

Project ID. 1319322	Location No. 2621	Job Order No. 13-0264845-00
LEA No. 1319322		Sales Rep – T. Hamilton

**COLUMBIA GAS OF KENTUCKY, INC.
LINE EXTENSION AGREEMENT
COMMERCIAL/INDUSTRIAL**

THIS AGREEMENT, entered into this Tenth day of October, 2013, by and between Columbia Gas of Kentucky, Inc. ("Columbia"), with offices located at 200 Civic Center Dr., Columbus, Ohio 43215 and **Lexington Fayette Urban County Government aka LFUCG**. ("Applicant"), located at **200 East Main Lexington**, Kentucky 40507 represents the full and complete understanding between Columbia and the Applicant under which Columbia will construct, install and/or improve certain facilities at, near, or necessary to provide natural gas service availability to Applicant's facility, also known as **{CNG Lexington Trash Trucks}**, located in **Lexington**, Kentucky, in accordance with the plans currently on file with Columbia (the "Project" or "Project Area").

WITNESSETH

WHEREAS, Applicant is developing and constructing the Project and Applicant desires that natural gas service be made available to the Project Area; and,

WHEREAS, Columbia is a natural gas utility operating within the Commonwealth of Kentucky and is willing to extend natural gas service availability to the Project Area, subject to the terms and conditions below; and

WHEREAS, Construction, installation, and/or improvement of facilities are necessary in order for Columbia to make natural gas service available to the Project Area; and

WHEREAS, Applicant understands that payment shall be made by Applicant to Columbia (the "Deposit") for the costs of construction, installation and/or improvements of the facilities that are not deemed economically justified at the Company's expense, based on a cost-benefit study using information provided by Applicant.

NOW, THEREFORE, the parties desire to enter into this agreement subject to the terms and conditions as set forth herein, and intending to be legally bound, do hereby agree as follows.

1. Contingent on Columbia acquiring all easements and right of ways required for the installation or improvement of the facilities necessary to provide natural gas service to the Project Area, Columbia agrees to construct, install and/or improve certain facilities determined by Columbia to be necessary in order to provide the requested natural gas service to Applicant (the "Facilities"). Columbia further agrees to extend its natural gas distribution main approximately 5300 feet to the geographic area in accordance with the plans on file in Columbia's office.
2. Unless otherwise provided, the Facilities become and remain the property of Columbia. This provision shall survive termination of this Agreement.
3. Applicant agrees to pay to Columbia **\$13,059.06** as a Deposit, prior to such time as Columbia begins to construct, install and/or improve the Facilities. The Deposit is for Facilities which are not deemed economically justified at the Company's expense, based on a cost-benefit study using information provided by Applicant.
4. Columbia has no obligation to initiate scheduling of construction, installation and/or improvement of the Facilities unless and until such time as the aforementioned Deposit has been paid to Columbia and this Agreement has been executed and returned to Columbia.
5. Refund of the Deposit will be made to Applicant in accordance with the following conditions:
 - i. No amount shall be refunded and no refund obligation shall exist on account of any current Columbia customer unless otherwise determined by Columbia. The refund calculation shall take into account residential development and Commercial/Industrial usage served directly from the Facilities, in accordance with the methodology as set forth below. The refund calculation shall not apply to any customer served by or from laterals or further extensions of the facilities.
 - ii. Refunds will occur on an annual basis, beginning twelve months after this Agreement was entered into, for a period not to exceed seven (7) years, from the date this Agreement is executed. Columbia will refund to the Applicant an amount equal to the incremental volumes sold or transported directly from the main extension, but not to laterals therefrom or to further extensions thereof, which are over and above those volumes used to determine the portion of the distribution main extension to be done at Columbia's expense multiplied by

Columbia's applicable base rate charges. The total annual volumes used to determine the portion of distribution main extension to be done at Columbia's expense are 53871 Mcf.

iii. In no event shall any amount in excess of the total Deposit paid to Columbia be refunded to Applicant.

6. Termination:

- i. If Applicant terminates this Agreement for any reason prior to completion of the Facilities, Columbia may deduct any and all costs related to this Agreement and the cost of Facilities that it has incurred, up to the effective date of termination, from the Deposit. Columbia does not waive any other rights in law or equity it may have as a result of Applicant's termination of this Agreement.
- ii. This Agreement shall automatically terminate upon the occurrence of either of the following two events:
 - a. Columbia has refunded the entire amount referred to in Section 3; or
 - b. Seven (7) years have elapsed from the date the Agreement was executed..

7. Applicant agrees that, unless otherwise required by law or order of any governmental body having jurisdiction over Columbia, Columbia shall not be required to pay interest, carrying charges, or any other amounts arising out of or related to the payment made pursuant to Section 3.

8. No provision of this Agreement shall be binding upon either party unless both parties have executed this Agreement by **December 13, 2013**. Unless the parties otherwise agree in writing, it is a condition precedent to the effectiveness of this Agreement that Applicant shall pay to Columbia the Deposit at the same time as the submittal of this agreement or a date agreeable to both parties. Failure to make such payment may, at Columbia's option, result in termination of this agreement.

9. Any payment obligation of either party arising pursuant to this Agreement shall survive the termination of this Agreement.

10. Applicant may not assign this Agreement without express written consent from Columbia.

11. If any conflict arises between the language of this Agreement and the language of the Company's approved tariffs, the language of the tariffs shall prevail.

12. This Agreement contains the full and complete understanding of Columbia and Applicant as to payment for the facilities and supercedes any prior understandings, commitments, agreements and authorizations, whether oral or written, regarding the facilities or payment therefor; no other representations or promises regarding the new facilities, written or oral, shall survive the execution hereof. Any modifications hereto shall be in writing and duly executed by both parties. This Agreement shall not modify any obligation of Applicant or Columbia under the applicable and presently effective provisions of Columbia's Tariff or any Service Agreement entered into between the parties for natural gas service to the Project.

IN WITNESS WHEREOF, Columbia and Applicant have caused this Agreement to be duly executed by the appropriate representatives identified below, on the date first written above.

Facsimile and pdf signatures shall be as legally binding and considered in all manner and respects as original signatures.

COLUMBIA GAS OF KENTUCKY, INC.

LFUCG



Signature

Signature

Tyler C. Hamilton
Name (Print)

Jim Gray
Name (Print)

New Business Development Manager
Title

Mayor
Title

11-20-13
Date

Date