

**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

**In the Matter of:**

<b>ELECTRONIC APPLICATION OF APACHE</b>	)	
<b>GAS TRANSMISSION COMPANY, INC.,</b>	)	<b>CASE NO.</b>
<b>FOR A CERTIFICATE OF PUBLIC CONVENIENCE</b>	)	<b>2026-00039</b>
<b>AND NECESSITY; TO APPROVE NEW PIPELINE</b>	)	
<b>REPLACEMENT SURCHARGE RATES; AND</b>	)	
<b>OTHER GENERAL RELIEF</b>	)	

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**VERIFIED APPLICATION**

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Comes now Apache Gas Transmission Company, Inc. (“Apache” or the “Company”), by and through the undersigned counsel, pursuant to KRS 278.020(1), 807 KAR 5:001, and other applicable law and hereby tenders its Application with the Kentucky Public Service Commission (“Commission”) requesting approval for a Certificate of Public Convenience and Necessity (“CPCN”) and requesting approval of new pipeline replacement surcharge rates. In support of the Application, Apache respectfully states as follows:

**I. INTRODUCTION**

1. Pursuant to 807 KAR 5:001, section 14(2), Apache Gas is a Kentucky corporation, in good standing, originally incorporated on April 17, 1997. A Certificate of Good Standing is attached to this Application as **Exhibit A**. Apache Gas is a public utility as that term is defined in KRS 278.010(3) and therefore is subject to the Commission’s jurisdiction. Apache Gas owns an intrastate natural gas transmission line that extends from the Enbridge (Spectra) Energy Pipeline in Metcalf County, Kentucky to a location west of the City of Burkesville, Kentucky and is

engaged in the business of furnishing wholesale natural gas services to one customer, Burkesville Gas in Cumberland County, Kentucky.

## **II. FILING REQUIREMENTS**

2. Applicant's mailing address is P.O. Box 69, Burkesville, KY 42717 and principal address is 119 Upper River Street, Burkesville, Kentucky 42717. Applicant's electronic mail address is [apachegastransmission@gmail.com](mailto:apachegastransmission@gmail.com). Applicant's telephone number is (903)268-5122 and its fax number is (888)823-7417. Apache Gas requests the following individuals be included on the service list:

David Thomas Shirey

[davidshireyll@gmail.com](mailto:davidshireyll@gmail.com)

L. Allyson Honaker, Counsel for Apache Gas

[allyson@hloky.com](mailto:allyson@hloky.com)

Heather S. Temple, Counsel for Apache Gas

[heather@hloky.com](mailto:heather@hloky.com)

Meredith L. Cave, Counsel for Apache Gas

[meredith@hloky.com](mailto:meredith@hloky.com)

## **III. CERTIFICATES OF PUBLIC CONVENIENCE AND NECESSITY**

3. Before undertaking a project such as this that is not in the ordinary course of business, a utility must obtain a CPCN from the Commission under the authority of KRS 278.020(1), which states in relevant part:

No person, partnership, public or private corporation, or combination thereof shall...begin the construction of any plant, equipment, property, or facility for furnishing to the public any of the services enumerated in KRS 278.010...until that person has obtained from the Public

Service Commission a certificate that public convenience and necessity require the service or construction.... The commission, when considering an application for a certificate to construct a base load electric generating facility, may consider the policy of the General Assembly to foster and encourage use of Kentucky coal by electric utilities serving the Commonwealth.

4. The statute is silent, however, regarding the criteria which the Commission should apply to any such request from a utility. Case law construing KRS 278.020(1) provides the standard for evaluating EKPC's request for a CPCN in this proceeding. The leading authority on CPCNs is *Kentucky Utilities Co. v. Public Service Comm'n*, which articulates a two-part test for demonstrating entitlement to a CPCN: (1) need; and (2) absence of wasteful duplication. *Kentucky Utilities Co.* provides significant guidance as to what further considerations should be taken into account when evaluating a request for a CPCN under these two criteria.

5. As to "need," Kentucky's highest Court wrote:

We think it is obvious that the establishment of convenience and necessity for a new service system or a new service facility requires first a showing of a substantial inadequacy of existing service, involving a consumer market sufficiently large to make it economically feasible for the new system or facility to be constructed and operated. Second, the inadequacy must be due either to a substantial deficiency of service facilities, beyond what could be supplied by normal improvements in the ordinary course of business; or to indifference, poor management or disregard of the rights of consumers, persisting over such a period of time as to establish an inability or unwillingness to render adequate service.<sup>1</sup>

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<sup>1</sup> *Kentucky Utilities Co v. Public Service Comm'n*, 252 S.W.2d 885, 890 (Ky. 1952).

6. As established by the Commission’s decision in *Kentucky Utilities Co.*, need must be shown by an inadequacy of existing service involving such capital outlay that it is economically feasible for the new project to be constructed.<sup>2</sup>

7. “Wasteful Duplication” is defined as “an excess of capacity over need” and “an excessive investment in relation to productivity or efficiency and an unnecessary multiplicity of physical properties.”<sup>3</sup>

8. To demonstrate that a proposed project does not result in wasteful duplication, the applicant must demonstrate that a thorough review of all reasonable alternatives has been performed<sup>4</sup> and all relevant factors must be balanced.<sup>5</sup>

9. Complete absence of wasteful duplication is not necessary, “it is sufficient that there is a reasonable basis of anticipation” that the “consumer market in the immediate foreseeable future will be sufficiently large to make it economically feasible for a proposed system or facility to be constructed...”<sup>6</sup>

10. Pursuant to 807 KAR 5:001, Section 15(2)(a), the facts relied upon to show that the proposed construction is required by public convenience and necessity are contained in this Application and Exhibits, in Apache’s 2025 Pipeline Replacement Program filing,<sup>7</sup> in the January

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<sup>2</sup> *Id.*

<sup>3</sup> *Id.*

<sup>4</sup> Case No. 2005-00142, *Joint Application of Louisville Gas and Electric Company and Kentucky Utilities Company for a Certificate of Public Convenience and Necessity for the Construction of Transmission Facilities in Jefferson, Bullitt, Meade, and Hardin Counties, Kentucky* (KY PSC Sept. 8, 2005), Order at 11.

<sup>5</sup> Case No. 2005-00089, *East Kentucky Power Cooperative, Inc.* (Ky. PSC Aug. 19, 2005) Final Order at 6.

<sup>6</sup> *Kentucky Utilities Co. v. Public Service Comm’n*, 390 S.W.2d 168, 172 (Ky. 1965).

<sup>7</sup> Case No. 2025-00169, *Electronic Annual Pipeline Replacement Program Filing of Apache Gas Transmission Company, Inc.*

15, 2026 letter from RMJE attached hereto as **Exhibit B**, and in the testimony of David Shirey attached hereto as **Exhibit C**.

11. Pursuant to 807 KAR 5:001, Section 15(2)(b), there are no franchises or permits that are necessary for construction of the proposed project(s).

12. Pursuant to 807 KAR 5:001, Section 15(2)(c), which requires a full description of the proposed project, the engineering plans, the manner of proposed construction, and the names of all public utilities, corporations, or persons with whom the proposed construction is likely to compete and Apache states that a description of the proposed project can be found in Apache's 2025 Pipeline Replacement Program filing and in the Use of Funds Outline attached hereto as **Exhibit D**, and, since this application is for pipeline replacement, the remaining information is not applicable to this application because Apache's project will only be installed in the area currently served by Apache; this project will not compete with any public utilities, corporations, or persons.

13. Pursuant to 807 KAR 5:001, Section 15(2)(d)1, which requires a map to suitable scale showing the location of the proposed construction, as well as the location to scale of like facilities owned by other utilities located anywhere within the map area with adequate identification as to the ownership of the other facilities, Apache states that since this application is for pipeline replacement, this information is not applicable to this application because Apache's project will only be installed in the area currently served by Apache; this project will not compete with any public utilities, corporations, or persons and an applicable map is attached hereto as **Exhibit E** and is provided subject to a motion for confidential treatment.

14. Pursuant to 807 KAR 5:001, Section 15(2)(d)2, requiring plans and specifications and drawings of the proposed plant, equipment, and facilities, Apache states that, in its 2025 Pipeline Replacement Program filing Apache stated, it intends to replace up to 750 feet of 3" pipe

each year until the total 4 miles of 3” pipe is replaced. The work specifications for the project are included in the Use of Funds Outline attached hereto as **Exhibit D**. The pipeline replacement that is currently being proposed includes four locations totaling approximately 552 feet of “3 SDR 11 main replacements. *See Exhibit B*. Apache will continue to replace short sections of the main that require attention due to erosion or insufficient burial depth with 3-inch pipe. The cost of installing 3-inch mains by horizontal drilling is roughly half that of installing 6-inch mains, and it also eliminates the need for two 3”-to-6” transition couplings. Apache recognizes that using 3-inch mains results in some flow restriction, which will be addressed in a future system-wide upgrade. However, because the currently identified sections needing replacement are very short, upgrading them to 6-inch pipe would not provide a meaningful increase in overall system flow.

15. Pursuant to 807 KAR 5:001, Section 15(2)(e), Apache plans to finance the proposed construction with funds from a SBA Microloan and USDA RMAP loan from Kentucky Highlands Corporation as described and approved in Case No. 2025-00301, *An Application of Apache Gas Transmission Company, Inc. for Approval of the Authority to Obtain Financing*.<sup>8</sup>

16. Pursuant to 807 KAR 5:001, Section 15(2)(f), Apache’s estimated annual cost of operation after the proposed facilities are placed into service is *de minimums* and not expected to increase except for the proposed debt service. Operating costs should slightly decrease as repairing main line segments will lessen the need for frequent line patrols and costs associated with leak monitoring.

17. This project is necessary and will not result in wasteful duplication of facilities. The Application is intended to replace existing pipelines to maintain Apache’s infrastructure.

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<sup>8</sup> Case No. 2025-00301, *An Application of Apache Gas Transmission Company, Inc. for Approval of the Authority to Obtain Financing*, (Ky. PSC November 21, 2025 Final Order).

#### IV. PIPELINE REPLACEMENT SURCHARGE

18. As the Commission is aware, extensive efforts were undertaken when securing financing for the original PRP program beginning in 2018. Apache spent over a year pursuing financing for the initial PRP projects and traditional lenders expressed consistent reluctance to extend credit secured by natural-gas transmission assets because such collateral involves inherent operational and environmental risks, regulatory oversight, and asset characteristics unfamiliar to conventional lenders. In short, lenders were unwilling to accept a lien position on an operating utility system composed primarily of underground natural gas mains, meters, and easements. Ultimately, Apache approached long-time contacts at Kentucky Highlands Investment corporation, whose community-development lending programs are familiar with federal grants and public-utility collateral. KHIC determined that Small Business Administration (SBA)-backed loans would be most appropriate, as the SBA routinely accepts liens on utility infrastructure.

19. In Case No. 2025-00301<sup>9</sup>, Apache sought and obtained authority to incur indebtedness of \$100,000 via an agreement with KHIC in the form to two separate loans, an SBA Microloan in the amount of \$50,000 and USDA RMAP loan in the amount of \$50,000.

20. Apache's PRP surcharge amount is currently being collected and placed into the PRP escrow account and will not be enough to cover the debt service now that the new loans have been obtained in Case No. 2025-00301.

21. As forecasted and acknowledged in the Commission's final order in Case No. 2025-00301, Apache is requesting to implement an increased charge per Mcf in addition to the current flat charge per month for residential and commercial customers. It was originally estimated in Case No. 2025-00301 that the increased charge would need to be \$0.44 per Mcf to cover the debt

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<sup>9</sup> Case No. 2025-00301, *Electronic Application of Apache Gas Transmission Company, Inc. for Approval of the Authority to Obtain Financing*.

services; however, now that the loans have been obtained, Apache believes it can meet its needs with an increase of \$0.30 per Mcf.

22. Apache believes that the per Mcf charge would more evenly allocate the PRP charge among the customers who use more natural gas per month and would not cause a burden on the customers who use very little natural gas per month.

23. Apache is aware that less money will be collected during the summer months with this type of charge, but more money would be collected in the winter months and since all the money collected as a result of the PRP surcharge is being placed into the PRP escrow account, Apache will be able to maintain a satisfactory balance throughout each month of the year to repay the financing obtained. The amount currently in the escrow account which has accrued since Apache has been collecting the PRP surcharge can be used to offset the increase in payment while the collection amount is lower during the summer months.

24. Attached to this filing as **Exhibit F** is an updated spreadsheet which shows the total cost of the two phases of the PRP along with the current monthly amount being collected under the approved PRP surcharge. In addition, this spreadsheet shows the additional revenue collected as a result of implementing an additional surcharge of \$0.30 per Mcf for the PRP. Apache proposes to continue to collect this amount from Burkesville Gas Company, Inc. through its Gas Cost Adjustment (“GCA”). Apache will continue to include the escrow account statements with the quarterly GCA filings and will continue to make annual applications by April 30<sup>th</sup> each year.

25. Notice of the proposed increase was sent to Burkesville Gas Company, Inc in a letter dated March 3, 2026, attached hereto as **Exhibit G**.

26. Apache requests that a decision on this Application be expedited since Kentucky Highlands Investment Corporation needs to ensure that the amounts collected through the PRP surcharge will be sufficient to cover the financing payments now that the loans have been finalized.

## V. CONCLUSION

27. Issuance of the requested CPCN is consistent with Kentucky law and advance Apache's efforts to achieve its strategic objectives. The proposed project is needed and will not result in wasteful duplication, is necessary for and appropriate and consistent with the proper performance of its service to the public, will not impair its ability to perform that service and is reasonably necessary and appropriate for such purpose.

28. An increase in PRP surcharge rates is necessary for Apache to carry out the PRP and meet its debt covenants.

WHEREFORE, on the basis of the foregoing, Apache respectfully requests the Commission to:

- 1) Grant a CPCN for the pipeline replacement described above;
- 2) Approve the proposed adjustment to the PRP surcharge as described in **Exhibit F**; and
- 3) Grant and all other relief to which Apache may be entitled.

This 11th day of March 2026.

**VERIFICATION**

COMMONWEALTH OF KENTUCKY )

)

COUNTY OF FAYETTE )

The undersigned, on behalf of Apache Gas Transmission Company, Inc. hereby verifies that all of the information contained in the foregoing Application is true and correct to the best of my knowledge, opinion, and belief as of this 11<sup>th</sup> day of March, 2026.



\_\_\_\_\_  
David Shirey, President  
Apache Gas Transmission Company, Inc.

The foregoing Verification was verified, sworn to and affirmed before me, by David Shirey, President of Apache Gas Transmission Company, Inc. on this the \_\_\_ day of March, 2026.



\_\_\_\_\_  
Notary Public  
Commission Expires: 8/2/27

KNP#76727



Respectfully Submitted,



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Heather S. Temple  
Meredith L. Cave  
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*Counsel for Apache Gas  
Transmission Company, Inc.*

EXHIBIT A  
CERTIFICATE OF GOOD STANDING

**Commonwealth of Kentucky**  
**Michael G. Adams, Secretary of State**

0431612  
 Michael G. Adams  
 KY Secretary of State  
 Received and Filed  
 5/28/2025 6:25:13 PM  
 Fee receipt: \$15.00

Michael G. Adams  
 Secretary of State  
 P. O. Box 1150  
 Frankfort, KY 40602-1150  
 (502) 564-3490  
<http://www.sos.ky.gov>

**Annual Report**  
**Online Filing**  
**For the Year 2025**

**ARP**

**Company:** APACHE GAS TRANSMISSION COMPANY, INC.  
**Company ID:** 0431612  
**State of origin:** Kentucky  
**Formation date:** 4/17/1997 12:00:00 AM  
**Date filed:** 5/28/2025 6:03:27 PM  
**Fee:** \$15.00

**Principal Office**

119 Upper River Street  
 Burkesville, KY 42717

**Registered Agent Name/Address**

KENNETH A. MEREDITH, II  
 1029 STATE STREET  
 P.O. BOX 194  
 BOWLING GREEN, KY 421020194

**Current Officers**

President	David Thomas Shirey Jr	PO BOX 861, Greenville TX 75403
Secretary	Kathy Sue Shirey	4305 CR 1037, Greenville, TX 75401

**Directors**

Director	David Thomas Shirey Jr	PO BOX 861, Greenville TX 75403
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County:	CUMBERLAND
Business size:	Small
Business type:	Electric, Gas and Sanitary Services

**Signatures**

<b>Signature</b>	David Thomas Shirey Jr
<b>Title</b>	President

**EXHIBIT B**  
**JANUARY 15, 2016 RMJE LETTER**



OVER 50 YEARS OF COLLECTIVE EXPERIENCE

LEXINGTON - TOMPKINSVILLE - HINDMAN

January 15, 2026

Kentucky Public Service Commission  
211 Sower Boulevard  
Frankfort, KY 40601

**RE: Apache Gas Transmission Company & Burkesville Gas Company**

Dear Reviewer:

We, PE-RMJE, are the consultant engineers for Burkesville Gas Company and Apache Gas Transmission, both located in Burkesville, Cumberland County, Kentucky. Burkesville Gas Company (“BGC”) is a local natural gas distribution company. Apache Gas Transmission Company (“Apache”) is an intrastate natural gas transmission line. Both companies are based in Cumberland County, Kentucky. These companies have been clients of ours since September 2021. We have met on several occasions with the company’s principal and have also met with the personnel responsible for managing the natural gas systems. Even though BGC and Apache are relatively small companies when compared to other public utilities, it is convenient for us to provide any necessary services to them due to our proximity to Cumberland County.

BGC personnel commonly perform functions as are required to install, repair, and maintain natural gas mains and services. As required by the Kentucky Public Service Commission, BGC maintains its specific O & M manual, (attached and Exhibit 1) that details procedures for natural gas system repairs, improvements, and extensions. Additionally, as required by the Kentucky Public Service Commission, BGC maintains its specific Operator Qualification manual, (attached and Exhibit 1) detailing BGC personnel qualifications to perform specific covered tasks.

I have reviewed the details relating to Apache’s 2025 Pipeline replacement program including the Project Description, (attached as Exhibit 2), The pipeline replacement that is currently being proposed includes four locations totaling approximately 552 feet of “3 SDR 11 main replacements. Based on my professional knowledge and experience, it is my opinion that this project is entirely within the scope of “in the ordinary course of business”.

In conclusion, Burkesville Gas Company personnel hold and maintain the appropriate operator qualification for the tasks covered to complete this project. At this time, it is my recommendation that there be no need for them to require assistance from an engineering firm in conducting the project described herein. Any part of the project that requires extraneous services, such as horizontal drilling, can be organized, supervised, and conducted appropriately by Burkesville Gas Company personnel.

If you have any questions related to the contents and statements of this letter, please feel free to contact me at 270-407-5784 or [steve@pe-rmje.com](mailto:steve@pe-rmje.com).

Sincerely,  
**PRECISION | RMJE**

A handwritten signature in blue ink, appearing to read 'S. R. Harris'.

Stephen R. Harris, PE, PLS  
Principal Engineer

EXHIBIT C  
SHIREY TESTIMONY

**COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION**

**In the Matter of:**

<b>ELECTRONIC APPLICATION OF APACHE</b>	)	
<b>GAS TRANSMISSION COMPANY, INC.,</b>	)	<b>CASE NO.</b>
<b>FOR A CERTIFICATE OF PUBLIC CONVENIENCE</b>	)	<b>2026-00039</b>
<b>AND NECESSITY; TO APPROVE NEW PIPELINE</b>	)	
<b>REPLACEMENT SURCHARGE RATES; AND</b>	)	
<b>OTHER GENERAL RELIEF</b>	)	

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**DIRECT TESTIMONY OF DAVID SHIREY,  
CHIEF EXECUTIVE OFFICER,  
ON BEHALF OF APACHE GAS TRANSMISSION COMPANY, INC.**

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1 **Q. PLEASE STATE YOUR NAME, POSITION, AND BUSINESS ADDRESS.**

2 A. My name is David Shirey and I serve as Chief Executive Officer of Apache Gas  
3 Transmission Company, Inc. (“Apache”). My business address is 119 Upper River  
4 Street, Burkesville, Kentucky 42717.

5 **Q. PLEASE BRIEFLY DESCRIBE YOUR PROFESSIONAL EXPERIENCE**  
6 **AND EDUCATIONAL BACKGROUND.**

7 A. I graduated from East Texas State University (now East Texas A&M University)  
8 in December 1981 with a Bachelor of Science in Economics. Before and after  
9 graduation, I worked in commercial finance. I worked in public finance from 1984  
10 through about 2009, and for a brief period thereafter in residential mortgage  
11 finance. I have served as President of Burkesville Gas Company since 1990 and  
12 President of Apache Gas Transmission Company since 1997. Since approximately  
13 2012, I have worked full-time in the natural gas utility business and currently  
14 oversee the planning, financing, construction, and operations of both companies’  
15 systems.

16 **Q. PLEASE BRIEFLY DESCRIBE YOUR DUTIES AT APACHE.**

17 A. As the chief executive, I am responsible for and oversee all departments at Apache.  
18 I lead an experienced team responsible for the overall operational and financial  
19 success of the organization. My primary duty as the CEO of Apache is to ensure  
20 that the activities of the company are carried out in a way that is consistent with  
21 good business practices, Apache’s established policies, and regulatory oversight.

22 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS**  
23 **PROCEEDING?**

1 A. The purpose of my testimony is to describe Apache's Pipeline Replacement  
2 Program, why replacements are necessary, and to describe why the project is the  
3 most reasonable, least cost option for Apache and its customers.

4 **Q. ARE YOU SPONSORING ANY EXHIBITS?**

5 A. Yes, I am sponsoring Exhibits A-F of the application.

6 **Q. PLEASE GENERALLY DESCRIBE APACHE'S BUSINESS.**

7 A. Apache Gas is a public utility as that term is defined in KRS 278.010(3) and  
8 therefore is subject to the Commission's jurisdiction. Apache Gas owns an  
9 intrastate natural gas transmission line that extends from the Enbridge (Spectra)  
10 Energy Pipeline in Metcalf County, Kentucky to a location west of the City of  
11 Burkesville, Kentucky and is engaged in the business of furnishing wholesale  
12 natural gas services to one customer, Burkesville Gas in Cumberland County,  
13 Kentucky.

14 **Q. PLEASE DESCRIBE APACHE'S PIPELINE REPLACEMENT**  
15 **PROGRAM.**

16 A. Apache's PRP was initially approved in Case No. 2017-00168 to fund certain  
17 replacements and repairs to Apache's existing natural gas pipelines necessary to  
18 correct issues identified by the Commission's Division of Inspections.<sup>1</sup> In that case,  
19 the Commission granted approval to begin recovering fixed monthly PRP amounts  
20 of \$3 per residential customer and \$3.50 per commercial customer, through the  
21 local gas distribution company, Burkesville Gas Company, Inc., that is Apache's

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<sup>1</sup> Case No. 2017-00168, *Application of Apache Gas Transmission Company, Inc. for a Certificate of Public Convenience and 278.300 and Application of Apache Gas Transmission Company, Inc. and Burkesville Gas Company, Inc. for Approval of a Gas Pipeline Replacement Surcharge and Tariff* (Ky. PSC Aug 29, 2017), Order.

1           sole customer, to pay the debt service on two loans that financed the approved  
2           projects.<sup>2</sup> The Commission, by Order entered on December 21, 2017, authorized  
3           Apache to obtain two loans from the Kentucky Highlands Investment Corporation.<sup>3</sup>  
4           The first approved loan was for \$50,000 and carries a 7.5 percent interest rate, with  
5           a term of 72 months.<sup>4</sup> The second loan approved was for \$100,000 and has a 7.5  
6           percent interest rate, and has a term of 120 months.<sup>5</sup>  
7           In Case No. 2018-000106,<sup>6</sup> Apache filed an application to revise its PRP rates as  
8           the prior approved changes did not provide sufficient funds to cover the debt service  
9           of the yet to be closed second loan.<sup>7</sup> The Commission approved an additional \$0.29  
10          per Mcf volumetric charge to generate sufficient revenues to cover the debt service  
11          of the second loan.<sup>8</sup> The Commission required that revenue from the PRP rates be  
12          held in escrow and used to repay the loans used for the approved PRP projects.<sup>9</sup>  
13          In Case No. 2019-00032,<sup>10</sup> the Commission authorized Apache to include repairs  
14          to its Marrowbone Creek pipeline in Apache's PRP program. Apache did not

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<sup>2</sup> Case No. 2017-00168, (Ky. PSC Aug. 29, 2017), Order at ordering paragraph 6.

<sup>3</sup> Case No. 2017-00168, (Ky. PSC Dec. 21, 2017), Order at 1-2; Post Case File (filed Mar. 14, 2018), Apache Gas Transmission Company, Inc. Loan Information Pursuant to Commission Order; and Post Case File, (filed May 15, 2019), Apache Gas Transmission Company, Inc. Loan Information Pursuant to Commission Order.

<sup>4</sup> Case No. 2017-00168 (Ky. PSC Dec. 21, 2017), Order at 1-2.

<sup>5</sup> *Id.* at 1-2.

<sup>6</sup> Case No. 2018-000106, *Application of Apache Gas Transmission Company, Inc., Annual Pipeline Replacement Program Filing to Approve New Pipeline Replacement Surcharge Rates Beginning with May 1, 2018 Billing Cycle*, (Ky. PSC Apr. 17, 2018).

<sup>7</sup> Case No. 2018-00106, (Ky. PSC Apr. 17, 2018), Order at 2.

<sup>8</sup> Case No. 2018-00106, (filed Mar. 14, 2018), Annual Pipeline Replacement Program Filing at 1.

<sup>9</sup> *See* Case No. 2017-00168, (Ky. PSC Aug. 29, 2017), Order at 5-6; Case No. 2018-00106, (Ky. PSC Apr. 17, 2018), Order at 2.

<sup>10</sup> Case No. 2019-00032, *Electronic Annual Pipeline Replacement Program Filing of Apache Gas Transmission Company, Inc.* (Ky. PSC Apr. 29, 2019), Order at 3-4.

1 request approval of additional financing because the total costs of the project were  
2 not known.<sup>11</sup> There was no change in the surcharge at that time.<sup>12</sup>  
3 In Case No. 2020-00067,<sup>13</sup> Apache reported that it had completed all approved  
4 projects, including the Marrowbone Creek project.<sup>14</sup> Apache stated that it would  
5 need additional funding to cover the remaining costs of the PRP work.<sup>15</sup> Apache  
6 did not seek a rate adjustment in Case No. 2020-00067 but stated that approval  
7 would be requested for any necessary increase in the PRP rate when Apache  
8 finalized and sought approval for financing.<sup>16</sup> The Commission did not make any  
9 changes to the mechanism in that case.<sup>17</sup>  
10 In Case No. 2021-000120,<sup>18</sup> Apache notified the Commission that the Small  
11 Business Administration (SBA) was making payments on Apache's outstanding  
12 PRP loans.<sup>19</sup> Apache reported that, with the SBA funding, the funds collected  
13 through the PRP surcharge were adequate to cover the debt service on the approved  
14 loans and a portion of the costs of the Marrowbone Creek Project.<sup>20</sup> Apache  
15 indicated that an increase in the PRP could be needed to pay the remaining costs of  
16 the Marrowbone Creek project but did not seek an increase at that time.<sup>21</sup> In that

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<sup>11</sup> Case No. 2019-00032, (filed Apr. 18, 2019), Apache's Response to Commission Staff's First Request for Information Item 1.

<sup>12</sup> Case No. 2019-00032, (Ky. PSC Apr. 29, 2019), Order at 3.

<sup>13</sup> Case No. 2020-00067, *Adjustment of the Pipeline Replacement Program Rider of Apache Gas Transmission Company, Inc.* (Ky. PSC Mar. 26, 2020).

<sup>14</sup> Case No. 2020-00067, (filed Mar. 2, 2020), Apache's Annual PRP Status Report (2020 Annual Report) at 4-5.

<sup>15</sup> Case No. 2020-00067, (filed Mar. 2, 2020), 2020 Annual Report at 1-2.

<sup>16</sup> Case No. 2020-00067, (filed Mar. 2, 2020), 2020 Annual Report at 1-2.

<sup>17</sup> Case No. 2020-00067, (Ky. PSC Mar. 26, 2020) Order at 2.

<sup>18</sup> Case No. 2021-000120, *Electronic Annual Pipeline Replacement Program Filing of Apache Gas Transmission Company, Inc.* (Ky. PSC May 24, 2021).

<sup>19</sup> Case No. 2021-00120, (filed Mar. 1, 2021), Apache's Annual PRP Status Report (2021 Annual Report) at 1.

<sup>20</sup> Case No. 2021-00120, (filed Mar. 1, 2021), 2021 Annual Report at 1.

<sup>21</sup> *Id.*

1 case, the commission did not make any changes but noted that any request to  
2 increase or decrease the PRP fee as the result of additional financing or subsequent  
3 to a change in the terms of the current financing would be considered in a separate  
4 proceeding.<sup>22</sup>

5 In Case No. 2022-00057,<sup>23</sup> Apache stated that the SBA covered its loan payments  
6 from February 2020 through June 2020 and from February 2021 through June 2021,  
7 which allowed Apache to meet its PRP obligations, and again Apache did not  
8 propose a change in its PRP rate. The Commission, once again, approved and  
9 continued the PRP without change.<sup>24</sup>

10 In Case No. 2023-00124,<sup>25</sup> Apache stated that the PRP rates collected in 2022 were  
11 short of the amount needed to cover the debt service for the calendar year 2022,  
12 and that a separate filing for authorization to increase the PRP rate would be made.<sup>26</sup>  
13 The Commission found that Apache's rate should remain the same, and that any  
14 request for an increase or decrease in the PRP rate would be considered in a separate  
15 proceeding.<sup>27</sup>

16 In Case No. 2024-00167, Apache stated that its annual debt service for the two PRP  
17 related notes amounted to \$24,656.52 for 2023.<sup>28</sup> Due to weather conditions, total  
18 sales were lower in fiscal year end 2023, which resulted in PRP revenue of

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<sup>22</sup> Case No. 2021-00120, (Ky. PSC May 24, 2021), Order at 2.

<sup>23</sup> Case No. 2022-00057, *Electronic Annual Pipeline Replacement Program Filing of Apache Gas Transmission Company, Inc.*, (Ky. PSC Aug. 11, 2022), Order citing Application at 1.

<sup>24</sup> Case No. 2022-00057, (Ky. PSC Aug. 11, 2022), Order.

<sup>25</sup> Case No. 2023-00124, *Electronic Annual Pipeline Replacement Program Filing of Apache Gas Transmission Company, Inc.* (filed Apr. 21, 2023), Apache's Annual PRP Status Report at 2.

<sup>26</sup> No separate filings requesting authorization to increase the PRP rate were made.

<sup>27</sup> Case No. 2023-00124, (Ky. PSC Oct. 12, 2023), final Order at 5-6.

<sup>28</sup> Case No. 2024-00167, *Electronic Annual Pipeline Replacement Program Filing of Apache Gas Transmission Company, Inc.* (filed May 31, 2024), Apache's Annual PRP Status Report (2024 Annual Report) at 1.

1           \$20,233.45.<sup>29</sup> To ensure Apache successfully met the SBA debt service payments  
2           from August to November, it borrowed a total of \$3,900 from Burkesville Gas  
3           Company, Inc. (“Burkesville Gas”).<sup>30</sup> Apache paid off one of the SBA loans, which  
4           made the debt service payments lower than the previous years.<sup>31</sup> Apache claimed it  
5           could replace approximately 750 feet of 3-inch mains which it had identified for  
6           replacement with 6-inch pipe each year without increasing PRP rates.<sup>32</sup>  
7           In Case No. 2025-00169, Apache did not request an increase of the PRP rate.<sup>33</sup> Per  
8           the Commission’s March 31, 2025 Order in Case No. 2024-00167 regarding  
9           Apache’s request to replace 3” pipe on its system with 6” pipe, Apache requested  
10          to replace up to 750 feet of the 3” pipe each year until the total of 4 miles of 3” pipe  
11          was replaced.<sup>34</sup> Based on the Commission’s Order, Apache reviewed whether or  
12          not it may be able to qualify for an additional loan to pay for the replacement of the  
13          3” pipeline and recover the amount needed to make the debt payments through the  
14          PRP program as it did when the PRP was established.<sup>35</sup> Apache filed an Application  
15          requesting approval to obtain financing in Case No. 2025-00301 including a SBA  
16          Microloan and USDA RMAP loan from Kentucky Highlands Corporation to allow  
17          Apache to commit funds to its 2025 PRP.<sup>36</sup> The Commission entered an order  
18          granting the application<sup>37</sup> and Apache obtained the requested financing.<sup>38</sup> Apache

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<sup>29</sup> Case No. 2024-00167, (filed May 31, 2024), 2024 Annual Report at 1.

<sup>30</sup> *Id.* at 1-2.

<sup>31</sup> *Id.* at 2.

<sup>32</sup> *Id.*

<sup>33</sup> Case No. 2025-00169, *Electronic Annual Pipeline Replacement Program Filing of Apache Gas Transmission Company, Inc.* (filed May 30, 2025) Annual Report at 1.

<sup>34</sup> *Id.*

<sup>35</sup> *Id.*

<sup>36</sup> Case No. 2025-00301, *An Application of Apache Gas Transmission Company, Inc. for Approval of the Authority to Obtain Financing*,

<sup>37</sup> *Id.* November 21, 2025 Order.

<sup>38</sup> *Id.* Written Statement Filed Dec. 22, 2025.

1 now seeks approval to use the aforementioned financing to carry out the remaining  
2 projects in its PRP as shown in the Breakdown of Funds attached to Apache's  
3 Application as **Exhibit D** as well as in increase in PRP surcharge rates as described  
4 in **Exhibit E** to the Application.

5 **Q. PLEASE DESCRIBE IN DETAIL WHY THE PROPOSED PRP PROJECTS**  
6 **ARE NECESSARY.**

7 A. The proposed PRP projects are necessary because certain sections of Apache's  
8 existing 3-inch main are exposed or inadequately buried, which presents an  
9 increased risk of damage and potential service issues. Replacing these sections with  
10 properly buried HDPE pipe will reduce that risk and improve the integrity of the  
11 system.

12 **Q. WHAT DUE DILIGENCE WAS PERFORMED TO DETERMINE THAT**  
13 **APACHE GAS HAD REVIEWED REASONABLE ALTERNATIVES FOR**  
14 **THE PROPOSED PRP PROJECTS.**

15 A. Apache considered whether localized reburial or spot repairs would adequately  
16 address the identified conditions and determined that such measures would not  
17 provide a durable or reliable solution. Apache therefore concluded that targeted  
18 replacement of the affected sections is the most reasonable and cost-effective  
19 alternative.

20 **Q. UPON WHAT FACTS DOES APACHE RELY TO SHOW THAT THE PRP**  
21 **PROJECTS ARE REQUIRED OR THE PUBLIC'S CONVENIENCE AND**  
22 **NECESSITY?**

1 A. Apache relies on the existence of exposed or inadequately buried 3-inch main on  
2 its system, the associated risk to public safety and system integrity, and the need to  
3 maintain safe and reliable gas service to Burkesville Gas and its customers.

4 **Q. WILL THE PROPOSED PRP PROJECTS RESULT IN WASTEFUL**  
5 **DUPLICATION?**

6 A. No. The projects are limited to specific sections of pipe that require replacement  
7 and do not duplicate prior work or create redundant facilities.

8 **Q. PLEASE DESCRIBE THE REQUESTED INCREASE TO THE PRP**  
9 **SURCHARGE.**

10 A. As forecasted and acknowledged in the Commission’s final order in Case No. 2025-  
11 00301, Apache is requesting to implement an increased charge per Mcf in addition to the  
12 current flat charge per month for residential and commercial customers. It was originally  
13 estimated in Case No. 2025-00301 that the increased charge would need to be \$0.44 per  
14 Mcf to cover the debt services; however, now that the loans have been obtained, Apache  
15 believes it can meet its needs with an increase of \$0.30 per Mcf as shown on the spreadsheet  
16 attached to the Application as **Exhibit F**.

17 **Exhibit F** shows the total cost of the two phases of the PRP along with the current  
18 monthly amount being collected under the approved PRP surcharge. In addition, this  
19 spreadsheet shows the additional revenue collected as a result of implementing an  
20 additional surcharge of \$0.30 per Mcf for the PRP. Apache proposes to continue to collect  
21 this amount from Burkesville Gas Company, Inc. through its Gas Cost Adjustment  
22 (“GCA”). Apache will continue to include the escrow account statements with the quarterly  
23 GCA filings and will continue to make annual applications by April 30<sup>th</sup> each year.

1 Apache believes that the per Mcf charge would more evenly allocate the PRP  
2 charge among the customers who use more natural gas per month and would not cause a  
3 burden on the customers who use very little natural gas per month.

4 **Q. PLEASE SUMMARIZE YOUR TESTIMONY.**

5 A. Apache's proposed PRP projects are necessary to replace exposed or inadequately  
6 buried sections of its pipeline, will improve system safety and reliability, are  
7 reasonable and cost-effective, and will not result in wasteful duplication. Apache  
8 therefore requests approval of the CPCN and associated PRP rate adjustment.

9 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

10 A. Yes, it does.

EXHIBIT D  
USE OF FUNDS

Apache Gas Transmission Company, Inc.  
 2025 Pipeline Replacement Program  
*an approximate site locations*

<b>Total Project Funds</b>	<b>\$ 100,000.00</b>
<b>Site 1 &amp; 2</b>	
Site 1: 36°48'34.35" N, 85° 25'28, 36" W	
Site 2: 36°48'49.79 N, 85° 25'43.74 W	
3" Horizontal Boring 252 feet at \$55 per foot	\$ 13,860.00
Burkesville Gas Company's tariff rate for service labor outside the scope of the normal repair rate of \$42	2,016.00
Materials costs for 3' High Density Black yellow stripe, tracer wire	1,260.00
Equipment Rental (from Burkesville Gas Company and possibly others)	2,000.00
Couplings	40.00
5% Contingency	958.80
<b>Site 1 and 2 Sections Repair Total</b>	<b>20,134.80</b>
<b>Site 3: 36°49'13.22" N, 85°25'50.80 W</b>	
3" Horizontal Boring 120 feet at \$55 per foot	\$ 6,600.00
Burkesville Gas Company's tariff rate for service labor outside the scope of the normal repair rate of \$42	1,344.00
Materials costs for 3' High Density Black yellow stripe, tracer wire	600.00
Equipment Rental (from Burkesville Gas Company and possibly others)	1,000.00
Couplings	40.00
5% Contingency	479.20
<b>Site 3 Section Repair Total</b>	<b>\$ 10,063.20</b>
<b>Site 4: 36°50'28.18" N, 85° 27'29.00" W</b>	
3" Horizontal Boring 50 feet at \$55 per foot	\$ 2,750.00
Burkesville Gas Company's tariff rate for service labor outside the scope of the normal repair rate of \$42	1,320.00
Materials costs for 3' High Density Black yellow stripe, tracer wire	250.00
Equipment Rental (from Burkesville Gas Company and possibly others)	500.00
Couplings	40.00
5% Contingency	243.00
<b>Site 4 Section Repair Total</b>	<b>\$ 5,103.00</b>
<b>Site on Ann Hope Road: 36°50'28.81"N, 85°27'28.28"W</b>	
3" Horizontal Boring 130 feet at \$55 per foot	\$ 7,150.00
Burkesville Gas Company's tariff rate for service labor outside the scope of the normal repair rate of \$42	1,344.00
Materials costs for 3' High Density Black yellow stripe, tracer wire	650.00
Equipment Rental (from Burkesville Gas Company and possibly others)	1,000.00
Couplings	40.00
5% Contingency	509.20
<b>Ann Hope Road Section Repair Total</b>	<b>\$ 10,693.20</b>
Estimate for Special Counsel Services	5,000.00
Estimate for Consulting Engineer	-
<b>Total 2025 Pipeline Replacement Project</b>	<b>\$ 50,994.20</b>
<b>Remaining Project Funds for 2026 Main Replacement</b>	<b>\$ 49,005.80</b>

EXHIBIT E  
MAP

PROVIDED UNDER SEAL  
PURSUANT TO A MOTION FOR  
CONFIDENTIAL TREATMENT

EXHIBIT F  
PRP SPREADSHEET

**PRP Revenue History using Existing PRP Fees and Projected PRP Revenue Using Existing and Requested PRP Fees**

Actual or Projections		Existing PRP Per Bill Fees Collected	Existing PRP Per Mcf Fees	Current Combined PRP Revenue available for debt service	February 28, 2018 Micro Loan	May 9, 2019 SBA 7(a) loan w/ KHIC	Excess PRP Revenue Available After Existing Debt Service	New KPSC Approved \$50,000 USDA Loan	New KPSC Approved \$50,000 SBA Micro Loan	Combined previously approved debt service and recently approved debt service	PRP Revenue Excess or (shortfall) to service the combined previously approved debt and service recently approved debt	Proposed \$0.30 Increase PRP Per Mcf PRP fee based on 5 year average annual sales of 37,628 Mcf	Current and Proposed PRP Revenue Available for Debt Service	Combined Current and Proposed PRP Revenue Excess or (shortfall) to cover all debt Service	Annual Cumulative PRP Revenue Available For Debt Service	Annual Debt Service Coverage Ratio 2026 and After
Actual Results of the PRP Program	Jan-18	913.00		913.00			913.00									
	Feb-18	935.50		935.50			935.50									
	Mar-18	911.00		911.00			911.00									
	Apr-18	890.50		890.50	867.69		22.81									
	May-18	890.50		890.50	867.69		22.81									
	Jun-18	872.00	236.84	1,108.84	867.69		241.15									
	Jul-18	800.00	248.47	1,048.47	867.69		180.78									
	Aug-18	788.50	266.22	1,054.72	867.69		187.03									
	Sep-18	788.50	261.87	1,050.37	867.69		182.68									
	Oct-18	865.50	588.99	1,454.49	867.69		586.80									
	Nov-18	896.50	1,695.02	2,591.52	867.69		1,723.83									
	Dec-18	917.50	1,606.91	2,524.41	867.69		1,656.72								7,564.11	
Actual Results of the PRP Program	Jan-19	911.00	1,991.89	2,902.89	867.69		2,035.20									
	Feb-19	917.00	2,061.32	2,978.32	867.69		2,110.63									
	Mar-19	908.00	1,386.47	2,294.47	867.69		1,426.78									
	Apr-19	858.00	823.25	1,681.25	867.69		813.56									
	May-19	815.00	299.43	1,114.43	867.69		246.74									
	Jun-19	806.00	266.74	1,072.74	867.69	1,187.02	(981.97)									
	Jul-19	775.50	242.03	1,017.53	867.69	1,187.02	(1,037.18)									
	Aug-19	763.50	241.25	1,004.75	867.69	1,187.02	(1,049.96)									
	Sep-19	763.50	241.25	1,004.75	867.69	1,187.02	(1,049.96)									
	Oct-19	810.00	527.13	1,337.13	867.69	1,187.02	(717.58)									
	Nov-19	875.00	1,213.11	2,088.11	867.69	1,187.02	33.40									
	Dec-19	871.00	1,860.06	2,731.06	867.69	1,187.02	676.35								2,506.01	
Actual Results of the PRP Program	Jan-20	887.00	1,709.84	2,596.84	867.69	1,187.02	542.13									
	Feb-20	884.00	1,470.88	2,354.88			2,354.88									
	Mar-20	871.50	1,352.91	2,224.41			2,224.41									
	Apr-20	849.00	624.34	1,473.34			1,473.34									
	May-20	831.00	449.82	1,280.82			1,280.82									
	Jun-20	822.00	373.20	1,195.20			1,195.20									
	Jul-20	794.50	242.03	1,036.53			1,036.53									
	Aug-20	797.50	232.80	1,030.30	867.69	1,187.02	(1,024.41)									
	Sep-20	797.00	350.38	1,147.38	867.69	1,187.02	(907.33)									
	Oct-20	821.50	455.12	1,276.62	867.69	1,187.02	(778.09)									
	Nov-20	846.50	1,122.41	1,968.91	867.69	1,187.02	(85.80)									
	Dec-20	877.00	2,429.38	3,306.38	867.69	1,187.02	1,251.67								8,563.35	

Debt Service paid by SBA (CARES Act)

**PRP Revenue History using Existing PRP Fees and Projected PRP Revenue Using Existing and Requested PRP Fees**

Actual or Projections	Date	Existing PRP Per Bill Fees Collected	Existing PRP Per Mcf Fees	Current Combined PRP Revenue available for debt service	February 28, 2018 Micro Loan	May 9, 2019 SBA 7(a) loan w/ KHIC	Excess PRP Revenue Available After Existing Debt Service	New KPSC Approved \$50,000 USDA Loan	New KPSC Approved \$50,000 SBA Micro Loan	Combined previously approved debt service and recently approved debt service	PRP Revenue Excess or (shortfall) to service the combined previously approved debt and service recently approved debt	Proposed \$0.30 Increase PRP Per Mcf PRP fee based on 5 year average annual sales of 37,628 Mcf	Current and Proposed PRP Revenue Available for Debt Service	Combined Current and Proposed PRP Revenue Excess or (shortfall) to cover all debt Service	Annual Cumulative PRP Revenue Available For Debt Service	Annual Debt Service Coverage Ratio 2026 and After
Actual Results of the PRP Program	Jan-21	877.50	1,763.66	2,641.16	867.69	1,187.02	586.45									
	Feb-21	884.00	1,471.02	2,355.02			2,355.02									
	Mar-21	871.50	1,352.90	2,224.40			2,224.40									
	Apr-21	837.50	781.23	1,618.73			1,618.73									
	May-21	828.50	468.11	1,296.61			1,296.61									
	Jun-21	800.50	346.51	1,147.01			1,147.01									
	Jul-21	800.50	232.46	1,032.96	867.69	1,187.02	(1,021.75)									
	Aug-21	797.50	233.28	1,030.78	867.69	1,187.02	(1,023.93)									
	Sep-21	785.50	249.72	1,035.22	867.69	1,187.02	(1,019.49)									
	Oct-21	819.50	573.33	1,392.83	867.69	1,187.02	(661.88)									
	Nov-21	860.00	1,477.87	2,337.87	867.69	1,187.02	283.16									
	Dec-21	873.00	1,249.64	2,122.64	867.69	1,187.02	67.93								5,852.26	
Actual Results of the PRP Program	Jan-22	876.00	2,214.38	3,090.38	867.69	1,187.02	1,035.67									
	Feb-22	881.50	2,319.57	3,201.07	867.69	1,187.02	1,146.36									
	Mar-22	878.00	1,081.00	1,959.00	867.69	1,187.02	(95.71)									
	Apr-22	853.50	927.94	1,781.44	867.69	1,187.02	(273.27)									
	May-22	814.00	356.93	1,170.93	867.69	1,187.02	(883.78)									
	Jun-22	810.50	230.23	1,040.73	867.69	1,187.02	(1,013.98)									
	Jul-22	814.50	233.94	1,048.44	867.69	1,187.02	(1,006.27)									
	Aug-22	808.50	271.93	1,080.43	867.69	1,187.02	(974.28)									
	Sep-22	805.00	271.93	1,076.93	867.69	1,187.02	(977.78)									
	Oct-22	874.00	843.70	1,717.70	867.69	1,187.02	(337.01)									
	Nov-22	895.00	1,204.40	2,099.40	867.69	1,187.02	44.69									
	Dec-22	895.00	1,981.80	2,876.80	867.69	1,187.02	822.09								(2,513.27)	
Actual Results of the PRP Program	Jan-23	895.00	1,981.11	2,876.11	867.69	1,187.02	821.40									
	Feb-23	894.50	1,319.73	2,214.23	867.69	1,187.02	159.52									
	Mar-23	882.50	1,240.07	2,122.57	867.69	1,187.02	67.86									
	Apr-23	861.50	670.34	1,531.84	867.69	1,187.02	(522.87)									
	May-23	843.00	369.81	1,212.81	867.69	1,187.02	(841.90)									
	Jun-23	813.50	248.36	1,061.86	867.69	1,187.02	(992.85)									
	Jul-23	804.00	232.78	1,036.78	867.69	1,187.02	(1,017.93)									
	Aug-23	801.50	183.45	984.95	867.69	1,187.02	(1,069.76)									
	Sep-23	796.00	349.02	1,145.02	867.69	1,187.02	(909.69)									
	Oct-23	834.50	611.93	1,446.43	867.69	1,187.02	(608.28)									
	Nov-23	861.50	1,039.36	1,900.86	867.69	1,187.02	(153.85)									
	Dec-23	893.50	1,673.97	2,567.47	867.69	1,187.02	512.76								(4,555.59)	

Debt Service paid by SBA (CARES Act)

**PRP Revenue History using Existing PRP Fees and Projected PRP Revenue Using Existing and Requested PRP Fees**

Actual or Projections	Date	Existing PRP Per Bill Fees Collected	Existing PRP Per Mcf Fees	Current Combined PRP Revenue available for debt service	February 28, 2018 \$50,000 Micro Loan	May 9, 2019 SBA 7(a) loan w/ KHIC	Excess PRP Revenue Available After Existing Debt Service	New KPSC Approved \$50,000 USDA Loan	New KPSC Approved \$50,000 SBA Micro Loan	Combined previously approved debt service and recently approved debt service	PRP Revenue Excess or (shortfall) to service the combined previously approved debt and service recently approved debt	Proposed \$0.30 Increase PRP Per Mcf PRP fee based on 5 year average annual sales of 37,628 Mcf	Current and Proposed PRP Revenue Available for Debt Service	Combined Current and Proposed PRP Revenue Excess or (shortfall) to cover all debt Service	Annual Cumulative PRP Revenue Available For Debt Service	Annual Debt Service Coverage Ratio 2026 and After
Actual Results of the PRP Program	Jan-24	906.00	2,895.45	3,801.45	867.69	1,187.02	1,746.74									
	Feb-24	899.50	1,431.30	2,330.80	867.69	1,187.02	276.09									
	Mar-24	893.50	1,256.16	2,149.66	867.69	1,187.02	94.95									
	Apr-24	868.50	656.79	1,525.29	867.69	1,187.02	(529.42)									
	May-24	846.00	362.70	1,208.70	867.69	1,187.02	(846.01)									
	Jun-24	817.00	255.90	1,072.90		1,187.02	(114.12)									
	Jul-24	811.00	265.50	1,076.50		1,187.02	(110.52)									
	Aug-24	814.50	321.44	1,135.94		1,187.02	(51.08)									
	Sep-24	811.50	288.55	1,100.05		1,187.02	(86.97)									
	Oct-24	855.50	614.86	1,470.36		1,187.02	283.34									
	Nov-24	871.50	756.65	1,628.15		1,187.02	441.13									
	Dec-24	884.00	1,979.16	2,863.16		1,187.02	1,676.14								2,780.27	
Actual Results	Jan-25	902.50	2,921.23	3,823.73		1,187.02	2,636.71									
	Feb-25	899.50	1,805.48	2,704.98		1,187.02	1,517.96									
	Mar-25	893.00	1,061.92	1,954.92		1,187.02	767.90									
	Apr-25	871.00	767.28	1,638.28		1,187.02	451.26									
	May-25	868.00	345.65	1,213.65		1,187.02	26.63									
	Jun-25	871.00	359.17	1,230.17		1,187.02	43.15									
	Jul-25	868.00	210.80	1,078.80		1,187.02	(108.22)									
	Aug-25	865.00	254.13	1,119.13		1,187.02	(67.89)									
	Sep-25	862.00	288.55	1,150.55		1,187.02	(36.47)									
	Oct-25	871.00	288.81	1,159.81		1,187.02	(27.21)									
	Nov-25	883.50	1,152.00	2,035.50		1,187.02	848.48									
	Dec-25	896.50	1,672.29	2,568.79		1,187.02	1,381.77								7,434.07	
Projected PRP Revenue	Jan-26	902.50	2,921.23	3,823.73		1,187.02	2,636.71	556.26	755.48	2,498.76	137.95	-	3,823.73	1,324.97		
	Feb-26	899.50	1,805.48	2,704.98		1,187.02	1,517.96	556.26	755.48	2,498.76	(980.80)	-	2,704.98	206.22		
	Mar-26	893.00	1,061.92	1,954.92		1,187.02	767.90	556.26	755.48	2,498.76	(1,730.86)	-	1,954.92	(543.84)		
	Apr-26	871.00	767.28	1,638.28		1,187.02	451.26	556.26	755.48	2,498.76	(2,047.50)	778.39	2,416.67	(82.09)		
	May-26	868.00	345.65	1,213.65		1,187.02	26.63	556.26	755.48	2,498.76	(2,472.13)	350.66	1,564.31	(934.45)		
	Jun-26	871.00	359.17	1,230.17		1,187.02	43.15	556.26	755.48	2,498.76	(2,455.61)	364.37	1,594.54	(904.22)		
	Jul-26	868.00	210.80	1,078.80		1,187.02	(108.22)	556.26	755.48	2,498.76	(2,606.98)	213.85	1,292.65	(1,206.11)		
	Aug-26	865.00	254.13	1,119.13		1,187.02	(67.89)	556.26	755.48	2,498.76	(2,566.65)	257.81	1,376.94	(1,121.82)		
	Sep-26	862.00	288.55	1,150.55		1,187.02	(36.47)	556.26	755.48	2,498.76	(2,535.23)	292.73	1,443.28	(1,055.48)		
	Oct-26	871.00	288.81	1,159.81		1,187.02	(27.21)	556.26	755.48	2,498.76	(2,525.97)	292.99	1,452.80	(1,045.96)		
	Nov-26	883.50	1,152.00	2,035.50		1,187.02	848.48	556.26	755.48	2,498.76	(1,650.28)	1,168.68	3,204.18	705.42		
	Dec-26	896.50	1,672.29	2,568.79		1,187.02	1,381.77	556.26	755.48	2,498.76	(1,116.99)	1,696.51	4,265.30	1,766.54	(2,890.81)	0.90

**PRP Revenue History using Existing PRP Fees and Projected PRP Revenue Using Existing and Requested PRP Fees**

Actual or Projections	Date	Existing PRP Per Bill Fees Collected	Existing PRP Per Mcf Fees	Current Combined PRP Revenue available for debt service	February 28, 2018 \$50,000 Micro Loan	May 9, 2019 SBA 7(a) loan w/ KHIC	Excess PRP Revenue Available After Existing Debt Service	New KPSC Approved \$50,000 USDA Loan	New KPSC Approved \$50,000 SBA Micro Loan	Combined previously approved debt service and recently approved debt service	PRP Revenue Excess or (shortfall) to service the combined previously approved debt and service recently approved debt	Proposed \$0.30 Increase PRP Per Mcf PRP fee based on 5 year average annual sales of 37,628 Mcf	Current and Proposed PRP Revenue Available for Debt Service	Combined Current and Proposed PRP Revenue Excess or (shortfall) to cover all debt Service	Annual Cumulative PRP Revenue Available For Debt Service	Annual Debt Service Coverage Ratio 2026 and After
Projected PRP Revenue	Jan-27	902.50	2,921.23	3,823.73		1,187.02	2,636.71	556.26	755.48	2,498.76	137.95	2,963.54	6,787.27	4,288.51		
	Feb-27	899.50	1,805.48	2,704.98		1,187.02	1,517.96	556.26	755.48	2,498.76	(980.80)	1,831.63	4,536.61	2,037.85		
	Mar-27	893.00	1,061.92	1,954.92		1,187.02	767.90	556.26	755.48	2,498.76	(1,730.86)	1,077.30	3,032.22	533.46		
	Apr-27	871.00	767.28	1,638.28		1,187.02	451.26	556.26	755.48	2,498.76	(2,047.50)	778.39	2,416.67	(82.09)		
	May-27	868.00	345.65	1,213.65		1,187.02	26.63	556.26	755.48	2,498.76	(2,472.13)	350.66	1,564.31	(934.45)		
	Jun-27	871.00	359.17	1,230.17		1,187.02	43.15	556.26	755.48	2,498.76	(2,455.61)	364.37	1,594.54	(904.22)		
	Jul-27	868.00	210.80	1,078.80		1,187.02	(108.22)	556.26	755.48	2,498.76	(2,606.98)	213.85	1,292.65	(1,206.11)		
	Aug-27	865.00	254.13	1,119.13		1,187.02	(67.89)	556.26	755.48	2,498.76	(2,566.65)	257.81	1,376.94	(1,121.82)		
	Sep-27	862.00	288.55	1,150.55		1,187.02	(36.47)	556.26	755.48	2,498.76	(2,535.23)	292.73	1,443.28	(1,055.48)		
	Oct-27	871.00	288.81	1,159.81		1,187.02	(27.21)	556.26	755.48	2,498.76	(2,525.97)	292.99	1,452.80	(1,045.96)		
	Nov-27	883.50	1,152.00	2,035.50		1,187.02	848.48	556.26	755.48	2,498.76	(1,650.28)	1,168.68	3,204.18	705.42		
	Dec-27	896.50	1,672.29	2,568.79		1,187.02	1,381.77	556.26	755.48	2,498.76	(1,116.99)	1,696.51	4,265.30	1,766.54	2,981.65	1.10
Projected PRP Revenue	Jan-28	902.50	2,921.23	3,823.73		1,187.02	2,636.71	556.26	755.48	2,498.76	137.95	2,963.54	6,787.27	4,288.51		
	Feb-28	899.50	1,805.48	2,704.98		1,187.02	1,517.96	556.26	755.48	2,498.76	(980.80)	1,831.63	4,536.61	2,037.85		
	Mar-28	893.00	1,061.92	1,954.92		1,187.02	767.90	556.26	755.48	2,498.76	(1,730.86)	1,077.30	3,032.22	533.46		
	Apr-28	871.00	767.28	1,638.28		1,187.02	451.26	556.26	755.48	2,498.76	(2,047.50)	778.39	2,416.67	(82.09)		
	May-28	868.00	345.65	1,213.65		1,187.02	26.63	556.26	755.48	2,498.76	(2,472.13)	350.66	1,564.31	(934.45)		
	Jun-28	871.00	359.17	1,230.17		1,187.02	43.15	556.26	755.48	2,498.76	(2,455.61)	364.37	1,594.54	(904.22)		
	Jul-28	868.00	210.80	1,078.80		1,187.02	(108.22)	556.26	755.48	2,498.76	(2,606.98)	213.85	1,292.65	(1,206.11)		
	Aug-28	865.00	254.13	1,119.13		1,187.02	(67.89)	556.26	755.48	2,498.76	(2,566.65)	257.81	1,376.94	(1,121.82)		
	Sep-28	862.00	288.55	1,150.55		1,187.02	(36.47)	556.26	755.48	2,498.76	(2,535.23)	292.73	1,443.28	(1,055.48)		
	Oct-28	871.00	288.81	1,159.81		1,187.02	(27.21)	556.26	755.48	2,498.76	(2,525.97)	292.99	1,452.80	(1,045.96)		
	Nov-28	883.50	1,152.00	2,035.50		1,187.02	848.48	556.26	755.48	2,498.76	(1,650.28)	1,168.68	3,204.18	705.42		
	Dec-28	896.50	1,672.29	2,568.79		1,187.02	1,381.77	556.26	755.48	2,498.76	(1,116.99)	1,696.51	4,265.30	1,766.54	2,981.65	1.10
Projected PRP Revenue	Jan-29	902.50	2,921.23	3,823.73		1,187.02	2,636.71	556.26	755.48	2,498.76	137.95	2,963.54	6,787.27	4,288.51		
	Feb-29	899.50	1,805.48	2,704.98		1,187.02	1,517.96	556.26	755.48	2,498.76	(980.80)	1,831.63	4,536.61	2,037.85		
	Mar-29	893.00	1,061.92	1,954.92		1,187.02	767.90	556.26	755.48	2,498.76	(1,730.86)	1,077.30	3,032.22	533.46		
	Apr-29	871.00	767.28	1,638.28		1,187.02	451.26	556.26	755.48	2,498.76	(2,047.50)	778.39	2,416.67	(82.09)		
	May-29	868.00	345.65	1,213.65	1,908.54		(694.89)	556.26	755.48	3,220.28	(3,915.17)	350.66	1,564.31	(1,655.97)		
	Jun-29	871.00	359.17	1,230.17			1,230.17	556.26	755.48	1,311.74	(81.57)	364.37	1,594.54	282.80		
	Jul-29	868.00	210.80	1,078.80			1,078.80	556.26	755.48	1,311.74	(232.94)	213.85	1,292.65	(19.09)		
	Aug-29	865.00	254.13	1,119.13			1,119.13	556.26	755.48	1,311.74	(192.61)	257.81	1,376.94	65.20		
	Sep-29	862.00	288.55	1,150.55			1,150.55	556.26	755.48	1,311.74	(161.19)	292.73	1,443.28	131.54		
	Oct-29	871.00	288.81	1,159.81			1,159.81	556.26	755.48	1,311.74	(151.93)	292.99	1,452.80	141.06		
	Nov-29	883.50	1,152.00	2,035.50			2,035.50	556.26	755.48	1,311.74	723.76	1,168.68	3,204.18	1,892.44		
	Dec-29	896.50	1,672.29	2,568.79			2,568.79	556.26	755.48	1,311.74	1,257.05	1,696.51	4,265.30	2,953.56	10,569.27	1.47

**PRP Revenue History using Existing PRP Fees and Projected PRP Revenue Using Existing and Requested PRP Fees**

Actual or Projections	Date	Existing PRP Per Bill Fees Collected	Existing PRP Per Mcf Fees	Current Combined PRP Revenue available for debt service	February 28, 2018 \$50,000 Micro Loan	May 9, 2019 SBA 7(a) loan w/ KHIC	Excess PRP Revenue Available After Existing Debt Service	New KPSC Approved \$50,000 USDA Loan	New KPSC Approved \$50,000 SBA Micro Loan	Combined previously approved debt service and recently approved debt service	PRP Revenue Excess or (shortfall) to service the combined previously approved debt and service recently approved debt	Proposed \$0.30 Increase PRP Per Mcf PRP fee based on 5 year average annual sales of 37,628 Mcf	Current and Proposed PRP Revenue Available for Debt Service	Combined Current and Proposed PRP Revenue Excess or (shortfall) to cover all debt Service	Annual Cumulative PRP Revenue Available For Debt Service	Annual Debt Service Coverage Ratio 2026 and After
Projected PRP Revenue	Jan-30	902.50	2,921.23	3,823.73			3,823.73	556.26	755.48	1,311.74	2,511.99	2,963.54	6,787.27	5,475.53		
	Feb-30	899.50	1,805.48	2,704.98			2,704.98	556.26	755.48	1,311.74	1,393.24	1,831.63	4,536.61	3,224.87		
	Mar-30	893.00	1,061.92	1,954.92			1,954.92	556.26	755.48	1,311.74	643.18	1,077.30	3,032.22	1,720.48		
	Apr-30	871.00	767.28	1,638.28			1,638.28	556.26	755.48	1,311.74	326.54	778.39	2,416.67	1,104.93		
	May-30	868.00	345.65	1,213.65			1,213.65	556.26	755.48	1,311.74	(98.09)	350.66	1,564.31	252.57		
	Jun-30	871.00	359.17	1,230.17			1,230.17	556.26	755.48	1,311.74	(81.57)	364.37	1,594.54	282.80		
	Jul-30	868.00	210.80	1,078.80			1,078.80	556.26	755.48	1,311.74	(232.94)	213.85	1,292.65	(19.09)		
	Aug-30	865.00	254.13	1,119.13			1,119.13	556.26	755.48	1,311.74	(192.61)	257.81	1,376.94	65.20		
	Sep-30	862.00	288.55	1,150.55			1,150.55	556.26	755.48	1,311.74	(161.19)	292.73	1,443.28	131.54		
	Oct-30	871.00	288.81	1,159.81			1,159.81	556.26	755.48	1,311.74	(151.93)	292.99	1,452.80	141.06		
	Nov-30	883.50	1,152.00	2,035.50			2,035.50	556.26	755.48	1,311.74	723.76	1,168.68	3,204.18	1,892.44		
	Dec-30	896.50	1,672.29	2,568.79			2,568.79	556.26	755.48	1,311.74	1,257.05	1,696.51	4,265.30	2,953.56	17,225.89	2.09
Projected PRP Revenue	Jan-31	902.50	2,921.23	3,823.73			3,823.73	556.26	755.48	1,311.74	2,511.99	2,963.54	6,787.27	5,475.53		
	Feb-31	899.50	1,805.48	2,704.98			2,704.98	556.26	755.48	1,311.74	1,393.24	1,831.63	4,536.61	3,224.87		
	Mar-31	893.00	1,061.92	1,954.92			1,954.92	556.26	755.48	1,311.74	643.18	1,077.30	3,032.22	1,720.48		
	Apr-31	871.00	767.28	1,638.28			1,638.28	556.26	755.48	1,311.74	326.54	778.39	2,416.67	1,104.93		
	May-31	868.00	345.65	1,213.65			1,213.65	556.26	755.48	1,311.74	(98.09)	350.66	1,564.31	252.57		
	Jun-31	871.00	359.17	1,230.17			1,230.17	556.26	755.48	1,311.74	(81.57)	364.37	1,594.54	282.80		
	Jul-31	868.00	210.80	1,078.80			1,078.80	556.26	755.48	1,311.74	(232.94)	213.85	1,292.65	(19.09)		
	Aug-31	865.00	254.13	1,119.13			1,119.13	556.26	755.48	1,311.74	(192.61)	257.81	1,376.94	65.20		
	Sep-31	862.00	288.55	1,150.55			1,150.55	556.26	755.48	1,311.74	(161.19)	292.73	1,443.28	131.54		
	Oct-31	871.00	288.81	1,159.81			1,159.81	556.26	755.48	1,311.74	(151.93)	292.99	1,452.80	141.06		
	Nov-31	883.50	1,152.00	2,035.50			2,035.50	556.26	755.48	1,311.74	723.76	1,168.68	3,204.18	1,892.44		
	Dec-31	896.50	1,672.29	2,568.79			2,568.79	556.26	755.48	1,311.74	1,257.05	1,696.51	4,265.30	2,953.56	17,225.89	2.09
Projected PRP Revenue	Jan-32	902.50	2,921.23	3,823.73			3,823.73	556.26	755.48	1,311.74	2,511.99	2,963.54	6,787.27	5,475.53		
	Feb-32	899.50	1,805.48	2,704.98			2,704.98	556.26	755.48	1,311.74	1,393.24	1,831.63	4,536.61	3,224.87		
	Mar-32	893.00	1,061.92	1,954.92			1,954.92	556.26	755.48	1,311.74	643.18	1,077.30	3,032.22	1,720.48		
	Apr-32	871.00	767.28	1,638.28			1,638.28	556.26	755.48	1,311.74	326.54	778.39	2,416.67	1,104.93		
	May-32	868.00	345.65	1,213.65			1,213.65	556.26	755.48	1,311.74	(98.09)	350.66	1,564.31	252.57		
	Jun-32	871.00	359.17	1,230.17			1,230.17	556.26	755.48	1,311.74	(81.57)	364.37	1,594.54	282.80		
	Jul-32	868.00	210.80	1,078.80			1,078.80	556.26	755.48	1,311.74	(232.94)	213.85	1,292.65	(19.09)		
	Aug-32	865.00	254.13	1,119.13			1,119.13	556.26	755.48	1,311.74	(192.61)	257.81	1,376.94	65.20		
	Sep-32	862.00	288.55	1,150.55			1,150.55	556.26	755.48	1,311.74	(161.19)	292.73	1,443.28	131.54		
	Oct-32	871.00	288.81	1,159.81			1,159.81	556.26	755.48	1,311.74	(151.93)	292.99	1,452.80	141.06		
	Nov-32	883.50	1,152.00	2,035.50			2,035.50	556.26	755.48	1,311.74	723.76	1,168.68	3,204.18	1,892.44		
	Dec-32	896.50	1,672.29	2,568.79			2,568.79	556.26	755.48	1,311.74	1,257.05	1,696.51	4,265.30	2,953.56	17,225.89	2.09

**PRP Revenue History using Existing PRP Fees and Projected PRP Revenue Using Existing and Requested PRP Fees**

Actual or Projections	Date	Existing PRP Per Bill Fees Collected	Existing PRP Per Mcf Fees	Current Combined PRP Revenue available for debt service	February 28, 2018 \$50,000 Micro Loan	May 9, 2019 SBA 7(a) \$100,000 loan w/ KHIC	Excess PRP Revenue Available After Existing Debt Service	New KPSC Approved \$50,000 USDA Loan	New KPSC Approved \$50,000 SBA Micro Loan	Combined previously approved debt service and recently approved debt service	PRP Revenue Excess or (shortfall) to service the combined previously approved and service recently approved debt	Proposed \$0.30 Increase PRP Per Mcf PRP fee based on 5 year average annual sales of 37,628 Mcf	Current and Proposed PRP Revenue Available for Debt Service	Combined Current and Proposed PRP Revenue Excess or (shortfall) to cover all debt Service	Annual Cumulative PRP Revenue Available For Debt Service	Annual Debt Service Coverage Ratio 2026 and After
Projected PRP Revenue	Jan-33	902.50	2,921.23	3,823.73			3,823.73	556.26		556.26	3,267.47	2,963.54	6,787.27	6,231.01		
	Feb-33	899.50	1,805.48	2,704.98			2,704.98	556.26		556.26	2,148.72	1,831.63	4,536.61	3,980.35		
	Mar-33	893.00	1,061.92	1,954.92			1,954.92	556.26		556.26	1,398.66	1,077.30	3,032.22	2,475.96		
	Apr-33	871.00	767.28	1,638.28			1,638.28	556.26		556.26	1,082.02	778.39	2,416.67	1,860.41		
	May-33	868.00	345.65	1,213.65			1,213.65	556.26		556.26	657.39	350.66	1,564.31	1,008.05		
	Jun-33	871.00	359.17	1,230.17			1,230.17	556.26		556.26	673.91	364.37	1,594.54	1,038.28		
	Jul-33	868.00	210.80	1,078.80			1,078.80	556.26		556.26	522.54	213.85	1,292.65	736.39		
	Aug-33	865.00	254.13	1,119.13			1,119.13	556.26		556.26	562.87	257.81	1,376.94	820.68		
	Sep-33	862.00	288.55	1,150.55			1,150.55	556.26		556.26	594.29	292.73	1,443.28	887.02		
	Oct-33	871.00	288.81	1,159.81			1,159.81	556.26		556.26	603.55	292.99	1,452.80	896.54		
	Nov-33	883.50	1,152.00	2,035.50			2,035.50	556.26		556.26	1,479.24	1,168.68	3,204.18	2,647.92		
	Dec-33	896.50	1,672.29	2,568.79			2,568.79	556.26		556.26	2,012.53	1,696.51	4,265.30	3,709.04	26,291.65	4.94
Projected PRP Revenue	Jan-34	902.50	2,921.23	3,823.73			3,823.73	556.26		556.26	3,267.47	2,963.54	6,787.27	6,231.01		
	Feb-34	899.50	1,805.48	2,704.98			2,704.98	556.26		556.26	2,148.72	1,831.63	4,536.61	3,980.35		
	Mar-34	893.00	1,061.92	1,954.92			1,954.92	556.26		556.26	1,398.66	1,077.30	3,032.22	2,475.96		
	Apr-34	871.00	767.28	1,638.28			1,638.28	556.26		556.26	1,082.02	778.39	2,416.67	1,860.41		
	May-34	868.00	345.65	1,213.65			1,213.65	556.26		556.26	657.39	350.66	1,564.31	1,008.05		
	Jun-34	871.00	359.17	1,230.17			1,230.17	556.26		556.26	673.91	364.37	1,594.54	1,038.28		
	Jul-34	868.00	210.80	1,078.80			1,078.80	556.26		556.26	522.54	213.85	1,292.65	736.39		
	Aug-34	865.00	254.13	1,119.13			1,119.13	556.26		556.26	562.87	257.81	1,376.94	820.68		
	Sep-34	862.00	288.55	1,150.55			1,150.55	556.26		556.26	594.29	292.73	1,443.28	887.02		
	Oct-34	871.00	288.81	1,159.81			1,159.81	556.26		556.26	603.55	292.99	1,452.80	896.54		
	Nov-34	883.50	1,152.00	2,035.50			2,035.50	556.26		556.26	1,479.24	1,168.68	3,204.18	2,647.92		
	Dec-34	896.50	1,672.29	2,568.79			2,568.79	556.26		556.26	2,012.53	1,696.51	4,265.30	3,709.04	26,291.65	4.94
Projected PRP Revenue	Jan-35	902.50	2,921.23	3,823.73			3,823.73	556.26		556.26	3,267.47	2,963.54	6,787.27	6,231.01		
	Feb-35	899.50	1,805.48	2,704.98			2,704.98	556.26		556.26	2,148.72	1,831.63	4,536.61	3,980.35		
	Mar-35	893.00	1,061.92	1,954.92			1,954.92	556.26		556.26	1,398.66	1,077.30	3,032.22	2,475.96		
	Apr-35	871.00	767.28	1,638.28			1,638.28	556.26		556.26	1,082.02	778.39	2,416.67	1,860.41		
	May-35	868.00	345.65	1,213.65			1,213.65	556.26		556.26	657.39	350.66	1,564.31	1,008.05		
	Jun-35	871.00	359.17	1,230.17			1,230.17	556.26		556.26	673.91	364.37	1,594.54	1,038.28		
	Jul-35	868.00	210.80	1,078.80			1,078.80	556.26		556.26	522.54	213.85	1,292.65	736.39		
	Aug-35	865.00	254.13	1,119.13			1,119.13	556.26		556.26	562.87	257.81	1,376.94	820.68		
	Sep-35	862.00	288.55	1,150.55			1,150.55	556.26		556.26	594.29	292.73	1,443.28	887.02		
	Oct-35	871.00	288.81	1,159.81			1,159.81	556.26		556.26	603.55	292.99	1,452.80	896.54		
	Nov-35	883.50	1,152.00	2,035.50			2,035.50	556.26		556.26	1,479.24	1,168.68	3,204.18	2,647.92		
	Dec-35	896.50	1,672.29	2,568.79			2,568.79	556.26		556.26	2,012.53	1,696.51	4,265.30	3,709.04	26,291.65	4.94

# INPUTS AND ASSUMPTIONS FOR ANALYSIS

Existing Per Mcf PRP fee	\$0.29
Proposed PRP Per Mcf Increase	<u>\$0.30</u>
Total	\$0.59

**For the purposes of this analysis:**

- \* I have assumed that KPSC approval for the new \$0.30 would be granted and that the increase in the PRP per Mcf fee would begin in April of this year.
- \* PRP Per bill Revenue monthly for these projections are based on FYE 2025 results
- \* per Mcf Fee is calculated using the 2025 monthly % of annual sales times the proposed PRP per Mcf fee.

Year	Annual Mcf Sold
2021	37,906
2022	38,028
2023	35,320
2024	37,359
2025	<u>39,528</u>
	188,141
5 year average	37,628

**Annual Sales by Month for monthly projections**

Month	2025 monthly sales	monthly 2025 Sales % of total sales
Jan	10,073.21	26.25%
Feb	6,225.79	16.23%
Mar	3,661.79	9.54%
Apr	2,645.79	6.90%
May	1,191.90	3.11%
Jun	1,238.52	3.23%
Jul	726.90	1.89%
Aug	876.31	2.28%
Sep	995.00	2.59%
Oct	995.90	2.60%
Nov	3,972.41	10.35%
Dec	<u>5,766.52</u>	<u>15.03%</u>
	38,370.03	100.00%

**EXHIBIT G**  
**CUSTOMER NOTICE**

# Apache Gas Transmission Company, Inc.

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a Kentucky Corporation

119 Upper River Street, Burkesville, Kentucky 42717

Burkesville Gas Company, Inc.  
PO Box 861  
Greenville, Texas 75403

Date: March 3, 2026

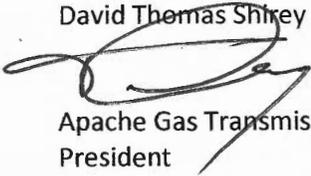
Subject: Notice – *Electronic Application of Apache Gas Transmission Company, Inc. for a Certificate of Public Convenience and Necessity; to Approve New Pipeline Replacement Surcharge Rates; and Other General Relief*, Case No. 2026-00039

Greetings:

Please be advised, as forecasted and acknowledged in the Commission's final order in Case No. 2025-00301, *Electronic Application of Apache Gas Transmission Company, Inc. for Approval of the Authority to Obtain Financing*, Apache Gas Transmission Company, Inc. intends to file the above-described application with the Public Service Commission requesting to implement an increased PRP surcharge. The surcharge will increase \$0.30 per Mcf in addition to the current \$0.29 flat charge per month for residential and commercial customers resulting in a 102% increase.

Please do not hesitate to reach out should you have any questions.

David Thomas Shirey Jr



Apache Gas Transmission Company  
President