

Project ID:	Location No:	Job Order No:
Opportunity No:	Sales Rep:	Deposit Required:



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

THIS AGREEMENT, entered into as of the _____ day of _____, 20____ (“Effective Date”), by and between Columbia Gas of Kentucky, Inc. (“Columbia”), with offices located at 2001 Mercer Road, Lexington, KY 40511 and _____ (“Applicant”), located at _____ 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 _____, located in _____, Kentucky (the “Project” or “Project Area”), in accordance with the plans currently on file with Columbia.

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 Columbia’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 gas distribution system necessary to provide natural gas service to the Project Area, Columbia agrees to construct, install and/or improve certain natural gas facilities determined by Columbia to be necessary in order to provide the requested natural gas service to Applicant (the “Facilities”). Such work includes the extension by Columbia of its natural gas distribution main (“Main Extension”) approximately _____ feet to the geographic area of the Project in accordance with the plans on file in Columbia’s office.
2. The Facilities (e.g., Main Extension, all gas pipes, services, meters, regulators, fittings and any other ancillary natural gas equipment installed up to the outlet side of the meter) when built shall be and remain the property of Columbia. This provision shall survive termination of this Agreement.
3. Applicant agrees to pay to Columbia \$ _____ 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 Columbia’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 and this Agreement has been executed and timely returned to Columbia. Additionally, Columbia has no obligation to initiate scheduling of construction and/or installation of any portion of the Facilities until such time as the work will not impair the operation of Columbia's gas distribution system or its service to its customers. Columbia, at its discretion, may delay its performance under this Agreement and, in such event, Columbia shall provide Applicant notice either before or after such delay occurs.
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 Main Extension (i.e., via a service line), 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 Main Extension.
 - ii. Refunds will occur on an annual basis, beginning twelve months after the Effective Date of this Agreement, for a period not to exceed ten (10) years, from the Effective Date. Columbia will refund to the Applicant an amount equal to the incremental volumes sold or transported directly from the Main Extension, but not through 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 annual volumes used to determine the portion of distribution Main Extension to be done at Columbia's expense are _____ Mcf.
 - iii. In no event shall any amount in excess of the total Deposit paid to Columbia be refunded to Applicant.
 - iv. In the event that Applicant has a past due balance for gas service ("Past Due Amount"), Columbia shall have the right to keep and refuse to refund the Deposit to the extent of the Past Due Amount and may apply the Deposit to the Past Due Amount in lieu of making a refund to Applicant.
6. Termination:
 - i. If this Agreement is terminated prior to completion of the Facilities, Applicant shall be responsible for all costs expended or obligated by Columbia related to the Facilities at the time of termination, and Columbia may deduct any and all costs related to this Agreement and the cost of Facilities that it has expended or obligated, 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 the termination of this Agreement. No refunds, as provided for in Section 5, shall be due to Applicant in the event of a termination pursuant to this Section 6.
 - ii. This Agreement shall automatically terminate upon the occurrence of any of the following events:
 - a. Columbia has refunded the entire amount referred to in Section 3; or
 - b. Ten (10) years have elapsed from the Effective Date of this Agreement; or
 - c. Applicant discontinues or requests the discontinuance of natural gas service to the Project; or
 - d. Termination of natural gas service to the Project by Columbia for Applicant's default under this Agreement; or
 - e. Termination of natural gas service to the Project by Columbia for any reason permitted under the Columbia's Tariff, including, but not limited to, Applicant's failure to timely pay invoices for gas service; or

- f. Applicant refuses natural gas service to the Project; or
 - g. Applicant becomes insolvent; subject to applicable law institutes or has instituted against it bankruptcy, insolvency, reorganization, liquidation, and/or any other debt adjustment proceedings; or makes an assignment for the benefit of creditors.
- iii. It is anticipated by the parties that Applicant will make the Project site ready for Columbia's construction of its Main Extension within 18 months of the Effective Date. Subject to the other provisions of this Agreement, it is anticipated that Columbia shall begin its work hereunder within a commercially reasonable time after Applicant has made the Project site ready for Columbia. Columbia on ten (10) days written notice may terminate this Agreement if Applicant abandons the Project or fails to timely construct or develop the Project.
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 and exchanged fully executed copies of this Agreement within 60 days of Columbia providing this Agreement to Applicant for execution. 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 prior written consent from Columbia.
11. Applicant agrees to enter into a Right of Way Agreement with Columbia in which Applicant shall grant to Columbia all necessary easements or rights of way on property owned or controlled by Applicant at no cost to Columbia. Applicant warrants that it is the sole fee simple owner of the Project premises and has the necessary authority to grant any necessary easements or rights of way on said premises. Applicant shall also use its best efforts to assist Columbia in acquiring any necessary easements or rights of way on property owned by third parties that are not in a public street or alley. Applicant understands and agrees that Columbia shall not be obligated to construct the Facilities and this Agreement shall be terminated at the discretion of Columbia if: (i) Applicant fails to enter into the Right of Way Agreement with Columbia, referenced above; or (ii) Columbia is not able to obtain such third party easements or rights of way upon terms and conditions (including cost) mutually agreeable to Columbia and such third party property owner(s). In the event of such termination, Applicant shall be responsible for all costs expended or obligated by Columbia related to the Facilities at the time of termination.
12. The failure of either party to insist upon strict performance of any provision hereof shall not constitute a waiver of, or estoppel against, asserting the right to require such performance in the future, nor shall a waiver or estoppel in any one instance constitute a waiver or estoppel with respect to any other breach or a later breach of a similar or different nature.
13. Columbia may suspend this Agreement and/or renegotiate the terms of this Agreement, due to conditions beyond Columbia's commercially reasonable control; adverse digging or soil conditions (e.g. rock, culturally or environmentally sensitive sites, hazardous materials, etc.); financial, labor, material and other resource constraints; or delay or denial of necessary approvals or permits. If the parties do not reach mutual agreement on renegotiated terms within thirty (30) days of Columbia's written request to renegotiate, Columbia may terminate this Agreement. In the event of such termination, Applicant shall

be responsible for all costs expended or obligated by Columbia related to the Facilities at the time of termination. In no event shall Columbia be liable for any lost profits, indirect, consequential, punitive, or special damages, by reason of any services performed, or undertaken to be performed hereunder. Columbia is not responsible for losses of any kind suffered by Applicant or any third party resulting from work delays or cancellation, or refusal by a governmental entity to issue any necessary permit or approval, or resulting from events beyond its reasonable control.

14. Applicant, at its own expense, shall (i) respond to reasonable requests to provide all necessary information describing the physical characteristics of the property where Columbia will be conducting its work hereunder including surveys, site elevations, legal and other required descriptions, information about existing conditions, sub-surface and environmental studies, reports, investigations and the like which it may have now or in the future; (ii) mark and identify for Columbia, the correct locations of all underground facilities (e.g., septic systems, sprinkler systems, water lines electric lines, propane tanks and lines, etc.) owned by the Applicant and/or others at or about the property where Columbia will be conducting its work hereunder; (iii) notify Columbia of any condition on or about the property where Columbia will be conducting its work hereunder, of which the Applicant is aware, which could affect the work contemplated hereunder; and (iv) cooperate with Columbia so that Columbia may complete its work hereunder. Columbia shall not be obligated to construct and install the Main Extension or other elements of the Facilities, and this Agreement shall be terminated at the reasonable discretion of Columbia if Applicant fails to satisfy its obligations as set forth in this Section 14. In the event of such termination, Applicant shall be responsible for all costs expended or obligated by Columbia related to the Facilities at the time of termination.
15. This Agreement, along with Columbia's Tariff on file with the Public Service Commission of Kentucky ("PSC"), as may be amended from time to time, (which is hereby incorporated by reference into this Agreement) contains the full and complete understanding of Columbia and Applicant as to payment for the Facilities and supersedes any prior understandings, commitments, agreements and authorizations, whether oral or written, regarding the Facilities or payment therefor; no other representations or promises regarding the Facilities, written or oral, shall survive the execution hereof. To be effective, any modifications to this Agreement shall be in writing and duly executed by both parties. All remedies afforded in this Agreement shall be taken and construed as cumulative, that is, in addition to every other remedy provided herein or by law. Columbia reserves and preserves all rights under applicable law. All disputes between the parties, questions with respect to the interpretation and construction of this Agreement and the rights and liabilities of the parties hereunder shall be determined in accordance with the applicable laws of the Commonwealth of Kentucky without regard to its conflict of laws rules. Any claim or action between the parties or arising under or relating to this Agreement or the natural gas service provided to the Project shall be brought and heard only in a court of competent jurisdiction located in Lexington, Kentucky. No provision of this Agreement shall be interpreted more or less favorably towards a party because its counsel drafted all or a portion hereof. If any provision of this Agreement is found by a court of competent jurisdiction to be invalid, such provision shall be deemed modified so as to be no longer invalid, and all of the remaining provisions of this Agreement shall remain in full force and effect. Headings and captions are for reference only and do not define, interpret or limit the scope or content of this Agreement and shall be given no effect in the interpretation of this Agreement. The recitals set forth in this Agreement are an integral part hereof and shall have the same contractual significance as any other language contained in this Agreement. This Agreement may be executed in counterparts, each of which counterparts, when executed and delivered (including by facsimile, pdf, or other electronic transmission), shall be deemed an original, but all of which together shall constitute one and the same instrument. Facsimile, electronic and pdf signatures shall be as legally binding and considered in all manner and respects as original signatures.

16. If any conflict arises between the language of this Agreement and the language of Columbia's approved PSC Tariffs, the language of the Tariffs shall prevail. This Agreement shall not modify any obligation of Applicant or Columbia under the applicable and presently effective provisions of Columbia's Tariff for natural gas service to the Project.

IN WITNESS WHEREOF, Columbia and Applicant have caused this Agreement to be duly executed by their authorized representatives identified below, as of the Effective Date.

COLUMBIA GAS OF KENTUCKY, INC.
Authorized Representative

Signature

Name (print)

Title

Date

Applicant Authorized Representative

Signature

Name (print)

Title

Date