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PUCO

The Ohio Utilities Protection Service ("OUPS") and the Ohio Oil and Gas Association, solely representing the interests of the Ohio Oil and Gas Underground Protection Service ("OGPUPS"), all Ohio Non-Profit Corporations, have engaged in recent discussions about possible joint activity concerning the safe, efficient and equitable application of underground protection law in Ohio. For purposes of this possible joint activity, it is understood that OUPS is a state-wide underground protection service offering notification services on behalf of it's members / operators of underground facilities in Ohio and that OGPUPS is also a state-wide underground protection service offering service on behalf of its members, primarily privately-owned operators of underground oil and gas production facilities in Ohio.

These discussions, and the possibility of joint activity by the two organizations, are prompted by recent action of the Federal Communications Commission (the "FCC"). The FCC, in its Order 05-59, has designated the 811 dialing code as a nationwide number to be used after March, 2007, by state "Call-Before-You-Dig" notification systems. States, through their public utility commissions, were requested to work with the appropriate entities to develop and implement the new system in a timely fashion.

The Public Utilities Commission of Ohio ("PUCO") has asserted strong leadership in the implementation of 811 in Ohio. It has invited comment by interested parties and has conducted a workshop to permit potential stakeholders to participate and comment further upon the new program.

The purpose of this Letter of Intent is to generally express the intent of the parties to coordinate their future efforts to comply with the FCC Order and to cooperate with each other and with the PUCO as it develops and implements the new 811 system. In addition, the parties shall cooperate to generally promote and improve underground protection in Ohio. While this is only a "Letter of Intent," and not a binding or enforceable agreement, it is hoped and intended that it will, after further negotiations, become the basis of such a binding and enforceable Merger Agreement.

1. CONSOLIDATION:

OGPUPS will merge its membership into OUPS membership at the earliest possible time. The parties shall employ their best efforts to cause the least possible interruption of activity or inconvenience upon system users in effecting the merger of membership. Contemporaneously, the operations and services of OGPUPS will be reduced and eventually absorbed in their entirety on or before May 31, 2010. To do that:

- at OGPUPS would agree to provide to OUPS the entirety of the OGPUPS facility database.

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- b) OUPS could legally and appropriately amend its By-Laws to create a new major industry group within its organizational structure. Currently, there are nine (9) industry groups within the organization. One Trustee is elected by and from within each group. In addition, twelve (12) Trustees are elected "at large," based upon the total number of votes received. The By-Laws provide for a total of twenty-one (21) Trustees.
- c) A change in the OUPS industry group or the number of Trustees would require the OUPS By-Laws to be amended. The By-Laws allow for such amendment based upon a vote of fifty-five percent (55%) of the Voting Representatives' interests. Historically, a new industry group has been added to the By-Laws when the Membership determines that the call volume of a particular industry either makes a significant impact upon OUPS operations, or that the industry itself would make a major contribution to the purposes and goals of OUPS.
- d) For a period commencing as of the date of the Merger Agreement and terminating on May 31, 2010, OUPS' Executive Director will propose revisions to the board regarding the membership dues structure which allow the new members from OGPUPS to continue to pay their current dues with no increase during this "phase-in" period. Further, during this approximately three year period, these new members will map their underground facilities to be compatible with the OUPS mapping system. This mapping will be done with the assistance of OUPS, thus securing efficient locate procedures throughout the system.
- e) Upon completion of the phase-in period, and commencing on June 1, 2010, OUPS' Executive Director will propose recommendations to the board regarding the membership dues structure and participating rates to be no greater than rates assessed against OUPS' existing membership levels, i.e., Limited Basis Participants (LBP), Full Membership and Governmental Membership.
- f) During this phase-in period of approximately 3 years, the new members will initially operate as follows: they will register their facilities with the OUPS system as contained within a geo-political boundary. When an excavator requests a locate, OUPS will notify the excavator of the new member facilities located within said boundaries and provide the excavator the appropriate contact information associated with the new member. At that point, the excavator will follow the procedures set forth in O.R.C. Section 3781.28(B).
- g) Upon approval of the Merger Agreement by the membership of OUPS and OGPUPS, OUPS will grant the new members full rights and privileges equal to those currently offered OUPS existing membership levels and consistent with current OUPS By-Laws.

- h) The respective parties recognize deficiencies in the existing underground protection laws and agree to explore public policy initiatives on a cooperative basis with the intent to improve the overall quality of the applicable law.

2. THE MERGER AGREEMENT:

Upon execution of this Letter of Intent, the parties shall promptly and diligently apply themselves toward the negotiation and execution of a binding and enforceable Merger Agreement. It is intended to accomplish this in time to have the membership of the two parties ratify and approve the Merger Agreement on or before September 30, 2007.

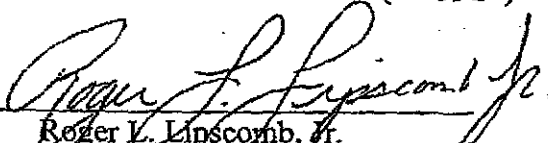
3. LETTER OF INTENT:

This agreed upon Letter of Intent is not an enforceable agreement and is subject to approval by the Board of Trustees, Ohio Oil and Gas Association at its next scheduled meeting. It may be terminated at any time by either party for any reason or for no reason.

SIGNATORIES TO THIS LETTER OF INTENT:

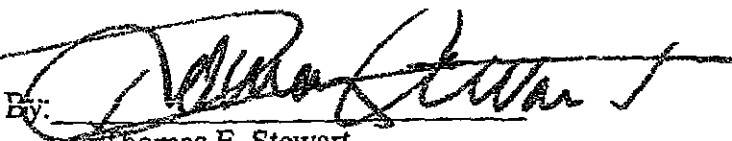
Ohio Utilities Protection Service ("OUPS")

By:


Roger V. Lipscomb, Jr.
President and Executive Director


Ohio Oil and Gas Underground Protection Service ("OGPUPS")

By:


Thomas E. Stewart
Board Member on Behalf of OGPUPS

Ohio Oil and Gas Association

By:


Thomas E. Stewart
Executive Vice President