

MINUTES OF MEETING HELD OCTOBER 10, 2005

The Common Council of the City of Somerset, Kentucky met in regular session on Monday, October 10, 2005 at 7:00 p.m. with the following present: Mayor JP Wiles. Council Members: Fonda Crawford, Jerry Burnett, Tim Rutherford, Joanne Norfleet, Clarence Floyd, Jerry Wheeldon, Mark Beasley, Jerry Girdler, Charlie New, Donna Hunley, and John Minton. City Clerk David Godsey, and City Attorney Dan Yeast. Absent: Council Member Jim Mitchell.

Mr. Beasley moved to approve the minutes of the last regular meeting held on September 26, 2005 along with the reports to be approved as delivered. Mrs. Crawford seconded the motion. Upon roll call the following Council Members voted "Aye": Mrs. Crawford, Mr. Burnett, Mr. Rutherford, Mrs. Norfleet, Mr. Wheeldon, Mr. Beasley, Mr. Girdler, Mr. New, Mrs. Hunley and Mr. Minton. Voting "Nay": Mr. Floyd.

Mr. Wheeldon moved to approve all department bills. Mr. New seconded the motion. Upon roll call the following Council Members voted "Aye": Mrs. Crawford, Mr. Burnett, Mr. Rutherford, Mrs. Norfleet, Mr. Floyd, Mr. Wheeldon, Mr. Beasley, Mr. Girdler, Mr. New, Mrs. Hunley and Mr. Minton.

Mr. Beasley moved to amend Ordinance 01-25 regarding the Personnel Policies and Procedures Manual. Mr. Girdler seconded the motion. Upon roll call the following Council Members voted "Aye": Mr. Rutherford, Mr. Beasley, Mr. Girdler, and Mr. Minton. Voting "Nay": Mrs. Crawford, Mr. Burnett, Mrs. Norfleet, Mr. Floyd, Mr. Wheeldon, Mr. New, and Mrs. Hunley.

Mr. Wheeldon moved for the Gas Department to enter into an agreement to transport natural gas with North American Energy Corporation for ten (10) years. A maximum of 7000 DTH per day for 5,737 MCF. Mr. Burnett seconded the motion. Upon roll call the following Council Members voted "Aye": Mrs. Crawford, Mr. Burnett, Mr. Rutherford, Mrs. Norfleet, Mr. Floyd, Mr. Wheeldon, Mr. Beasley, Mr. Girdler, Mr. New, Mrs. Hunley and Mr. Minton.

<p style="text-align: center;"><u>SOMERSET GAS SERVICE - NORTH AMERICAN ENERGY CORP.</u></p> <p style="text-align: center;"><u>FIRM TRANSPORTATION AGREEMENT</u></p> <p style="text-align: center;"><u>CONTRACT /SGS-009901</u></p> <p>THIS AGREEMENT is made and entered into this 20th day of September, 2005, by and between SOMERSET GAS SERVICE ("Somerset"), a municipal utility owned by the City of Somerset, a municipality organized under the laws of Kentucky, and NORTH AMERICAN ENERGY CORPORATION ("North American"), a Kentucky Corporation, 333 West Vine Street, Suite 300, Lexington, KY 40507.</p> <p style="text-align: center;"><u>WITNESSETH</u></p> <p>WHEREAS, North American has acquired natural gas supplies in southeastern Kentucky from various producers;</p> <p style="text-align: center;">and</p> <p>WHEREAS, North American desires to enter into an agreement whereby Somerset will transport natural gas procured by North American and delivered to Somerset's natural gas pipeline system (the "Pipeline System") at the Point(s) of Receipt described in Exhibit A to this Agreement to the Point(s) of Delivery described in Exhibit B to this Agreement; and</p> <p>WHEREAS, Somerset, subject to the terms, conditions, and limitations set forth in this Agreement, is willing to transport natural gas for North American on a firm basis by means of its Pipeline System;</p> <p>NOW THEREFORE, in consideration of the promises and mutual agreements herein contained, Somerset and North American Gas agree as follows:</p> <p style="text-align: center;">1</p>

There being no further business the meeting adjourned.

APPROVED _____
MAYOR

ATTEST: _____
CITY CLERK