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January 10, 2017

Talina Mathews
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, KY 40602

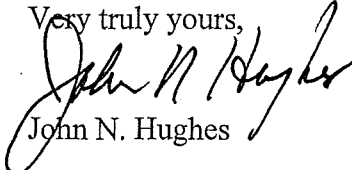
Case No. 2017-00041

Re: Natural Energy Utility Corporation

Dear Ms. Mathews:

Natural Energy Utility Corporation (NEUC) submits for approval a redacted copy of a special contract, which includes a petition for confidentiality. An unredacted copy of the contract is being filed in a separate sealed envelope.

If there are any questions about this matter, please contact me.

Very truly yours,

John N. Hughes

Attorney for Natural Energy Utility Corporation

GAS SERVICE AGREEMENT

THIS GAS SERVICE AGREEMENT (this "Agreement") is entered into this 16th day of December, 2016, by and between Natural Energy Utility Corporation ("NEUC"), a Kentucky corporation, 2560 Hoods Creek Pike, Ashland, KY 41102, and [REDACTED] Incorporated ("[REDACTED]"), a Delaware corporation, [REDACTED], [REDACTED], KY [REDACTED]. NEUC and [REDACTED] are sometimes hereinafter referred to as, individually, the "Party" and, collectively, the "Parties".

RECITALS

WHEREAS, NEUC is a natural gas utility regulated by the Kentucky Public Service Commission;

WHEREAS, [REDACTED] is an industrial user of natural gas located within the service territory of NEUC; and

WHEREAS, [REDACTED] desires to procure from NEUC, and NEUC desires to provide to [REDACTED], natural gas sales and service, subject to the terms and conditions of this Agreement; and

WHEREAS, upon execution of this Agreement, NEUC intends to extend its existing pipeline ("Pipeline") that will provide natural gas to the [REDACTED], [REDACTED] Kentucky, facility ("[REDACTED] Facility"), located at [REDACTED], [REDACTED] County, Kentucky.

NOW, THEREFORE, for and in consideration of the covenants, agreements, terms, provisions and conditions hereinafter set forth and other good and valuable consideration, the receipt, sufficiency and adequacy of which the Parties hereby acknowledge, intending to be legally bound, the Parties agree as follows:

1. Gas Service. Subject to the terms and conditions of this Agreement, NEUC hereby agrees to deliver and sell, [REDACTED] and [REDACTED] agrees to receive and purchase, all of the natural gas required by [REDACTED] at the [REDACTED] Facility during the term of this Agreement. The quantities of natural gas delivered and sold by NEUC, and received and purchased by [REDACTED], pursuant to this Agreement shall be those quantities of natural gas delivered to NEUC by third-party suppliers ("Local Production or Interstate-Intrastate Gas").

2. Construction of Pipeline. Upon execution of this Agreement, NEUC will commence acquisition of permits and rights of way. Upon execution, NEUC shall give [REDACTED] notice that it is ready to construct the Pipeline from its main line to the [REDACTED] Facility. The notice shall include an invoice for the construction in the amount of [REDACTED] (\$[REDACTED]), which shall be payable within thirty (30) days. Once NEUC receives this payment, it will commence construction of the Pipeline and complete same in a commercially reasonable and timely manner.

3. Delivery Point. The "Delivery Point" for natural gas delivered and sold by NEUC pursuant to this Agreement shall be at the outlet side of the natural gas meter owned by NEUC at the [REDACTED] Facility.

4. Quality. The natural gas delivered or sold by NEUC pursuant to this Agreement shall be blended production and/or Interstate-Intrastate Gas. The natural gas delivered hereunder shall be of commercial quality containing no more than one (1) grain of hydrogen sulfide nor more than ten (10) grains of total sulfur per one hundred (100) cubic feet. The natural gas so delivered shall contain an average total heating value for the time period hereof not less than nine hundred and fifty (950) British Thermal Units (BTU) per cubic foot; provided, however, that [REDACTED] shall not be required to accept natural gas hereunder having a heating value of less than nine hundred and fifty (950) BTUs per cubic foot.

5. Measurement. The natural gas delivered or sold by NEUC pursuant to this Agreement shall be measured by NEUC's meter located at the Delivery Point.

6. Price. For the natural gas service provided by NEUC to [REDACTED] pursuant to this Agreement, the following charges shall be due from [REDACTED] each month: (a) for [REDACTED] Requirements, [REDACTED] per MCF consumed up to [REDACTED] MCF's in a monthly billing period. Should [REDACTED] exceed [REDACTED] MCF's all MCF's will be charged at [REDACTED] (\$) for all consumed MCF's. In addition to the price specified in this Section 6, [REDACTED] provided by NEUC pursuant to this Agreement.

7. Billing and Payment. For the charges set forth in Section 6(a) hereof, NEUC shall bill [REDACTED] each month and [REDACTED] shall make payment to NEUC no later than 15 days after receipt of NEUC's monthly invoice. Invoices may be faxed or emailed to the billing address set forth in Section 11.10. In the event that payment of any invoiced amount is not received within 15 days of receipt of the invoice by [REDACTED], interest on the overdue amount shall accrue at the rate of [REDACTED] per month until the date payment is received by NEUC. In the event any invoice is not paid by [REDACTED] within thirty (30) days after receipt of the invoice by [REDACTED] NEUC may (reserving cumulatively all other remedies and rights under this Agreement and otherwise available at law and equity) at its sole option and discretion, and without prior notice to [REDACTED], terminate service and/or terminate this Agreement without any further obligation or liability to [REDACTED]. NEUC has the option to require payment by EFT.

8. Term. This Agreement shall be effective upon the date service commences ("Effective Date"). This Agreement shall have a primary term of [REDACTED] years after the Effective Date and shall automatically renew year to year thereafter unless either Party delivers written notice of termination to the other Party at least ninety (90) days prior to the end of the primary or any renewal term. Gas service shall commence upon completion of the Pipeline and approval by the Kentucky Public Service Commission.

9. Warranty: NEUC warrants that it has and will have throughout the term of this Agreement good and merchantable title to natural gas delivered to [REDACTED] by NEUC and that the same is and shall be free and clear of all taxes, liens and encumbrances. NEUC shall indemnify and save [REDACTED] harmless from any and all claims in respect of the title to natural gas as delivered and sold by NEUC pursuant to this Agreement.

10. Force Majeure. To the extent, if any, that either Party is prevented, in whole or in part, from performing any of its obligations hereunder due to reasons of Force Majeure, such obligations (other than the obligation to make monetary payments as required under this Agreement) shall be suspended during the pendency of such event of Force Majeure. For the purpose of this Agreement, "Force Majeure" shall mean an event not anticipated as of the execution of this Agreement which is not within the reasonable control of the Party claiming suspension (the "Claiming Party"), and which by the exercise of due diligence the Claiming Party is unable to overcome or to obtain, or cause to be obtained, a commercially reasonable substitute therefor, and may include, but is not restricted to acts of God; act of public enemy; war; lightning; fire; violent storm; explosion; civil disturbance; public riot; labor dispute; environmental catastrophe; inability to obtain government permits, materials or similar events or occurrences; breakages of machinery or lines of pipe; labor shortage; sabotage; and action or restraint by public or governmental authority including without limitation the Kentucky Public Service Commission; change of law; and other events, whether enumerated above or not, which wholly or partially prevent the delivery, storage or sale of natural gas.

11. Miscellaneous.

11.1. Entire Agreement. This Agreement constitutes the entire agreement among the parties with respect to the subject matter hereof and supersedes all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof;

11.2. Severability. In the event that any provision of this Agreement or the application thereof, becomes or is declared by a court of competent jurisdiction to be illegal, void or unenforceable, the remainder of this Agreement will continue in full force and effect and the application of such provision to other persons or circumstances will be interpreted so as to reasonably effect the intent of the parties hereto. The parties further agree to replace such void or unenforceable provision of this Agreement with a valid and enforceable provision that will achieve, to the extent possible, the economic, business and other purposes of such void or unenforceable provision of this Agreement with a valid and enforceable provision.

11.3. Other Remedies. Except as otherwise provided herein, any and all remedies herein expressly conferred upon a party will be deemed cumulative with and not exclusive of any other remedy conferred hereby, or by law or equity upon such party, and the exercise by a party of any one remedy will not preclude the exercise of any other remedy.

11.4. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Kentucky, regardless of the laws that might otherwise govern under applicable principles of conflicts of laws thereof. Each of the parties

hereto agrees that process may be served upon them in any manner authorized by the laws of the Commonwealth of Kentucky for such persons and waives and covenants not to assert or plead any objection which they might otherwise have to such jurisdiction and such process.

11.5. Rules of Construction. The parties hereto agree that they have been represented by counsel during the negotiation and execution of this Agreement and, therefore, waive the application of any law, regulation, holding or rule of construction providing that ambiguities in an agreement or other document will be construed against the party drafting such agreement or document.

11.6. Specific Performance. The parties hereto agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the parties shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions hereof in any court of the United States or any state having jurisdiction, this being in addition to any other remedy to which they are entitled at law or in equity.

11.7 Attorney's Fees. Should either party to this Agreement prevail by a final unappealable judgment in any judicial or arbitral action to enforce any right under this Agreement, the non-prevailing party shall be liable to the prevailing party for the prevailing party's reasonable attorneys' fees.

11.8 Assignment. This Agreement may be assigned by either party with the written consent of the non-assigning party, which consent will not be unreasonably withheld or delayed.

11.9 Notices. All notices and other communications hereunder shall be in writing and shall be deemed given if delivered personally or by commercial delivery service, or mailed by registered or certified mail (return receipt requested) or sent via facsimile (with acknowledgment of complete transmission) to the parties at the following address (or such other address for a party as shall be specified by like notice):

(a) If to NEUC:

Mr. Jay Freeman
Natural Energy Utility Corporation
2560 Hoods Creek Pike
Ashland, KY 41102
Telephone: 606-324-3920
Facsimile: 606-325-2991
Email: hjfneuc@aol.com

(b) If to ██████████, Incorporated:

██████████
██████████, Incorporated

**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

IN THE MATTER OF:

FILING OF NATURAL ENERGY)	
UTILITY CORPORATION)	CASE NO. 2017-00
OF SPECIAL CONTRACT)	

PETITION FOR CONFIDENTIALITY

Natural Energy Utility Corporation (NEUC) petitions for an order granting confidential protection of a special contract pursuant to 807 KAR 5:001, Section 13 and KRS 61.878. The information provided in the contract commercial information that if disclosed could cause substantial competitive harm to NEUC. This information is not publicly available. It would be difficult or impossible for someone to discover this information from other sources. If this information were available to competitors in this form, they could use it to the competitive detriment of NEUC. This information is not generally disclosed to non-management employees of NEUC and is protected internally by the Company as proprietary information. The disclosure of this proprietary information would result in significant or irreparable competitive harm to NEUC by providing its competitors with non-reciprocal competitive advantage. No public purpose is served by the disclosure of such information.

The Kentucky Open Records Act exempts from disclosure certain confidential or proprietary information. KRS 61.878(1)(c). To qualify for this exemption, and, therefore, maintain the confidentiality of the information, a party must establish that disclosure of the information would permit an unfair commercial advantage to competitors of the party seeking confidentiality. This petition for confidentiality includes the following information in the special contract:

1. Customer name: This is a new customer that has negotiated a special contract to use natural gas at its facility, which if disclosed could result in future or existing customers seeking special rates without the same special circumstances associated with this contract.

2. Project cost and method of financing.

Project cost, customer's financial contribution to the financing, customer's usage, contract terms and related information gives competitors of NEUC as well as competitors of the customer information that could be used to negotiate favorable terms for themselves as well as develop marketing strategies harmful to NEUC or those specific customers. With the identity of the customer and the knowledge of the monetary and service terms, competitors would have information that would enable them to unfairly compete with NEUC.

The cost of the project, the financial terms among the customer and NEUC and the contract terms all provide detailed proprietary financial information about both NEUC and the customer and the economics of the project. Any public interest in favor of disclosure of the information is outweighed by the competitive interest in keeping the information confidential thereby enabling NEUC and the customer to successfully compete for business in Kentucky and by the need to protect confidential business plans. Disclosure of the information in question would put both NEUC and the customer at a competitive disadvantage and potentially harm each by giving competitors detailed information concerning the planning strategies, costs, marketing incentives and other information that would allow competitors to leverage that information to their advantage.

All this information is protected by the scope of confidentiality. The applicable statutes provide that "records confidentially disclosed to an agency or required by any agency to be disclosed to it, generally recognized as confidential or proprietary, which if openly disclosed would permit an unfair commercial advantage to competitors of the entity that disclosed the records" shall remain confidential unless otherwise ordered by a court of competent jurisdiction." KRS 81.878(1). The natural gas industry is very competitive. NEUC has active competitors, who could use this information to their advantage and to the direct disadvantage of NEUC. NEUC would be at a competitive threat of loss of business due to the ability of its competitors to leverage the information to their advantage. The public disclosure of the contract terms negotiated with each customer and critical monetary terms would permit an unfair advantage to those competitors. With the identity of the customer and the knowledge of the contract terms, competitors would have inside information to target these customers. For these reasons, the terms in the contracts are exempt from public disclosure pursuant to KRS 61.878(c)(1). The contract terms are also excluded from public disclosure by KRS 278.160(3).

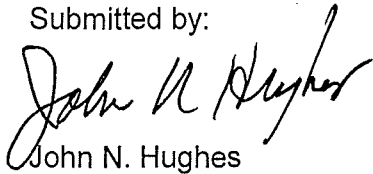
The Supreme Court of Kentucky has held that "disclosure of [this financial information] would unfairly advantage competing operators. The most obvious disadvantage may be the ability to ascertain the economic status of the entities without the hurdles systematically associated with acquisition of such information. *Marina Management Servs. v. Cabinet for Tourism, Dep't of Parks*, 906 S.W.2d 318, 319 (Ky. 1995); see also *Hoy v. Kentucky Indus. Revitalization Auth.*, 907 S.W.2d 766, 768 (Ky. 1995) ("It does not take a degree in finance to recognize that such information concerning the inner workings of a corporation is

generally recognized as confidential or proprietary and falls within the wording of KRS 61.878(1)(c).”).

NEUC requests that the information be held confidentially indefinitely. The statutes cited above do not allow for disclosure at any time. Given the competitive nature of the natural gas business and the efforts of non-regulated competitors to encroach upon traditional markets, it is imperative that regulated information remain protected and that the integrity of the information remain secure.

For these reasons, NEUC requests that the items identified in this petition be treated as confidential. Should the Commission determine that some or all of the material is not to be given confidential protection, NEUC requests a hearing prior to any public release of the information to preserve its rights to notice of the grounds for the denial and to preserve its right of appeal of the decision.

Submitted by:



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Attorney for Natural Energy Utility
Corporation