

Apache Gas Transmission, Inc.

FOR Burkesville, Ky.
Area Served

P.S.C. KY. NO. _____ 1 _____

_____ SHEET NO. _____ 1 _____

APACHE GAS TRANSMISSION COMPANY, INC
(Name of Issuing Corporation)

CANCELLING P.S.C. KY. NO. _____

_____ SHEET NO. _____

RATES AND CHARGES

Description

Rate per Unit

Transportation Services

\$2.552

DATE January 4, 2008

Month / Date / Year

DATE EFFECTIVE January 1, 2008

Month / Date / Year

ISSUED BY _____

(Signature of Officer)

TITLE President

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2007-00354 DATED December 21, 2007

**PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
1/1/2008
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)**

By 
Executive Director

Form for Filing Rate Schedules

For: Burkesville, KY and Environs

P.S.C. NO. _____

SHEET NO. _____

CANCELLING P.S.C. NO. _____

SHEET NO. _____

Apache Gas Transmission Co., Inc.
Name of Issuing Corporation

CLASSIFICATION OF SERVICE

Rate

Transportation Services are provided pursuant to the special contract attached as Exhibit "A".

Date of Issue September 27, 1998

Date Effective September 29, 1998

Issued By 

Title Secretary

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

Issued by authority of an Order of the Public Service Commission of Kentucky in Case Number _____ dated _____

SEP 29 1998

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)
BY: Stephan D. Bus
SECRETARY OF THE COMMISSION

AREA ALL SERVICE AREAS

PSC KY NO. 1

Revised SHEET NO. 3

APACHE GAS TRANSMISSION, INC.

— CANCELLING PSC KY NO. 1

— Original SHEET NO. 3

RULES & REGULATIONS

PIPELEINE REPLACEMENT PROGRAM (PRP)

Applicable to all utility customers receiving service from Apache Gas Transmission, Inc.

A. CAULCULATION OF PIPELINE REPLACEMENT RIDER SURCHARGE:

The PRP surcharge is based on the annual cost of replacing damaged or exposed pipe on the Apache Gas Transmission's system. The current annual PRP surcharge amount is \$10,740. (N)

B. PIPELINE REPLACEMENT PROGRAM FACTORS

All customers receiving service from Apache Gas shall be assessed a monthly charge in addition to the Transportation Charge component of their applicable rate schedule that will enable the completion of the pipeline replacement program.

The PRP Rider will be updated annually in order to reflect the impact of net plant additions from pipeline replacements. Such adjustment to the Rider will be filed no later than April 30 of each year and will become effective with meter readings on and after the first billing cycle of May each year, and will reflect allocation of the required increase based on the distribution approved by the Commission.

DATE OF ISSUE June 25, 2019
MONTH / DATE / YEAR

DATE EFFECTIVE May 15, 2017 August 29, 2017
MONTH / DATE / YEAR

ISSUED BY [Signature]
SIGNATURE OF OFFICER

TITLE President, Apache Gas Transmission, Inc.

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2017-00168 2019-00032 DATED August 29, 2017 April 29, 2019

KENTUCKY PUBLIC SERVICE COMMISSION
Gwen R. Pinson Executive Director 
EFFECTIVE 8/29/2017 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

**OPERATION, MAINTENANCE
AND TRANSPORTATION AGREEMENT**

THIS OPERATION, MAINTENANCE AND TRANSPORTATION AGREEMENT, made and entered on this the 17th day of November, 1997 by and between **Apache Gas Transmission Company, Inc.**, a Kentucky corporation, whose address is 119 Upper River Street, Burkesville, Kentucky 42717, hereinafter referred to as Party of the First Part, and **Burkesville Gas Company, Inc.**, a Kentucky corporation, whose address is P.O. Box 69, Burkesville, Kentucky 42717 hereinafter referred to as Party of the Second Part;

THAT WHEREAS, the Party of the First Part is the record title owner of certain real estate and right-of-way easements located in Metcalfe County, Kentucky and Cumberland County, Kentucky respectively which comprise various natural gas transmission lines by virtue of the following instruments:

(a) That certain deed from Consolidated Financial Resources, Inc. and David Shirey, Jr. and Kathy Sue Shirey Revocable Trust dated May 28, 1997 and filed of record in Deed Book 101, Page 735 in the Metcalfe County Court Clerk's Office;

(b) An assignment dated May 28, 1997 from Consolidated Financial Resources, Inc. and David Thomas Shirey, Jr. and Kathy Sue Shirey Revocable Trust as it pertains to certain identifiable right-of-way easements in Metcalfe County, Kentucky and filed of record in Deed Book 101, Page 740.

(c) A quit-claim assignment from Consolidated Financial Resources, Inc. and David Thomas Shirey, Jr. and Kathy Sue Shirey Revocable Trust as it pertains to certain rights to the Ft. Knox Gas Transmission Line; the Dallas Dean Transmission Line; the

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KET Transmission Line; and the Beaumont Gas Transmission Line and recorded in Lease Book 56, Page 526 in the Metcalfe County Court Clerk's Office; and in Deed Book 109, Page 507 in the Cumberland County Court Clerk's Office.

(d) A quit-claim assignment dated May 28, 1997 between Consolidated Financial Resources, Inc. and David Thomas Shirey, Jr. and Kathy Sue Shirey Revocable Trust and filed of record in Lease Book 56, Page 531 in the Metcalfe County Court Clerk's Office.

(e) That certain assignment dated May 28, 1997 pertaining to certain right-of-way easements from Consolidated Financial Resources, Inc. and David Thomas Shirey, Jr. and Kathy Sue Shirey Revocable Trust in Cumberland County, Kentucky and filed of record in Deed Book 109, Page 513 in the Cumberland County Court Clerk's Office.

THAT WHEREAS, the Party of the Second Part is a natural gas distribution company which has received a certificate of need from the Public Service Commission of the Commonwealth of Kentucky to supply natural gas to the residents of Burkesville and Cumberland County, Kentucky; and

THAT WHEREAS, the Party of the Second Part desires the Party of the First Part to transport natural gas through the KET Transmission Line and all other satellite transmission lines identified hereinabove that feed into same through the City Gate of Burkesville, Kentucky;

THAT WHEREAS, the Party of the Second Part desires the Party of the First Part to maintain the KET line and all satellite transmission lines that feed into same as described hereinabove and receive compensation for its cost repairs made, if any, provided, however, that in the event Apache Gas does subcontract to Burkesville Gas and

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portion of the maintenance work on said transmission lines, that such shall be billed to the receiving entity on a cost basis.

IN CONSIDERATION OF THE MUTUAL COVENANTS CONTAINED IN THIS AGREEMENT, THE PARTIES HEREBY AGREE AS FOLLOWS:

**I.
Work to be Performed**

Effective as of November 1, 1997, the Party of the First Part shall operate the KET Line and all satellite transmission lines that feed into same between the Texas Eastern Tap at Metcalfe County and the City Gate of Burkesville, Kentucky. In its capacity as such, the Party of the First Part shall perform such duties in connection therewith as are customarily performed in the usual course of maintaining such gas transmission lines, including, but not without limitation, preparing the lines for daily usage; preparing the daily usage reports necessary for the internal reports to Burkesville Gas Company, Inc. and/or the Public Service Commission.

**II.
Repairs and Maintenance**

The Party of the First Part shall make all necessary repairs and do all reconditioning work necessary on such transmission line or any part thereto so as to keep same in full working condition. The Party of the First Part shall make such minor mechanical adjustments for repairs as are ordinarily performed and shall furnish at its expense all material and equipment required thereof. The Party of the Second Part shall properly notify the Party of the First Part for the need for any repairs, replacements, servicing or reconditioning of any parts of the line that exceed \$250.00 in cost and the Party of the First Part will make such repairs, replacements, servicing and reconditioning

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at its expense, without undue delay. Nothing within this agreement shall preclude the right of the Party of the First Part to subcontract with the Party of the Second Part for whatever repairs are needed for such line or lines, and in the event that it does, such payment shall be remitted to the Party of the Second Part by the Party of the First Part for its work herein expended within 10 days after any invoice for such work has been submitted.

**III.
Liability for Losses**

The Party of the First Part shall be responsible for maintaining insurance that will insure **Burkesville Gas** for any losses sustained on the transmission lines in question.

**IV.
Payment for Repairs to Transmission Line**

The Party of the First Part shall pay for the work so performed by the Party of the Second Part at the rate of the cost of such repairs, that shall be itemized in a billing statement sent by the Party of the Second Part to the Party of the First Part for any work on such transmission lines. Upon receipt of such billing statements, the Party of the First Part shall remit payment to the Party of the Second Part within 10 days thereafter.

**V.
Workman's Compensation Claims**

Each Party agrees to carry all necessary Workman's Compensation Insurance and/or Employers' Liability Insurance in such form and in such amounts as may be necessary to cover all liability for any and all claims arising out of the injury including the employees utilized in the operations of this agreement. Each Party further agrees to indemnify and hold the other Party harmless from any and all liability, cost, or damage,

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which may be sustained or which may be liable for by reason of injury to and/or death of any employee caused by the operations performed under this agreement.

**VI.
Employment Laws and Taxes**

As it pertains to any employees of each Party working under this agreement, each Party agrees to comply with the provisions of all applicable State or Federal Equal Employment Opportunity and Anti-Discrimination Laws, Orders, Rules, and Regulations, and to comply with all State and Federal Laws pertaining to the hours of work or the wages or compensation paid to such employees, or requiring the payment of taxes by an employer for Social Security, Unemployment or other benefits.

**VII.
Termination**

Either party to this Agreement may terminate same by giving the other party 30 days written notice to that effect, and placing such in the United States Mail to each party at their address as stated hereinabove.

**VIII.
Assignments**

This contract shall be not assigned by either party in whole or in part without the written consent of the other party. If this contract is assigned without such consent, it shall become void.

**IX.
Amendments**

No agreement amending, revising or supplementing this agreement shall be binding on either party unless reduced to writing and executed by all parties hereto.

**X.
Transportation Agreement**

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PURSUANT TO 807 KAR 5011,
SECTION 9 (1)
BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

(a) Definitions

1. mcf - The terms "mcf" shall mean 1,000 (one thousand) cubic feet of gas measured at a base temperature of 60 degrees Fahrenheit a pressure base of 14 65/100s psia and correct for deviation from ideal gas behavior.

2. gas - The term "gas" shall mean natural gas as produced from wells classified as gas wells or oil wells.

3. btu - The term "btu" shall mean British Thermal Unit.

4. mmbtu - The term "mmbtu" shall mean no less than one million British Thermal Units.

5. psig - The term "psig" shall mean pounds per square inch gauge.

6. psia - The term "psia" shall mean pounds per square inch absolute.

(b) Scope of Agreement

Apache Gas Transmission shall receive from any third party source supplier on behalf of Burkesville Gas Company a certain quantity of natural gas on any given day to be delivered to the City Gate of Burkesville, Kentucky a maximum daily transportation quantity not to exceed 1,000 mcf, and an annual transportation quantity not to exceed 500,000 mcf. **Apache Gas** shall not be obligated to deliver any quantity of natural gas in excess of the maximum daily delivery obligation without amendment to this agreement in writing.

(c) Point of Delivery

The point of delivery shall be agreed to be the City Gate of Burkesville, Kentucky. **Apache Gas** shall bear the risk of transporting any quantity of natural gas from the City Gate

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Eastern Tap in Metcalfe County to the City Gate in Burkesville, Kentucky, at which time it shall be received by Burkesville Gas Company, who shall assume the risk upon receipt thereof.

(d) Quality of Gas

Apache Gas agrees to deliver the gas that has been transported and received by it at the Texas Eastern Tap and make a good faith effort that such gas shall comply with the following standards:

1. Commercially free from dust, gasoline, water, or other liquids or solids;
2. Shall not at any time have oxygen content in excess of one percent by volume.
3. Shall not contain more than one grain of hydrogen sulfide per 100 cubic feet.
4. Shall not contain more than 20 grains of total sulphur per 100 cubic feet.
5. Shall not at any time have carbon dioxide contents in excess of 2% by volume.
6. Shall have a total heating value per cubic feet of not less than 950 btu's.
7. The water content of the gas shall not be more than seven pounds per one million cubic feet.

(e) Metering Equipment and Testing

The metering facilities to measure the volumes of gas delivered to the point of delivery shall be owned by **Apache Gas** and maintained and operated by **Apache Gas** or its designee. The accuracy of the measuring equipment of the point of delivery shall be verified by **Apache** at reasonable intervals, and if so requested, in the presence of a

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representative of Burkesville Gas. In the event that Burkesville Gas desires a special test of any measuring equipment, a 24 hour advance notification shall be given Apache Gas and the parties shall cooperate to secure prompt verification of the accuracy of such equipment except, upon testing, any measuring equipment shall be found to be inaccurate by an amount exceeding 2%, at a recording corresponding to the average hourly rate of flow for the period since the last preceding test, then any previous recording of such equipment shall be corrected to zero error for such period which is known definitely; but in the case that the period is not known or agreed upon, such correction shall be for the period extending over one-half of the time elapsed since the last test, not exceeding a correction period of thirty (30) days.

In the event a meter is out of service, or recording inaccurately by an amount exceeding 2%, the volume of gas delivered shall be estimated as follows:

1. By using the registration of any check meter or meters, if installed inaccurately registering, or in their absence, then by:
2. Correcting the error if the proceedings of error is ascertainable by calibration, tests, or mathematical calculation; or in their absence then by:
3. Estimating the quantity based upon deliveries during periods in similar conditions when the meter was registering accurately.

Apache shall retain and preserve for a period of at least three years all test data, charts and other similar records.

(f) Measurements

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PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

BY: Stephan B. Bell
SECRETARY OF THE COMMISSION

The measurement of the quantity and quality of gas delivered at the delivery point shall be conducted in accordance with the following:

1. Units of volume:

The unit of volume for measurement shall be one cubic foot of gas at a temperature base of 60 degrees Fahrenheit at a pressure base of 14 65/100ths pounds per square inch absolute.

2. Volume Measurement

The volume of gas delivered shall be measured by an orifice meter installed and operated as prescribed under the provisions of the American National Standard Orifice Metering of Natural Gas Publication. Computations for gas measurements shall also be made in accordance with this publication.

3. Temperature measurement

The temperature of the gas shall be determined by recording a thermometer so installed that it may be record the temperature of the gas flowing through the meters. The average of the record to the nearest one degree Fahrenheit, obtained while gas is being delivered, shall be the applicable flowing gas temperature for the period under consideration.

4. Assumed Atmospheric Pressure

The average atmospheric pressure shall be assumed to be 14 4/10ths pounds per square inch absolute.

(g) Billing, Payment and Notice

Apache shall bill **Burkesville Gas** on or before the 10th day of each month with a gas allocation statement setting forth, in terms of mcf, the total quantity of

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OF KENTUCKY
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gas delivered to the point of delivery and calculation of the delivery of such gas at the rate of \$1.00 per mcf, plus an additional \$.05 per mcf for all gas that was transmitted through the Fort Knox transmission line. **Burkesville Gas** agrees to pay this rate in 20 days following the receipt thereof.

For any given month in which **Burkesville Gas** has received a billing statement from **Apache** under the terms of this transportation agreement, it shall timely pay its part due and owing within the time specified hereinabove, and in the event that such is not received within such time, the outstanding amount due shall bear interest at the rate of 12% per annum until paid. If the amount or amounts so billed have not been paid after 60 days from any original due date, **Apache**, at its option, has the right to suspend further delivery of gas until such amount, including interest is paid.

In the event that it is necessary for **Apache** to institute legal proceedings for the collection of any amount so due, in addition to the amount so due, together with accrued interest, **Apache** shall be entitled to recover all costs and attorney fees included in such legal proceeding from **Burkesville Gas**.

(h) Taxes

The term "taxes" as used herein shall mean all taxes, including, but not limited to, gross receipts tax, licenses, fees and other charges, levy, assessed or made by any governmental authority pertaining to transporting, handling, or delivering gas. The term "taxes" is used herein, does not include and expressly excludes all gross production, excise and severance taxes, advalorem, capital stock, income or excess profit taxes, or general franchise taxes imposed on corporations on account of their corporate existence or on their right to do business within the state.

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Apache agrees to pay under the terms of this agreement the taxes identified hereinabove unless those have been specifically excluded by definition, with respect to the transportation of gas and the associated transmission line facilities related thereto.

(i) Assignment

This agreement shall bind and benefit the parties hereto in their respective assesses and assigns.

(j) Term of the Agreement

This agreement shall be for a duration of one (1) year, and maybe automatically extended for intervals of one (1) year on each subsequent anniversary, for a total not to exceed 20 years. This agreement may be terminated by either **Apache** or **Burkesville** giving thirty (30) days prior written notice to the other.

(k) Payment Schedule

Burkesville shall pay **Apache** for all gas delivered under the terms of this transportation portion of the agreement within the established prices set forth hereinabove.

Apache agrees to file with the appropriate regulatory authority to have the rate schedule approved by the Public Service Commission, and reserves the right to petition the Public Service Commission at any time during the effective date of this agreement a request for an increase in such fees so charged **Burkesville**. In the event that a fee increase is sought, **Burkesville Gas** may have the right to protest or contest such fee increase.

(l) Point of Receipt

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PURSUANT TO 207 KAR 5011,
SECTION 9 (1)
BY: Stephan D. Bess
SECRETARY OF THE COMMISSION

It is understood and agreed that all gas to be delivered under this contract shall be received at the Texas Eastern Tap in Metcalfe County which is designated as being the M and R Station No. 2536, and shall be delivered to the City Gate of Burkesville, at a pressure that is not to exceed the maximum operating pressure for any portion of the line or lines utilized in transporting such gas as heretofore established by the Public Service Commission.

(m) Corporate Approval


It is understood and agreed that all portions of this agreement have been approved by the Board of Directors of both **Apache Gas Transmission Company** and **Burkesville Gas Company**.

IN WITNESS WHEREOF, the corporate entities, through their duly authorized officers, have executed this agreement on this the day and date first above written.



Apache Gas Transmission Company, Inc.
By: Tom Shirey, President

ATTESTED BY:


Secretary

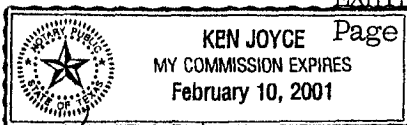
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STATE OF TEXAS)
)
COUNTY OF)

PURSUANT TO 807 KAR 5:011.
SECTION 9 (1)
BY: Stephen O. Bell
SECRETARY OF THE COMMISSION

SUBSCRIBED AND SWORN to before me by Tom Shirey, President of **Apache Gas Transmission, Inc.** on this the 17th day of November, 1997 in Greenville, Hunt County, Texas.



[Signature]
NOTARY PUBLIC, STATE AT LARGE
My Commission Expires: _____

[Signature]
Burkesville Gas Company, Inc.
By: Tom Shirey, President

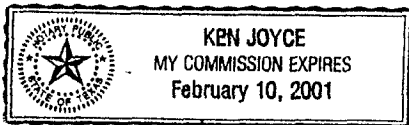
ATTESTED BY:

[Signature]
Secretary

STATE OF TEXAS)
)
COUNTY OF)

SUBSCRIBED AND SWORN to before me by Tom Shirey, President of
Burkesville Gas Company, Inc. on this the 17th day of November, 1997 in Greenville,
Hunt County, Texas.

[Signature]
NOTARY PUBLIC, STATE AT LARGE
My Commission Expires: _____



PREPARED BY:

[Signature]
Kenneth A. Meredith, II
Attorney at Law
1029 State Street
P.O. Box 194
Bowling Green, KY 42102-0194
(502)781-6194

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OF KENTUCKY
EFFECTIVE

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PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)
BY: *[Signature]*
SECRETARY OF THE COMMISSION