

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ANNUAL PIPELINE REPLACEMENT PROGRAM FILING)	CASE NO.
OF APACHE GAS TRANSMISSION COMPANY, INC.)	2024-00167

APACHE GAS TRANSMISSION COMPANY, INC.'S ANNUAL PRP STATUS REPORT

Comes now Apache Gas Transmission Company, Inc. (“Apache”) by counsel, and provides its annual status report for its Pipeline Replacement Program (“PRP”). Apache has completed all of the projects that have been approved for inclusion in the PRP including the Marrowbone Creek project that was included in 2019, which was the last project included.

As part of Burkesville Gas Company’s (“Burkesville”) quarterly gas cost adjustment (“GCA”) filings, Burkesville files the PRP escrow account statements for Apache’s PRP as required by the Commission. A new Burkesville GCA was filed with the Commission on May 23, 2024. Apache is providing the calendar year escrow account register with this filing as well to show the disbursements made during the 2023 calendar year. Apache has been evaluating its system and has identified approximately four miles of 3-inch mains still need to be replaced with new 6-inch mains.

Apache has discovered the that the PRP fees collected in 2023 were short of the amount needed to cover the debt service for the calendar year 2023. Additional funds were deposited into the escrow account in 2023, from funds borrowed from Burkesville, and are denoted on the 2023 register attached to this report. The annual debt service for the two PRP-related notes amounted to \$24,656.52 for 2023. Due to warmer weather, total sales were lower in FYE 2023, resulting in PRP revenue of \$20,233.45 for the year. Consequently, to ensure that SBA payments could be

successfully drawn from Apache's PRP escrow account, Apache borrowed a total of \$3,900 from August to November from Burkesville. Burkesville continues to deposit PRP fees and charges it receives from ratepayers into this escrow account monthly.^ك Although the PRP funds were not sufficient to pay the debt service in 2023, Apache believes that the PRP funds collected in 2024 will be sufficient. Apache has paid off one of the SBA loans, making the debt service payments each month lower than they were in previous years. Also, January was a cold month resulting in higher gas sales. Apache does not believe an increase in the PRP surcharge is needed at this time.

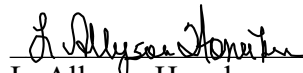
As mentioned above, Apache has identified approximately four miles of 3-inch mains that need to be replaced with 6-inch mains. The 3-inch mains that are remaining on Apache's system are the oldest sections of pipe. These were part of the original gathering system and can cause flow restrictions due to the smaller size. Apache plans to begin to replace these four miles a little at a time. Apache received estimates for the materials needed to replace a 1,000 foot section of the 3-inch mains with 6-inch mains. The lowest estimate received is attached to this report as Exhibit A. Based on this estimate, the materials would be \$9,933.00 and Apache estimates another \$4,000.00 for labor, fuel, rental of any equipment, etc., to complete the replacement of 1,000 foot section. Based on these estimates and the amount of the PRP fees that went to pay the smaller loan that has now been fully paid, Apache believes it can replace approximately 750 feet of the 3-inch mains each year without raising the PRP fees. Apache plans on performing the work on these replacements with Burkesville employees without the need to hire a contractor. It will also allow Apache to complete this replacement in the ordinary course of business without putting a financial strain on the company. Apache would request the Commission to allow Apache to use excess PRP funds for these small replacement projects. Apache requests that these four miles of 3-inch mains be included in the PRP and costs recovered through the current PRP surcharge. Once Apache is

able to see how much of the current PRP surcharge is left, Apache may request the Commission to increase the number of feet to be replaced each year, or to increase the PRP surcharge to be able to replace the remaining 3-inch mains on a faster timeline.

In addition to the inclusion of the four miles of 3-inch pipe replacement, Apache requests that the Commission allow Apache to reimburse Burkesville for the additional monies provided to assist in the payment of the debt service for 2023. These funds were borrowed due to lower amounts collected in 2023 than anticipated through the PRP surcharge. This allowed the debt service payments to be paid for 2023.

Apache is also including with this filing, the information required by the Commission in the Commission's Order in its last PRP Annual Report filing.¹

Respectfully submitted,



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Counsel, Apache Gas Transmission Company, Inc.

¹ *Electronic Annual Pipeline Replacement Program Filing of Apache Gas Transmission Company, Inc. Order (Ky. P.S.C. Oct. 12, 2023).*

CERTIFICATE OF SERVICE

This is to certify that the electronic filing was transmitted to the Commission on May 31, 2024; that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding; and that pursuant to the Commission's Order in Case No. 2020-00085, no paper copies of this filing will be made.



Counsel, Apache Gas Transmission Company, Inc.

G & C SUPPLY CO., Inc.

QUOTATION

WATER, SEWER & GAS SUPPLIES
SIGN & SAFETY SUPPLIES

P.O. Drawer 459 - 1105 State Route 77
Atwood, TN 38220
(731) 662-7193 or (800) 238-3836

Order Number	
1994057	
Order Date	Page
05/30/2024 17:52:08	1 of 1

Bill To:

BURKESVILLE GAS COMPANY, INC.
PO BOX 861
GREENVILLE, TX 75403

Ship To:

BURKESVILLE GAS COMPANY, INC.
119 UPPER RIVER STREET
BURKESVILLE, KY 42717

(270) 864-9400

Customer ID: 4065

<i>PO Number</i>	<i>Ship Route</i>	<i>Taker</i>
	UTLY	BWARD

<i>Quantities</i>			<i>Status Key</i> B = Backorder D = Direct C = Canceled P = Production	<i>Item ID</i> <i>Item Description</i>	<i>Pricing</i> <i>UOM</i>	<i>Unit</i> <i>Price</i>	<i>Extended</i> <i>Price</i>
<i>Ordered</i>	<i>Remaining</i>	<i>Status of</i> <i>Balance</i>					
1,000	1,000			PE3408YS-6 6 BLACK YELLOW STRIPE GAS PIPE PE4710	FT	9.0200	9,020.00
1,000	1,000			TW-12Y-500 12GAX500 TRACER WIRE YELLOW	FT	0.2500	250.00
2	2			BBF50-64 6 X 4 BLACK BUTT FUSE REDUCER	EA	30.7200	61.44
2	2			BBF50-43 4X3 BLACK BUTT FUSE REDUCER	EA	13.7800	27.56
2	2			BBF40-3 3 BLACK BUTT FUSE CAP	EA	5.9200	11.84

Total Lines: 5

SUB-TOTAL: 9,370.84
TAX: 562.25
AMOUNT DUE: 9,933.09
U.S. Dollars

EXHIBIT A

All returns may be subject to a manufacturers re-stocking charge. All custom or non-stock items are non-returnable.

BURKESVILLE GAS COMPANY, INC.

119 Upper River St. - P. O. Box 69, Burkesville, Kentucky 42717
Telephone (270) 864-9400 - Fax (270) 864-5135
P.O. Box 861, Greenville, Texas 75403

May 31, 2024

Apache Gas Transmission Co.
PO Box 861
Greenville, Texas 75403

Greetings,

Please consider this communication as Burkesville Gas Company's cost estimate for installing a 6-inch plastic gas line to replace the remaining 3-inch sections of the Apache Gas Transmission main gas line.

The estimated cost to install 1,000 feet of 6-inch plastic (PE3408YS-6) pipeline using our OQ-qualified employees is as follows:

- **Labor, equipment rental, fuel, and miscellaneous costs per 1,000 feet: \$4,000**

Please note, that if any section of the pipeline replacement requires the use of outside contractors, the cost will be higher.

This cost estimate is good through 12-31-2024. If you need additional information, please let me know.

Thank you,



Tom Shirey
Burkesville Gas Company, Inc.