

January 5, 2009

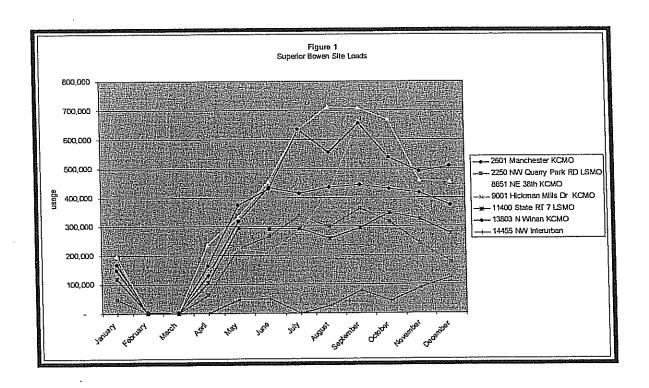
Ms Patti Reardon Missouri Gas Energy PO Box 412662 Kansas City, MO 64141-2662

RE: Superior Bowen

Dear Patti:

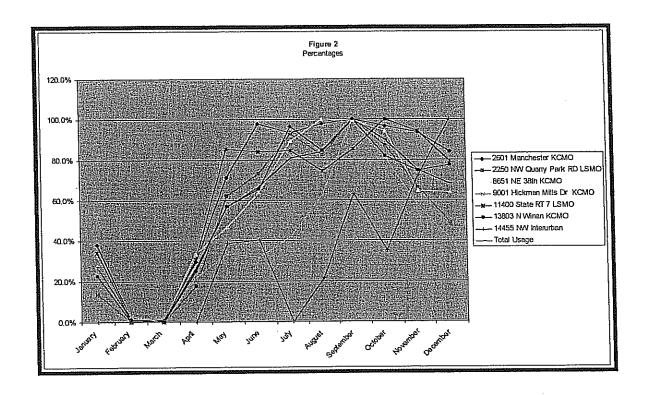
Thank you for reviewing this letter and other information regarding service for Superior Bowen's facility located at 2601 Manchester Road. Upon reviewing the enclosed information the goal will be to identify a mutually agreeable plan for the site. The information and analysis American Energy has provided is based on the gas usage data as provided by Missouri Gas Energy ("MGE") and is intended to determine whether improvements proposed by MGE are actually needed.

Based on American Energy's review of the usage data, we believe MGE has honestly erred in proposing such a drastic improvement to its distribution system. Figure 1 below shows that all of the Superior Bowen plants peak in the summer months and not when MGE is experiencing a peak in consumption. Any incremental load increase by Superior Bowen's plan will be during MGE's non-peak season. This will actually improve the overall load factor for MGE thereby lowering the incremental cost by spreading fixed costs over more volume.



Since American Energy is only able to see loads for the Superior Bowen sites, we are requesting MGE to provide the combined loads (no names) for all customers that are located between the substation and the Superior Bowen site located at 2601 Manchester. Without seeing the data, our assumption is that the loads will be nearly the inverse of the Superior Bowen load. As a result, the additional Superior Bowen load for the 2601 Manchester site will not present any challenge to the MGE system and in fact, as mentioned before, will actually improve the load factor. In reviewing usage for the site for the years 2004 through 2008, on a percentage of that site's peak usage, December averages barely above 80%, January is less than 40%, and February through March is less than 10% of the peak usage. See Figure 2 below.





While the previous discussion addresses the volumetric issue, it is also understood that MGE currently has 15psi in the street but supplies Superior Bowen through a regulator at an estimated 7.5psi at the burner tip. Based on the volumetric assumptions above, it is believed that MGE can adjust its regulator to provide Superior Bowen the needed 8.5psi at the burner tip.

If MGE still believes that the upgrade is necessary, American Energy will take issue with several cost components, including the over-inflated cost to provide the work. Most of our objections are related to the excessive overheads that escalate the price to an unreasonable level. Actually, based on pricing we developed, the installation of an on-site compressor would be less than the system upgrades being proposed by MGE. Finally, we do not believe that the Missouri Public Service Commission will support MGE's logic for using more than 4.757,822 CCF before any amounts are applied to the line upgrade, as the usage at other plants is independent of this plant.

The analysis and commentary American Energy has presented is based on limited information, so any additional information that MGE can provide that may shed additional light on this subject is welcomed.



As stated above, if MGE applies the gas load information to the proper months and to the existing load profiles then MGE will arrive at the same conclusion that the upgrades are not warranted.

Regardless of MGE's decision, we look forward to working with you to develop a mutually agreeable resolution and to provide Superior Bowen with the service requirements they need.

Please feel free to call me to discuss this in more detail after you have been able to review these findings.

Sincerely,

Greg Elam American Energy Solutions





January 15, 2009

Ms Patti Reardon Missouri Gas Energy PO Box 412662 Kansas City, MO 64141-2662

RE: Superior Bowen

Dear Patti:

I am following up to our discussions regarding natural gas service for Superior Bowen's facility located at 2601 Manchester Road. As you know, we have had a difficult time in understanding why MGE simply cannot increase the gas pressure needed to provide adequate service to Superior Bowen. Specifically, I am referring to the conversation you, David Glass and I had last week which included a discussion on the cast iron pipe that still exists on the MGE system, including the section that feeds the Superior Bowen facility.

During this discussion, David Glass confirmed that the cast iron pipe, which is part of the Public Service Commission's ("Commission") approved plan for replacement, cannot withstand the additional few pounds of pressure needed for Superior Bowen. Clearly, this is a safety issue and not a line extension application. Further, this safety issue has been approved by the Commission to be remedied. When I stated that "since this is a program already approved by the Commission, and the customer should not pay for the replacement", David stated that we (Superior Bowen) are forcing the project to occur sooner than MGE had planned for replacing the pipe. Specifically, he stated that because Superior Bowen is a transport customer MGE does not earn as much on their account as they do with other customers supplied by MGE. Additionally, he stated that this specific section of line, with the exception of a couple small accounts, only serves Superior Bowen and, therefore, is much further down the MGE priority list for replacement.

As I responded, if Superior Bowen is responsible for accelerating the replacement, then we should pay no more than the time value of money to expedite the replacement. However, after further thought on the issue, it appears that MGE is discriminating against Superior Bowen because they are a transport customer. Clearly, if Superior Bowen was purchasing its gas from MGE, the response to our request would be different.

In reviewing the cost proposed by MGE, after stripping away all of the overheads, we have estimated that the cost to accelerate the project 5 years is approximately \$30,000. I have been authorized to offer MGE this amount to move this project along. To the extent MGE insists on the full proposed cost, we will immediately seek a ruling from the Commission on the matter.

Obviously, we would rather move forward and not have to file a complaint, but Superior Bowen has emphasized that time is of the essence and they need to have their facility up and operating.

I am hopeful that you view our response as an indication of our desire to work with MGE to obtain service for Superior Bowen. However, we want Superior Bowen to be treated fair and we hope you understand our position. As stated prior, regardless of MGE's decision, we look forward to working with you to develop a mutually agreeable resolution and to provide Superior Bowen with the service requirements they need.

I look forward to hearing from you on this matter.

Sincerely,

Greg Elam American Energy Solutions



January 20, 2009

Mr. Greg Elam American Energy 10601 Mission Road, Suite 210 Leawood, KS 66206

RE: Superior Bowen

Dear Greg,

Thank you for your letter dated January 15, 2009, concerning Superior Bowen's request for increased pressure and associated facilities upgrades in connection with gas service provided by MGE to 2601 Manchester in Kansas City, Missouri. We have reviewed your analysis and request for pricing of facilities upgrades and have concluded that we cannot accommodate that request. MGE's proposed contribution for the facilities upgrades Superior Bowen has requested, which we stand by, is within the guidelines of our MoPSC-approved tariff, in particular Sheet No. 61.3, item number 10 (see attached). Please contact me, should you need further explanation or discussion on this matter.

Thank you,

Patti Reardon

FORM NO. 13 P.S.C. MO. No.1 Canceling P.S.C. MO. No.1 First Revised Missouri Public
Original

SHEET No. <u>61.3</u> SHEET No. <u>61.3</u>

REC'D OCT 23 2003

Missouri Gas Energy, a Division of Southern Union Company

Service FereAll Missey i Service Areas

TRANSPORTATION PROVISIONS

TRPR

(b) Index Price: The index price shall be determined as the arithmetic average of the first-of-the-month index prices published in Inside F.E.R.C.'s Gas Market .Report for the month immediately following the month in which the imbalance occurred, for

Southern Star Central Gas Pipeline, Inc. f/k/a Williams Gas Pipeline Central Inc. (Texas, Kansas, Oklahoma) (If Inside FERC's Gas Market Report does not publish an index price for Southern Star, then the alternate index price approved by FERC for use by Southern Star Central will be substituted.)

And

Panhandle Eastern Pipe Line Company (Texas and Oklahoma)

- Limitations: If the Company's system capacity is inadequate to meet all of its other $\{10\}$ demands for sales and transportation service, the services supplied under this schedule may be curtailed in accordance with the Priority of Service rules in the Company's General Terms and Conditions. If a supply deficiency occurs in the volume of gas available to the Company for resale, and the customer's supply delivered to the Company for transportation continues to be available, then the customer may continue to receive full transportation service even though sales gas of the same or higher priority is being curtalled. The determination of system capacity limitations shall be in the sole discretion of the Company reasonably exercised. If capacity limitations restrict the volume of gas which the customer desires to be transported, the customer may request the Company to make reasonable enlargements in its existing facilities, which requests the Company shall not unreasonably refuse, provided that the actual cost (including indirect costs) of such system enlargements are borne by the customer. Title to such expanded facilities shall be and remain in the Company free and clear of any lien or equity by the customer. Nothing herein contained shall be construed as obligating the Company to construct any extensions of its facilities.
 - (11) Limitation of Transportation Service and Other Charges: Transportation shall be available only where the gas supply contracts, tariffs and schedules under which the Company obtains its gas supplies permit. Any conditions or limitations on transportation by the Company imposed by such contracts, tariffs and schedules shall be applicable to service hereunder. In the event that this transportation service causes the incurrence of demand charges, standby charges, reservation charges, penalties or like charges from the Company's gas suppliers or transporters, which charges are in addition to charges for gas actually received by the Company, such charges shall be billed to the customer in addition to amounts for service rendered hereunder.

DATE OF ISSUE:

October 23 2003

Month Day Year

DATE EFFECTIVE:

Month Day Year

ISSUED BY: Robert J. Hack

Vice President, Pricing and Regulatory Affairs
Missouri Public Missouri Gas Energy
Service Commission Ransas City, MO. 64111

FILED NOV 01 2003



SUPERIOR BOWEN ASPHALT COMPANY, L.L.C.



2501 Manchester Trafficway • Kansas City, Missouri 64129 (816) 921-8200 • Fax (816) 921-8251



February 9, 2009

Ms. Patti Reardon Missouri Gas Energy PO Box 412662 Kansas City, MO 64141-2662

RE: Superior Bowen

Dear Ms. Reardon:

I am following up recent discussions between you and Mr. Elam of American Energy regarding the natural gas service improvements that MGE says is necessary to provide adequate service for Superior Bowen's facility located at 2501 Manchester Road. Based on the various correspondences between you and American Energy, we do not believe Superior Bowen should be required to pay for all the improvements, including the exorbitant pricing of the install. However, because Superior Bowen needs its facility operating soon, we have no other choice but to pay MGE, but do so under protest. Would you please advise us on the steps we need to take to get the project started. We would like to sign the contract and get you the check this week. Could you please resend us the contract for signature and let me know the exact amount the check needs to be made out for, and to whom. Also, could you please provide us with a project schedule, which I think you said would be about four weeks once we gave you the green light.

Please feel free to contact me should you have any questions.

Sincerely,

Trey Bowen

State Missouri (2) Tax.Code.

Contract No.

Operating Area Kansas City W. O. 083141

2/13/09

CONTRACT FOR THE REPLACEMENT OF NATURAL GAS FACILITIES

THIS AGREEMENT entered into this _____ day of February, 2009, by and between SUPERIOR BOWEN ASPHALT "Applicant" and MISSOURI GAS ENERGY, A DIVISION OF SOUTHERN UNION COMPANY, "Company". The Company is a public utility engaged in the distribution of natural gas and Applicant has requested the Company to replace its existing natural gas facilities.

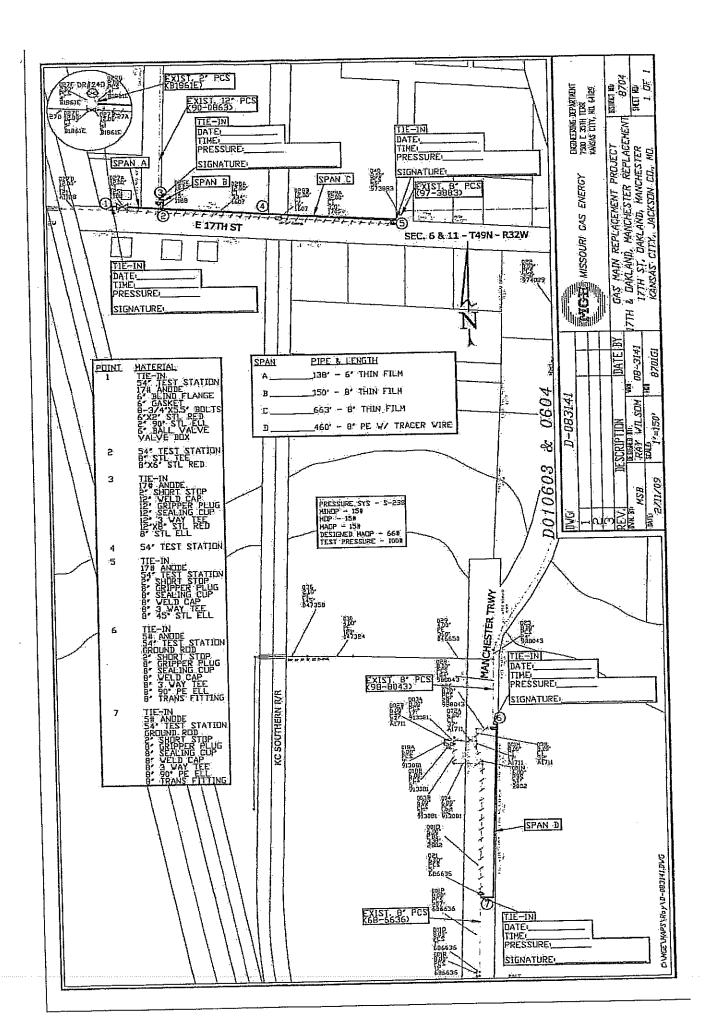
The parties agree as follows:

- (1) In accordance with the provisions of Company's General Terms and Conditions, Applicant has contributed the estimated sum \$1.75,032.00 (one hundred seventy-five thousand and thirty-two dollars) to the Company for the replacement of gas facilities and Company agrees to construct the requested replacement as described in Exhibit A if Applicant pays the actual cost thereof. The estimated sum paid by Applicant will be held as partial payment for the replacement work described herein. Company shall not be required to commence such replacement work until the partial payment called for herein has been paid to Company.
- (2) Following the completion of the replacement work, the Company will determine the actual cost of the replacement. The Company will thereafter apply the partial payment previously received by it against such total cost and shall bill Applicant for the actual cost less the partial payment previously paid. Applicant agrees to pay to Company within thirty (30) days of such finalized costs that amount by which the partial payment exceeds the actual cost of the replacement work.
- (3) If the actual cost of the replacement project is less than the partial payment made thereon by Applicant, Company agrees to refund to Applicant within thirty (30) days of such finalized costs that amount by which the partial payment exceeds the actual cost of the relocation work.
- For a period of five years from the date of this Agreement, Applicant shall receive a refund in the amount of \$.01845 per ccf for natural gas usage at their Manchester facility, exceeding 832,980 ccf per year. Refunds will be calculated at the end of each twelve month period for a period of five years. Applicant shall be responsible for requesting yearly refund.
- Notwithstanding any other provision in this agreement to the contrary, the obligation of Company to make refunds to Applicant is limited as follows:
 - (a) The total refunds shall in no event exceed the amount of the contribution.
- (6) If installation of the natural gas facilities contemplated by this agreement is not commenced within six (6) months of the date of this agreement due to the unreadiness or unwillingness of Applicant to allow construction to commence, Company will return the exact amount of the above contribution. Commensurate with the tendered return of those funds by the Company, this agreement shall terminate with no further liability on the part of either party arising therefrom.
- (7) It is expressly understood and agreed between the parties that the above-described replacement shall be the absolute property of Company free of any liens, claims, or equity of Applicant.
- (8) This Agreement is made pursuant to the Company's Tariff on file with the state regulatory agency for the state where the replacement is located. The relevant terms of those Tariffs are incorporated in this Agreement by this reference.

IN WITNESSETH WHEREOF, the parties have executed this Agreement as of the day and the year first above written.

MISSOURI GAS ENERGY, A DIVISION OF SQUTHERDUNION COMPANY By Tuggomen

By Tuggomen



Superior Bowen Asphalt Co. LLC

P.O. Box 9689 11030 Hickman Mills Dr. Kansaa City, MO 64134





UMB Bank, N.A. St. Joseph, Mestouri \$4507

CHECK NO.

00038406

36-1901

One Hundred Seventy Five Thousand Thirty Two E 00/100 Bollars *********

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PAY TO THE ORDER OF

5008010048#

02/13/09 *****\$175,032.00

MISSOURI GAS ENERGY INC 000000024519 PO BOX 219255 KANSAS CITY, NO 641219255

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