axle dumptruck	1
9 ton tag trailer	1
2" pipe trailer	1
• 1/2" socket	1
• 3/4 " "	1
• 1 " "	1
• 1 1/4 " "	1
• 2 " "	1
• 2"-4" pit bull	1
• Electro fusing machine	1
2" electric water pump	1
• generator	1
• shovels	4

Continued list of items included with **five** (5) man hourly crew:

<u>DESCRIPTION</u>	<u>QUANTITY</u>
Air comp 100 PSI	1
1" Piercing tool	1
2" Piercing tool	1
De-thatcher	1
Valve wrench	1
• Pipe wrench	1
Cigs powered tamper	1
• 40lb fire extinguisher	1
• Standard road signs	1 set
• Standard cones	6
• FR clothing for all team members	1 each employee

DELTA NATURAL GAS COMPANY, INC.
CONTINUING CONTRACT
BID SHEET

CONTRACT YEAR 2019

The quoted three (3) man hourly crew price contains a minimum of the following listed equipment, vehicles, tools and miscellaneous supplies. A vibrating plow with trencher attachment to be used when installing service lines is required. (List to be completed by bidder):

<u>DESCRIPTION</u>	<u>QUANTITY</u>
3/4 ton utility truck	1
16" trailer	1
8300 lb mini excavator	1
Vibrating plow w/trenches	1
Air comp 100 PSI	1
1" Peircing tool	1
1/2" socket Iron complete with cold ring and chatter	1
3/01 " "	1
1 " "	1
1 1/4 " "	1
2 " "	1
2"-4" Pit bull fusing machine w/ electric trimmer	1
Electro fusing machine with line up clamps up to 2"	1
2" electric water pump	1
Generator	1
Shovels	4
Valve wrench	1
Pipe wrenches	4

Continued list of items included with **three** (3) man hourly crew:

<u>DESCRIPTION</u>	<u>QUANTITY</u>
Hex head tapping tool for service tap	2
De thatcher	1
40 lb fire extinguisher	1
standard road signs	1 set
standard road cones	6
FR clothing for all team members	each employee

DELTA NATURAL GAS COMPANY, INC.
CONTINUING CONTRACT
BID SHEET

CONTRACT YEAR 2019

Additions to Hourly Crew - Upon Request:

<u>LABOR</u>	<u>PRICE PER HOUR</u>
Foreman	26. ⁰⁰
Equipment Operator	24. ⁰⁰
Steel Pipe Welder	70. ⁰⁰
Labor, Skilled	18. ⁰⁰
Labor, Common	17. ⁰⁰
 <u>EQUIPMENT</u> 	
Dump Truck, Single Axle	39. ⁰⁰
Truck, Two Ton Dump	23. ⁰⁰
Truck, Pick-Up	20. ⁰⁰
Truck, Welding	40. ⁰⁰
Backhoe	73. ⁰⁰
Skid Steer	69. ⁰⁰
Broom Attachment for Skid Steer	15. ⁰⁰
"Harley Rake" Type Attachment for Skid Steer	18. ⁰⁰
Excavator - Mini	76. ⁰⁰
Excavator - Mid-Size	90. ⁰⁰
Excavator - Large	139. ⁰⁰
HDD Boring Machine - Mini (for bores 1/2" through 2" pipe sizes)	239. ⁰⁰
HDD Boring Machine - Mid-Size (for bores 3" through 6" pipe sizes)	290. ⁰⁰
Bulldozer (minimum 450 JD or equivalent)	103. ⁰⁰
Tractor and Low Boy	130. ⁰⁰
Single Axle Tractor with Pipe Trailer	79. ⁰⁰

Additions to Hourly Crew - Upon Request:

<u>EQUIPMENT</u>	<u>PRICE PER HOUR</u>
PE Coil Pipe Trailer	5. ⁰⁰
Hoe Ram (equipped backhoe/mini excavator)	75. ⁰⁰
Hoe Ram (equipped mid-size excavator)	100. ⁰⁰
Concrete Saw (hand-held model)	6. ⁰⁰
Concrete Saw (walk-behind model)	25. ⁰⁰
Yard Dethatcher	6. ⁰⁰
Steel Road Plates (4' x 8' minimum - each)	20. ⁰⁰ per day
Air-Tool/Hoses ("Hole Hog") (for PE pipe sizes 1/2" through 2")	10. ⁰⁰
Air-Tool/Hoses ("Hole Hog") (for PE pipe sizes 3" and 4")	25. ⁰⁰
"Walk Behind" Trencher	20. ⁰⁰
Six-Inch Plastic Fusion Unit	15. ⁰⁰
Water Pump 2"-4"	15. ⁰⁰
Water Pump 6"	45. ⁰⁰
Vqctron (Pull Behind)	65. ⁰⁰

IN WITNESS WHEREOF, the attached Continuing Contract Bid Sheets have been completed and submitted to Delta Natural Gas Company, Inc. on this the 25th day of February, 2019.

Martin Contracting, Inc
CONTRACTOR

WITNESS:

AS TO CONTRACTOR

D. Stephen Johnson

BY: SMC

TITLE: President



DELTA NATURAL GAS COMPANY, INC.

3617 Lexington Road
Winchester, Kentucky 40391-9797

www.deltagas.com

PHONE: 859-744-6171

FAX: 859-744-3623

February 26, 2020

Mr. Shawn Martin, President
Martin Contracting, Inc.
2371 Irvine Road
Richmond, KY 40475

Dear Shawn:

You have proposed to continue the natural gas related construction and maintenance services for Delta Natural Gas Company, Inc. under the same terms, conditions, specifications and pricing set forth in the Continuing Contract dated March 1, 2019.

This proposed Continuing Contract includes an addendum to the March 1, 2019 Contract for the cost and structure of a three-man restoration crew as set forth on the attached Bid Sheets. The number of restoration crews required by Delta are not guaranteed, nor are the amount of hours worked.

The proposal for the continuation of services and the additional three-man restoration crew(s) by Martin Contracting Inc. are hereby accepted and agreed upon by Delta Natural Gas Company, Inc. This Agreement will be effective for one-year beginning March 1, 2020 through February 28, 2021.

Respectfully,

Robert C. Miller Jr.
Manager - Construction

Witness to Company

Agreed to and accepted by

Shawn Martin, President
Martin Contracting Inc.

Witness to Contractor

DELTA NATURAL GAS COMPANY, INC.
CONTINUING CONTRACT
BID SHEET

CONTRACT YEAR 2020

ADDENDUM - RESTORATION CREW

Three (3) man construction restoration crew fully staffed and equipped with supervision, labor, equipment, vehicles, tools, safety equipment, employee personal protective equipment and miscellaneous supplies to perform all functions necessary to restore to as near original condition as practical, areas where the Company has constructed pipeline projects or other areas that the Company has deemed restoration to be necessary.

Restoration functions shall include, but not be limited to, dirt and gravel spreading, raking, removal of rocks, roots and other debris, fence repairs, landscape repairs, backfilling of sunken pipeline ditches, the placement of grass seed and straw. Preparation for restoration and repair by others of all streets, driveways and sidewalks, as required, to allow resurfacing to as near original condition as practical.

Total Hourly Crew Price
As Described on Attached Sheet

\$147.00

DELTA NATURAL GAS COMPANY, INC.
CONTINUING CONTRACT
BID SHEET

CONTRACT YEAR 2020

ADDENDUM - RESTORATION CREW

The quoted **three** (3) man hourly crew price contains a minimum of the following listed equipment, vehicles, tools and miscellaneous supplies. (List to be completed by bidder)

<u>DESCRIPTION</u>	<u>QUANTITY</u>
1 Ton Truck with Dump bed	1
16' trailer	1
Mini track loader w/bucket	1
Dethatcher	1
Harley Rake attachment for Mini Track Loader	1
Yard/Concrete Rakes	2
Square Point Shovels	3
Spade Type Shovels	2
Commercial Push Broom	2
Construction Signs	1 set
Cones	5
Fire Extinguisher	1
14" Plate Compactor	1

NOTE: All additional hand tools needed to perform yard cleanup

DELTA NATURAL GAS COMPANY, INC.
CONTINUING CONTRACT
BID SHEET

CONTRACT YEAR 2020

ADDENDUM - RESTORATION CREW

IN WITNESS WHEREOF, the attached Continuing Contract Addendum - Restoration Crew Bid Sheets have been completed and submitted to Delta Natural Gas Company, Inc. on this the 26th day of February, 2020.

WITNESS:

AS TO CONTRACTOR



MARTIN CONTRACTING INC.

BY:



SHAWN MARTIN

TITLE: President



**COMMONWEALTH OF KENTUCKY
TRANSPORTATION CABINET**

Frankfort, Kentucky 40622
www.transportation.ky.gov/

Matthew G. Bevin
Governor

Greg Thomas
Secretary

April 12, 2019

Robert Nellipowitz
Delta Natural Gas
3617 Lexington Rd
Winchester, KY 40391

Dear Mr. Nellipowitz:

SUBJECT: Continuing Engineering Contract
Rates Approval for
Delta Natural Gas & Martin Contracting Inc.

I have reviewed the rates for Delta Natural Gas & Martin Contracting Inc. and find the rates acceptable for use on all state and federal projects with the following clarifications:

1. Mileage will be charged to the project in accordance with the Cabinet's rate that is established and published quarterly. A premium of \$0.13/mile will be allowed for 4-wheel drive vehicles. The commonwealth's current rates may be found at <http://finance.ky.gov/services/statewideacct/Pages/travel.aspx>

You are reminded that even though the contract has been approved, use of the contractor must be requested and approved on each individual project.

Sincerely,

A handwritten signature in blue ink, appearing to read "J. Hall McCleve", written over a blue line.

Jennifer Hall McCleve
Utilities and Rail Branch Manager
Division of Right of Way & Utilities

C: All District Utilities Agents





DELTA NATURAL GAS COMPANY, INC.

3617 Lexington Road
Winchester, Kentucky 40391-9797

www.deltagas.com

PHONE: 859-744-6171

FAX: 859-744-3623

February 4, 2021

Mr. Shawn Martin, President
Martin Contracting, Inc.
2371 Irvine Road
Richmond, Ky. 40475

Shawn,

Martin Contracting Inc. has proposed to continue natural gas related construction and maintenance services for Delta Natural Gas Company, Inc. under the same terms, conditions, specifications and pricing set forth in the Continuing Contract agreement between Delta Natural Gas Company, Inc. and Martin Contracting, Inc. dated February 26, 2020. The February 26, 2020 agreement was an extension of the contract terms and conditions dated March 1, 2019, with an accepted addendum to add pricing for Restoration Crews.

The Martin Contracting Inc. proposal to continue the Continuing Contract includes labor and equipment pricing for 5-Man crews at an hourly rate of \$320, 3-Man crews at an hourly rate of \$170 and 3-Man Restoration crews at an hourly rate of \$147. The Continuing Contract shall not specify a minimum or maximum number of crews required by Delta.

The proposal for the continuation of construction services by Martin Contracting Inc. as outlined above, are hereby accepted and agreed upon by Delta Natural Gas Company, Inc. This agreement will be effective for one-year beginning February 5, 2021 through February 5, 2022.

Respectfully,



Robert C. Miller Jr.
Manager – Construction



Witness to Company

Agreed to and accepted by



Shawn Martin, President
Martin Contracting Inc.



Witness to Contractor



DELTA NATURAL GAS COMPANY, INC.

3617 Lexington Road
Winchester, Kentucky 40391-9797

www.deltagas.com

PHONE: 859-744-6171

FAX: 859-744-3623

February 26, 2020

Mr. Shawn Martin, President
Martin Contracting, Inc.
2371 Irvine Road
Richmond, KY 40475

Dear Shawn:

You have proposed to continue the natural gas related construction and maintenance services for Delta Natural Gas Company, Inc. under the same terms, conditions, specifications and pricing set forth in the Continuing Contract dated March 1, 2019.

This proposed Continuing Contract includes an addendum to the March 1, 2019 Contract for the cost and structure of a three-man restoration crew as set forth on the attached Bid Sheets. The number of restoration crews required by Delta are not guaranteed, nor are the amount of hours worked.

The proposal for the continuation of services and the additional three-man restoration crew(s) by Martin Contracting Inc. are hereby accepted and agreed upon by Delta Natural Gas Company, Inc. This Agreement will be effective for one-year beginning March 1, 2020 through February 28, 2021.

Respectfully,

Robert C. Miller Jr.
Manager - Construction

Witness to Company

Agreed to and accepted by

Shawn Martin, President
Martin Contracting Inc.

Witness to Contractor

DELTA NATURAL GAS COMPANY, INC.
CONTINUING CONTRACT
BID SHEET

CONTRACT YEAR 2020

ADDENDUM - RESTORATION CREW

Three (3) man construction restoration crew fully staffed and equipped with supervision, labor, equipment, vehicles, tools, safety equipment, employee personal protective equipment and miscellaneous supplies to perform all functions necessary to restore to as near original condition as practical, areas where the Company has constructed pipeline projects or other areas that the Company has deemed restoration to be necessary.

Restoration functions shall include, but not be limited to, dirt and gravel spreading, raking, removal of rocks, roots and other debris, fence repairs, landscape repairs, backfilling of sunken pipeline ditches, the placement of grass seed and straw. Preparation for restoration and repair by others of all streets, driveways and sidewalks, as required, to allow resurfacing to as near original condition as practical.

**Total Hourly Crew Price
As Described on Attached Sheet**

\$147.00

DELTA NATURAL GAS COMPANY, INC.
CONTINUING CONTRACT
BID SHEET

CONTRACT YEAR 2020

ADDENDUM - RESTORATION CREW

The quoted **three** (3) man hourly crew price contains a minimum of the following listed equipment, vehicles, tools and miscellaneous supplies. (List to be completed by bidder)

<u>DESCRIPTION</u>	<u>QUANTITY</u>
1 Ton Truck with Dump bed	1
16' trailer	1
Mini track loader w/bucket	1
Dethatcher	1
Harley Rake attachment for Mini Track Loader	1
Yard/Concrete Rakes	2
Square Point Shovels	3
Spade Type Shovels	2
Commercial Push Broom	2
Construction Signs	1 set
Cones	5
Fire Extinguisher	1
14" Plate Compactor	1

NOTE: All additional hand tools needed to perform yard cleanup

DELTA NATURAL GAS COMPANY, INC.
CONTINUING CONTRACT
BID SHEET

CONTRACT YEAR 2020

ADDENDUM - RESTORATION CREW

IN WITNESS WHEREOF, the attached Continuing Contract Addendum - Restoration Crew Bid Sheets have been completed and submitted to Delta Natural Gas Company, Inc. on this the 26th day of February, 2020.

WITNESS:

AS TO CONTRACTOR



MARTIN CONTRACTING INC.

BY:



SHAWN MARTIN

TITLE: President



**DELTA NATURAL GAS COMPANY, INC.
3617 LEXINGTON ROAD
WINCHESTER, KENTUCKY 40391**

2019 CONTINUING CONTRACT

CONTRACT DOCUMENTS

- 1. PIPELINE CONSTRUCTION AGREEMENT**
- 2. BID SHEETS**

- 3. GENERAL CONDITIONS**
- 4. GENERAL PIPELINE SPECIFICATIONS**

PIPELINE CONSTRUCTION AGREEMENT

PIPELINE CONSTRUCTION AGREEMENT

THIS AGREEMENT, more readily defined as Continuing Contract, made and entered into this 1st day of March, 2019, by and between DELTA NATURAL GAS COMPANY, INC., having its principal office at 3617 Lexington Road, Winchester, Clark County, Kentucky 40391, hereinafter called "Company" and MARTIN CONTRACTING, INC., a Kentucky corporation having its principal office at 2371 Irvine Road, Richmond, Madison County, Kentucky 40475, hereinafter called "Contractor",

WITNESSETH:

THAT WHEREAS, the Company desires to have a Continuing Contract on an annual basis with a reputable Contractor for the purpose of constructing gas pipe facilities on various projects throughout the Company's service area. Said projects being deemed necessary solely by the Company as it may add to or delete from any project schedule.

AND WHEREAS, Contractor acknowledges receipt and has fully acquainted itself with the General Pipeline Specifications, General Conditions and Bid Sheets.

NOW THEREFORE, in consideration of the mutual covenants, promises and agreements herein contained, the Company and Contractor hereby agree as follows:

(1) The term of this Agreement shall be one (1) year from the day and year first above written. Either party may, at their

option, terminate and cancel this Agreement by giving the other party thirty (30) days written notice prior to cancellation.

(2) The Company shall furnish all pipeline materials, including, but not limited to, pipe, valves, fittings, anodes, rock shield, gravel, sand, primer, tape, etc.

(3) The Contractor shall furnish only the labor, supervision, vehicles, equipment, tools, safety equipment, employee personal protective equipment required by the Company and supplies required to perform contracted services specified in the Bid Sheets.

(4) The Contractor agrees to perform the work and do all things necessary for proper construction and completion of the facilities as deemed necessary by the Company, in accordance with the Company's General Pipeline Specifications, the General Conditions, Plans, Supplemental Specifications and the Bid Sheets, all of which are incorporated by reference.

(5) Prior to the commencement of any work, the Contractor shall provide its Drug and Alcohol Testing Program, in accordance with the Company's General Conditions, which are incorporated by reference and its Operator Qualification Plan along with Operator Qualification records for employees to be employed to work on Company projects within the contract period.

(6) The Company shall pay the Contractor for the performance of the Contract, subject to additions and deductions provided for herein, in accordance with the prices set forth on the Bid Sheets. Items in addition to the hourly crew will be paid only for the

hours the labor and/or equipment are used or required by the Company to be on the job.

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(8) Compensated time will begin and end on the job location each day. The Company does not guarantee the Contractor the employment of a certain number of crews or any minimum hours of work. The Company will determine the required number of crews and work hours based on conditions of the projects assigned. No compensation shall be paid to the Contractor for any time lost due to weather conditions. Compensation for overtime paid by the contractor will not be paid by the Company.

(9) The Company will compensate the Contractor for two (2) crew hours of "show-up" time in the event that the Contractor has not been contacted ("called-off") due to inclement weather or other reasons determined by the Company, prior to a mutually agreed upon time when the Contractor's employees would normally be

in-route to the Company's project location from the Contractor's assigned shop location. This "call-Off" communication shall be coordinated between the Company's representative and the Contractor's crew foreman assigned to the project.

(10) The Company shall compensate the Contractor one time per crew for four (4) "crew hours" of "mobilization time" at the beginning of the contract period and one time per crew for four (4) "crew hours" of "demobilization time" at the end of the contract period. This time shall be noted on a Daily Inspection Report, (Form 408). Contractor shall acknowledge that there shall be only one "contract period" within each calendar year.

(11) Contractor shall not remove any equipment or key men from a job location unless such removal is agreed to by the Company representative. The Company shall have the right to require Contractor to employ an additional crew or crews and provide additional equipment, tools and supplies if necessary.

THIS AGREEMENT shall be binding upon the parties hereto, their heirs, executors, administrators, successors and assigns. Neither party shall assign any of its rights or obligations hereunder without the written consent of the other party.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

WITNESS:

AS TO CONTRACTOR

Mary Virginia Rupard

MARTIN CONTRACTING, INC.

BY: Shawn Martin
SHAWN MARTIN

TITLE: President

WITNESS:

AS TO COMPANY

Mary Virginia Rupard

DELTA NATURAL GAS COMPANY, INC.

BY: Robert C. Miller, Jr.
Robert C. Miller, Jr.

TITLE: Manager - Construction



BID SHEETS

DELTA NATURAL GAS COMPANY, INC.
CONTINUING CONTRACT
BID SHEET

CONTRACT YEAR 2019

Five (5) man construction crew fully staffed and equipped with supervision, labor, equipment, vehicles, tools, safety equipment, employee personal protective equipment and miscellaneous supplies to perform all functions necessary to completely install various plastic natural gas facilities ranging in size from one-half (1/2) inch up to and including four (4) inch in diameter.

Functions to be performed may include but will not be limited to loading, hauling, unloading, stringing and installing pipe, including right-of-way clearing and preparation, ditching, solid rock removal, fence crossing removal and replacement, rock shield installation or soil padding where necessary, all crossings whether creek, road or railroad, all proposed valves and appurtenances whether above or below ground and all tie-ins, cutting and capping as required. Perform all work including backfilling and testing pipeline and appurtenances in accordance with the plans, General Conditions, General Pipeline Specifications and any Supplemental Specifications. Right-of-way restoration to include, but not limited to, rock removal, grading, water breaks, seeding and strawing. Preparation for restoration and repair by others of all streets, driveways and sidewalks, as required, to allow resurfacing to as near original condition as practical.

Total Hourly Crew Price
As Described on Attached Sheet

320.00

DELTA NATURAL GAS COMPANY, INC.
CONTINUING CONTRACT
BID SHEET

CONTRACT YEAR 2019

Three (3) man construction crew fully staffed and equipped with supervision, labor, equipment, vehicles, tools, safety equipment, employee personal protective equipment and miscellaneous supplies to perform all functions necessary to completely install various plastic natural gas service lines ranging in size from one-half (1/2) inch up to and including two (2) inch in diameter.

Functions to be performed may include but will not be limited to loading, hauling, unloading, stringing and installing pipe, including right-of-way clearing and preparation, ditching, solid rock removal, fence crossing removal and replacement, rock shield installation or soil padding where necessary, all crossings whether creek, road or railroad, all proposed valves and appurtenances whether above or below ground and all tie-ins, cutting and capping as required. Perform all work including backfilling and testing pipeline and appurtenances in accordance with the plans, General Conditions, General Pipeline Specifications and any Supplemental Specifications. Right-of-way restoration to include, but not limited to, rock removal, grading, water breaks, seeding and strawing. Preparation for restoration and repair by others of all streets, driveways and sidewalks, as required, to allow resurfacing to as near original condition as practical.

Total Hourly Crew Price
As Described on Attached Sheet

170.⁰⁰

DELTA NATURAL GAS COMPANY, INC.
CONTINUING CONTRACT
BID SHEET

CONTRACT YEAR 2019

The quoted five (5) man hourly crew price contains a minimum of the following listed equipment, vehicles, tools and miscellaneous supplies. A vibrating plow with trencher attachment to be used when installing service lines is required. (List to be completed by bidder):

<u>DESCRIPTION</u>	<u>QUANTITY</u>
1/2 ton PU truck	1
• 1/3 ton utility bed	1
• 12,000 lb mini	1
• skid steer	1
• Vibrating plow w/ trenches attachment	1
Single axle dump truck	1
9 ton tag trailer	1
2" pipe trailer	1
• 1/2" socket	1
• 3/4 " "	1
• 1 " "	1
• 1 1/4 " "	1
• 2 " "	1
• 2"-4" pit bull	1
• Electro fusing machine	1
2" electric water pump	1
• Generator	1
• shovels	4

Continued list of items included with **five** (5) man hourly crew:

<u>DESCRIPTION</u>	<u>QUANTITY</u>
Air comp 100 PSI	1
1" Piercing tool	1
2" Piercing tool	1
De-thatcher	1
Valve wrench	1
• Pipe wrench	1
Gas powered tamper	1
• 40lb fire extinguisher	1
• Standard road signs	1 set
• Standard cones	6
• FR clothing for all team members	1 each employee

DELTA NATURAL GAS COMPANY, INC.
CONTINUING CONTRACT
BID SHEET

CONTRACT YEAR 2019

The quoted three (3) man hourly crew price contains a minimum of the following listed equipment, vehicles, tools and miscellaneous supplies. A vibrating plow with trencher attachment to be used when installing service lines is required. (List to be completed by bidder):

<u>DESCRIPTION</u>	<u>QUANTITY</u>
3/4 ton utility truck	1
16" trailer	1
8300 lb mini excavator	1
Vibrating plow w/ trencher	1
Air comp 100 PSI	1
1" Piercing tool	1
1/2" socket iron complete with cold ring and chatter	1
3/01 " "	1
1 " "	1
1 1/4 " "	1
2 " "	1
2"-4" Pit bull fusing machine w/ electric trimmer	1
Electro fusing machine with line up clamps up to 2"	1
2" electric water pump	1
Generator	1
Shovels	4
Valve wrench	1
Pipe wrenches	4

Continued list of items included with **three** (3) man hourly crew:

<u>DESCRIPTION</u>	<u>QUANTITY</u>
Hex head tapping tool for service tap	2
De thatcher	1
40 lb fire extinguisher	1
standard road signs	1 set
standard road cones	6
FR clothing for all team members	each employee

DELTA NATURAL GAS COMPANY, INC.
CONTINUING CONTRACT
BID SHEET

CONTRACT YEAR 2019

Additions to Hourly Crew - Upon Request:

<u>LABOR</u>	<u>PRICE PER HOUR</u>
Foreman	26. ⁰⁰
Equipment Operator	24. ⁰⁰
Steel Pipe Welder	70. ⁰⁰
Labor, Skilled	18. ⁰⁰
Labor, Common	17. ⁰⁰
 <u>EQUIPMENT</u> 	
Dump Truck, Single Axle	39. ⁰⁰
Truck, Two Ton Dump	23. ⁰⁰
Truck, Pick-Up	20. ⁰⁰
Truck, Welding	40. ⁰⁰
Backhoe	73. ⁰⁰
Skid Steer	69. ⁰⁰
Broom Attachment for Skid Steer	16. ⁰⁰
"Harley Rake" Type Attachment for Skid Steer	18. ⁰⁰
Excavator - Mini	75. ⁰⁰
Excavator - Mid-Size	90. ⁰⁰
Excavator - Large	139. ⁰⁰
HDD Boring Machine - Mini (for bores 1/2" through 2" pipe sizes)	239. ⁰⁰
HDD Boring Machine - Mid-Size (for bores 3" through 6" pipe sizes)	290. ⁰⁰
Bulldozer (minimum 450 JD or equivalent)	103. ⁰⁰
Tractor and Low Boy	130. ⁰⁰
Single Axle Tractor with Pipe Trailer	79. ⁰⁰

Additions to Hourly Crew - Upon Request:

<u>EQUIPMENT</u>	<u>PRICE PER HOUR</u>
PE Coil Pipe Trailer	5. ⁰⁰
Hoe Ram (equipped backhoe/mini excavator)	75. ⁰⁰
Hoe Ram (equipped mid-size excavator)	100. ⁰⁰
Concrete Saw (hand-held model)	6. ⁰⁰
Concrete Saw (walk-behind model)	25. ⁰⁰
Yard Dethatcher	6. ⁰⁰
Steel Road Plates (4' x 8' minimum - each)	20. ⁰⁰ per day
Air-Tool/Hoses ("Hole Hog") (for PE pipe sizes 1/2" through 2")	10. ⁰⁰
Air-Tool/Hoses ("Hole Hog") (for PE pipe sizes 3" and 4")	25. ⁰⁰
"Walk Behind" Trencher	20. ⁰⁰
Six-Inch Plastic Fusion Unit	15. ⁰⁰
Water Pump 2"-4"	15. ⁰⁰
Water Pump 6"	45. ⁰⁰
Vactron (Pull Behind)	65. ⁰⁰

IN WITNESS WHEREOF, the attached Continuing Contract Bid Sheets have been completed and submitted to Delta Natural Gas Company, Inc. on this the 25th day of February, 2019.

Martin Contracting, Inc
CONTRACTOR

WITNESS:

AS TO CONTRACTOR

D. Stephen Johnson

BY: MM

TITLE: President



DELTA NATURAL GAS COMPANY, INC.

3617 Lexington Road
Winchester, Kentucky 40391-9797

PHONE: 859-744-6171 • FAX: 859-744-3623 • www.deltagas.com

INVITATION TO BID

June 27, 2022

Mr. Kyle Swartz, Vice President
Roe Enterprises Inc. DBA
Swartz Pipeline Contracting
P.O. Box 44
Olympia, Ky. 40358

Dear Kyle,

You are invited to bid on Delta's CBC PRP Pipeline Replacement project in Williamsburg, Whitley County Ky.

The enclosed bid package for the CBC Pipeline Replacement Project includes Plans, Bid Sheets, General Conditions, Supplemental Specifications and General Pipeline Specifications. All of which outlines the intended scope of work for the project.

Sealed bids, consisting of Plans, Bid Sheets, General Conditions, Supplemental Specifications and General Pipeline Specifications, must be received by me at Delta's Winchester office no later than noon July 8, 2022. Delta reserves the right to waive any informalities or to reject any and all bids.

At the time of the bid opening, each bidder will be presumed to have read and be thoroughly familiar with the bid package documents, including any addenda. Failure or omission of a bidder to examine all forms, instruments or documents shall in no way release the bidder from his obligation with respect to his bid. Please note revised Safety Standard Practice S-3, Personal Protective Equipment, reference in the General Pipeline Specifications.

The successful bidder will be required to execute Delta's Construction Agreement. The successful bidder will also furnish to Delta a copy of bidder's drug and alcohol testing program required in Section 16.1, page 31, of the General Conditions. No work will be scheduled to commence until the successful bidder's aforementioned qualification supporting documents have been received and approved.

If you have any questions or need any additional information concerning this project, please contact me at 859-744-6171.

Respectfully,

Robert C. Miller Jr.
Manager of Construction / Engineering

SUMMARY BID SHEET

ORDER 10100036 / 10107236 - DESCRIPTION OF WORK

Labor and Equipment to Construct

Approx. 13,000 feet of 4" Steel Pipeline

\$ 69.10

(Cost per Foot to Install)

Solid Rock Removal (Per Cu. Yd.)

\$ 49.85

TOTAL PROJECT COST

(See Attached Contractor Bid Sheets)

\$ 898,300.00

WITNESS:

AS TO CONTRACTOR



CONTRACTOR

BY: 

Contractor

Title V-Pres

WITNESS:

AS TO COMPANY



DELTA NATURAL GAS COMPANY, INC.

BY: 

Jonathan W. Morphew

Director- Gas Operations



**DELTA NATURAL GAS COMPANY, INC.
3617 LEXINGTON ROAD
WINCHESTER, KENTUCKY 40391**

2022 CONTINUING CONTRACT

CONTRACT DOCUMENTS

- 1. PIPELINE CONSTRUCTION AGREEMENT**
- 2. BID SHEETS**
- 3. GENERAL CONDITIONS**
- 4. GENERAL PIPELINE SPECIFICATIONS**

PIPELINE CONSTRUCTION AGREEMENT

PIPELINE CONSTRUCTION AGREEMENT

THIS AGREEMENT, more readily defined as Continuing Contract, made and entered into this 24th day of March, 2022, by and between DELTA NATURAL GAS COMPANY, INC., having its principal office at 3617 Lexington Road, Winchester, Clark County, Kentucky 40391, hereinafter called "Company" and MARTIN CONTRACTING, INC., a Kentucky corporation having its principal office at 2371 Irvine Road, Richmond, Madison County, Kentucky 40475, hereinafter called "Contractor",

WITNESSETH:

THAT WHEREAS, the Company desires to have a Continuing Contract on an annual basis with a reputable Contractor for the purpose of constructing gas pipe facilities on various projects throughout the Company's service area. Said projects being deemed necessary solely by the Company as it may add to or delete from any project schedule.

AND WHEREAS, Contractor acknowledges receipt and has fully acquainted itself with the General Pipeline Specifications, General Conditions and Bid Sheets.

NOW THEREFORE, in consideration of the mutual covenants, promises and agreements herein contained, the Company and Contractor hereby agree as follows:

(1) The term of this Agreement shall be one (1) year from the day and year first above written. Either party may, at their

option, terminate and cancel this Agreement by giving the other party thirty (30) days written notice prior to cancellation.

(2) The Company shall furnish all pipeline materials, including, but not limited to, pipe, valves, fittings, anodes, rock shield, gravel, sand, primer, tape, etc.

(3) The Contractor shall furnish only the labor, supervision, vehicles, equipment, tools, safety equipment, employee personal protective equipment required by the Company and supplies required to perform contracted services specified in the Bid Sheets.

(4) The Contractor agrees to perform the work and do all things necessary for proper construction and completion of the facilities as deemed necessary by the Company, in accordance with the Company's General Pipeline Specifications, the General Conditions, Plans, Supplemental Specifications and the Bid Sheets, all of which are incorporated by reference.

(5) Prior to the commencement of any work, the Contractor shall provide its Drug and Alcohol Testing Program, in accordance with the Company's General Conditions, which are incorporated by reference and its Operator Qualification Plan along with Operator Qualification records for employees to be employed to work on Company projects within the contract period.

(6) The Company shall pay the Contractor for the performance of the Contract, subject to additions and deductions provided for herein, in accordance with the prices set forth on the Bid Sheets. Items in addition to the hourly crew will be paid only for the

hours the labor and/or equipment are used or required by the Company to be on the job.

(7) The Contractor shall bill the Company monthly for work authorized by the Company and completed on the Daily Inspection Report (Form 408). The authorized Company representative and the authorized representative of the Contractor shall agree daily as to the work accomplished during that day and on the amount of labor and equipment to be billed by the Contractor. If there is no progress on a given work day, Form 408 is still to be completed. The reason for no progress shall be stated. Each representative shall receive a signed copy of the Daily Inspection Report.

(8) Compensated time will begin and end on the job location each day. The Company does not guarantee the Contractor the employment of a certain number of crews or any minimum hours of work. The Company will determine the required number of crews and work hours based on conditions of the projects assigned. No compensation shall be paid to the Contractor for any time lost due to weather conditions. Compensation for overtime paid by the contractor will not be paid by the Company.

(9) The Company will compensate the Contractor for two (2) crew hours of "show-up" time in the event that the Contractor has not been contacted ("called-off") due to inclement weather or other reasons determined by the Company, prior to a mutually agreed upon time when the Contractor's employees would normally be

in-route to the Company's project location from the Contractor's assigned shop location. This "call-Off" communication shall be coordinated between the Company's representative and the Contractor's crew foreman assigned to the project.

(10) The Company shall compensate the Contractor one time per crew for four (4) "crew hours" of "mobilization time" at the beginning of the contract period and one time per crew for four (4) "crew hours" of "demobilization time" at the end of the contract period. This time shall be noted on a Daily Inspection Report, (Form 408). Contractor shall acknowledge that there shall be only one "contract period" within each calendar year.

(11) Contractor shall not remove any equipment or key men from a job location unless such removal is agreed to by the Company representative. The Company shall have the right to require Contractor to employ an additional crew or crews and provide additional equipment, tools and supplies if necessary.

THIS AGREEMENT shall be binding upon the parties hereto, their heirs, executors, administrators, successors and assigns. Neither party shall assign any of its rights or obligations hereunder without the written consent of the other party.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

WITNESS:

AS TO CONTRACTOR



MARTIN CONTRACTING, INC.

BY:



Shawn Martin

TITLE: President


WITNESS:

AS TO COMPANY



DELTA NATURAL GAS COMPANY, INC.

BY:



Robert C. Miller, Jr.

TITLE: Manager Gas Operations

BID SHEETS

DELTA NATURAL GAS COMPANY, INC.
CONTINUING CONTRACT
BID SHEET

CONTRACT YEAR 2022

Five (5) man construction crew fully staffed and equipped with supervision, labor, equipment, vehicles, tools, safety equipment, employee PPE and miscellaneous supplies to perform all functions necessary to completely install various plastic natural gas facilities ranging in size from one-half (1/2) inch up to and including four (4) inch in diameter.

Functions to be performed may include but will not be limited to loading, hauling, unloading, stringing and installing pipe, including right-of-way clearing and preparation, ditching, solid rock removal, fence crossing removal and replacement, rock shield installation or soil padding where necessary, all crossings whether creek, road or railroad, all proposed valves and appurtenances whether above or below ground and all tie-ins, cutting and capping as required. Perform all work including backfilling and testing pipeline and appurtenances in accordance with the plans, General Conditions, General Pipeline Specifications and any Supplemental Specifications. Right-of-way restoration to include, but not limited to, rock removal, grading, water breaks, seeding and strawing. Preparation for restoration and repair by others of all streets, driveways and sidewalks, as required, to allow resurfacing to as near original condition as practical.

Total Hourly Crew Price
As Described on Attached Sheet

336.⁰⁰

DELTA NATURAL GAS COMPANY, INC.
CONTINUING CONTRACT
BID SHEET

CONTRACT YEAR 2022

Three (3) man construction crew fully staffed and equipped with supervision, labor, equipment, vehicles, tools, safety equipment, employee PPE and miscellaneous supplies to perform all functions necessary to completely install various plastic natural gas service lines ranging in size from one-half (1/2) inch up to and including two (2) inch in diameter.

Functions to be performed may include but will not be limited to loading, hauling, unloading, stringing and installing pipe, including right-of-way clearing and preparation, ditching, solid rock removal, fence crossing removal and replacement, rock shield installation or soil padding where necessary, all crossings whether creek, road or railroad, all proposed valves and appurtenances whether above or below ground and all tie-ins, cutting and capping as required. Perform all work including backfilling and testing pipeline and appurtenances in accordance with the plans, General Conditions, General Pipeline Specifications and any Supplemental Specifications. Right-of-way restoration to include, but not limited to, rock removal, grading, water breaks, seeding and strawing. Preparation for restoration and repair by others of all streets, driveways and sidewalks, as required, to allow resurfacing to as near original condition as practical.

Total Hourly Crew Price
As Described on Attached Sheet

178.⁵⁰

DELTA NATURAL GAS COMPANY, INC.
CONTINUING CONTRACT
BID SHEET

CONTRACT YEAR 2022

Three (3) man construction crew fully staffed and equipped with supervision, labor, equipment, vehicles, tools, safety equipment, employee PPE and miscellaneous supplies to perform all functions necessary to perform restoration of private and public properties in conjunction with natural gas line construction projects.

Functions to be performed may include but will not be limited to backfilling of sunken pipeline ditches, grade restoration of ditches, driveways, and properties along pipe installation routes, raking, de-thatching and hand shoveling to remove loose rocks and debris from pipeline construction areas. Preparing construction affected areas for seed and straw application. Application of seed and straw to areas affected by pipeline construction activities. Preparation for restoration and repair by others of all streets, driveways and sidewalks, as required, to allow resurfacing to as near original condition as practical. All restoration work shall be performed in accordance with the plans, General Conditions, General Pipeline Specifications and any Supplemental Specifications.

Total Hourly Crew Price
As Described on Attached Sheet

154.35

DELTA NATURAL GAS COMPANY, INC.
CONTINUING CONTRACT
BID SHEET

CONTRACT YEAR 2022

Two (2) man construction crew fully staffed and equipped with supervision, labor, equipment, vehicles, tools, safety equipment, employee PPE and miscellaneous supplies to perform all functions necessary to facilitate customer meter tie-overs downstream of a customer's meter due to a meter relocation or replacement.

Functions to be performed may include but will not be limited to cutting, threading and fitting black steel pipe, sizes one-half (1/2) inch to two (2) inch which shall be located downstream of a customer's meter, primarily on the outside of a customer's residence or business premises. Occasional pipe fitting work possibly required to be performed inside of customer's premises. All work shall be performed in accordance with the current edition of the NFPA 54 handbook along with any plans, General Conditions, General Pipeline Specifications and any Supplemental Specifications that may be in effect.

Total Hourly Crew Price
As Described on Attached Sheet

147.⁰⁰

DELTA NATURAL GAS COMPANY, INC.
CONTINUING CONTRACT
BID SHEET

CONTRACT YEAR 2022

HDD construction crew fully staffed and equipped with supervision, labor, equipment, vehicles, tools, safety equipment, employee PPE and miscellaneous supplies to perform all functions necessary to install by horizontal directional drilling method, smaller sizes and segments of natural gas main lines and/or service lines three-quarter (3/4) inch to two (2) inch.

Functions to be performed may include but will not be limited to bore path investigation and planning, drilling and pullback of pipe, potholing and inspection for cross-bore avoidance of all underground bore path obstacles, proper drilling mud management and removal if necessary to insure proper containment. Proper protection to avoid bore fluid entry into pipeline segments. All work shall be done in accordance with any plans, General Conditions, General Pipeline Specifications and any Supplemental Specifications that may be in effect.

Total Hourly Crew Price
As Described on Attached Sheet

240.⁰⁰

DELTA NATURAL GAS COMPANY, INC.
CONTINUING CONTRACT
BID SHEET

CONTRACT YEAR 2022

HDD construction crew fully staffed and equipped with supervision, labor, equipment, vehicles, tools, safety equipment, employee PPE and miscellaneous supplies to perform all functions necessary to install by horizontal directional drilling method, larger sizes and segments of natural gas main lines and/or service lines two (2) inch to six (6) inch.

Functions to be performed may include but will not be limited to bore path investigation and planning, drilling and pullback of pipe, potholing and inspection for cross-bore avoidance of all underground bore path obstacles, proper drilling mud management and removal if necessary to insure proper containment. Proper protection to avoid bore fluid entry into pipeline segments. All work shall be done in accordance with any plans, General Conditions, General Pipeline Specifications and any Supplemental Specifications that may be in effect.

Total Hourly Crew Price
As Described on Attached Sheet

460.⁰⁰

DELTA NATURAL GAS COMPANY, INC.
CONTINUING CONTRACT
BID SHEET

CONTRACT YEAR 2022

The quoted **five** (5) man hourly crew price contains a minimum of the following listed equipment, vehicles, tools and miscellaneous supplies. A vibrating plow with trencher attachment to be used when installing service lines is required. List to be completed by bidder.

<u>DESCRIPTION</u>	<u>QUANTITY</u>
1/2 ton PU truck	1
1/3 ton utility bed	1
12,000 lb mini	1
skid Steer	1
vibrating plow w/trenches attachment	1
single axle dumptruck	1
9 ton tag trailer	1
2" pipe trailer	1
1/2" socket	1
3/4" socket	1
1" socket	1
1 1/4" socket	1
2" socket	1
2" - 4" pit bull	1
Electro fusing machine	1
2" electric water pump	1
Generator	1
shovels	4

Continued list of items included with **five** (5) man hourly crew:

<u>DESCRIPTION</u>	<u>QUANTITY</u>
Air comp 100 PSI	
1" Piercing tool	
2" Piercing tool	
De thatcher	
Valve wrench	
Pipe wrench	
Gas powered tamper	
40 lb. fire extinguisher	
standard road sighs	1 set
standard cones	6
FR clothing for all team member	1 each employee

DELTA NATURAL GAS COMPANY, INC.
CONTINUING CONTRACT
BID SHEET

CONTRACT YEAR 2022

The quoted **three** (3) man hourly crew price contains a minimum of the following listed equipment, vehicles, tools and miscellaneous supplies. A vibrating plow with trencher attachment to be used when installing service lines is required. List to be completed by bidder.

<u>DESCRIPTION</u>	<u>QUANTITY</u>
3/4 ton utility truck	1
16" trailer	1
8300 lb. mini excavator	1
vibrating plow w/ trenches	1
Air comp. 100 PSI	1
1" Piercing tool	1
1/2" socket iron complete w/cold ring & chatter	1
3/4" socket iron complete w/cold ring & chatter	1
1" socket iron complete w/cold ring & chatter	1
1 1/4" socket iron complete w/cold ring & chatter	1
2" socket iron complete w/cold ring & chatter	1
2"-4" Pit bull fusing machine w/electric trimmer	1
Electro fusing machine w/line up clamps up to 2"	1
2" electric water pump	1
Generator	1
Shovels	4
Valve wrench	1
Pipe wrenches	4

DELTA NATURAL GAS COMPANY, INC.
CONTINUING CONTRACT
BID SHEET

CONTRACT YEAR 2022

The quoted three (3) man hourly crew price contains a minimum of the following listed equipment, vehicles, tools and miscellaneous supplies to perform pipeline construction restoration work. List to be completed by bidder.

<u>DESCRIPTION</u>	<u>QUANTITY</u>
Cleanup Crew:	—
Mini skid steer	1
Harley rake	1
Seed sower	1
Ton dump truck	1

DELTA NATURAL GAS COMPANY, INC.
CONTINUING CONTRACT
BID SHEET

CONTRACT YEAR 2022

The quoted two (2) man hourly crew price contains a minimum of the following listed equipment, vehicles, tools and miscellaneous supplies to perform customer meter tie-over work. List to be completed by bidder.

<u>DESCRIPTION</u>	<u>QUANTITY</u>
Service Truck	1
Pipe Wrenches	4
Threading Machine	1
All testing equipment necessary	1
4wheel cutter up to 3"	

DELTA NATURAL GAS COMPANY, INC.
CONTINUING CONTRACT
BID SHEET

CONTRACT YEAR 2022

The quoted small size/segment HDD hourly crew price contains a minimum of the following listed equipment, vehicles, tools and miscellaneous supplies to perform pipe installation by the HDD method. List to be completed by bidder.

<u>DESCRIPTION</u>	<u>QUANTITY</u>
8 1/2 or 10 1/2 size Vermeer Directional Drill (dirty only)	1
Water Tank	1
Service Truck	1
All mixing muds	1
HDD tooling and pull heads	1

DELTA NATURAL GAS COMPANY, INC.
 CONTINUING CONTRACT
 BID SHEET

CONTRACT YEAR 2022

The quoted larger size/segment HDD hourly crew price contains a minimum of the following listed equipment, vehicles, tools and miscellaneous supplies to perform pipe installation by the HDD method. List to be completed by bidder.

<u>DESCRIPTION</u>	<u>QUANTITY</u>
23 X 30 Vermeer Directional Drill (for dirt or rock)	1
Water Tank	1
Service Truck	1
All mixing mud	1
HDD tooling and pull heads	1

DELTA NATURAL GAS COMPANY, INC.
CONTINUING CONTRACT
BID SHEET

CONTRACT YEAR 2022

Additions to Hourly Crew - Upon Request:

<u>LABOR</u>	<u>PRICE PER HOUR</u>
Foreman	<u>26.00</u>
Equipment Operator	<u>24.00</u>
Steel Pipe Welder	<u>70.00</u>
Labor, Skilled	<u>18.00</u>
Labor, Common	<u>17.00</u>
 <u>EQUIPMENT</u>	
Single Axle Dump Truck	<u>35.00</u>
Truck, Two Ton Dump	<u>23.00</u>
Truck, Pick-Up	<u>20.00</u>
Truck, Welding	<u>40.00</u>
Backhoe	<u>73.00</u>
Skid Steer	<u>65.00</u>
Broom Attachment for Skid Steer	<u>15.00</u>
"Harley Rake" Type Attachment for Skid Steer	<u>18.00</u>
Excavator - Mini	<u>75.00</u>
Excavator - Mid-Size	<u>90.00</u>
Excavator - Large	<u>135.00</u>
HDD Boring Machine HDD bores ½" through 2" pipe sizes	<u>235.00</u>
HDD Boring Machine HDD bores 3" through 6" pipe sizes	<u>250.00</u>
Bulldozer (minimum 450 JD or Equivalent)	<u>103.00</u>
Tractor and Low Boy	<u>130.00</u>
Single Axle Tractor with Pipe Trailer	<u>75.00</u>

Additions to Hourly Crew - Upon Request:

<u>EQUIPMENT</u>	<u>PRICE PER HOUR</u>
PE Coil Pipe Trailer	<u>5.00</u>
Hoe Ram (equipped backhoe/mini excavator)	<u>75.00</u>
Hoe Ram (equipped mid-size excavator)	<u>100.00</u>
Concrete Saw (Hand-Held)	<u>6.00</u>
Concrete Saw (Walk-Behind)	<u>25.00</u>
Holiday Detector	<u>100.00/day</u>
Yard Dethatcher	<u>6.00</u>
Steel Road Plates (4' x 8' minimum - each)	<u>20.00 per day</u>
Air-Tool/Hoses ("Hole Hog") For PE pipe sizes ¾" - 2"	<u>10.00</u>
Air-Tool/Hoses ("Hole Hog") For PE pipe sizes 3" - 4"	<u>25.00</u>
"Walk Behind" Trencher	<u>20.00</u>
Six-Inch Plastic Fusion Unit	<u>15.00</u>
Water pump 2" - 4"	<u>15.00</u>
Water pump 6"	<u>45.00</u>
Vactron (Pull Behind)	<u>65.00</u>

IN WITNESS WHEREOF, the attached Continuing Contract Bid Sheets have been completed and submitted to Delta Natural Gas Company, Inc. on this the 17th day of March, 2022.

WITNESS:

AS TO CONTRACTOR



A handwritten signature in black ink, appearing to be 'J. J. [unclear]', is written over a horizontal line.

MARTIN CONTRACTING, INC.

BY: 
SHAWN MARTIN

TITLE: PRESIDENT

**CERTAIN ATTACHMENTS TO QUESTION NO. 8 FILED
UNDER SEAL PURSUANT TO THE PETITION FOR
CONFIDENTIAL PROTECTION FILED ON JANUARY 19, 2023**