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PUBLIC SERVICE COMMISSION

NATURAL ENERGY UTILITY CORPORATION 2560 HOODS CREEK PIKE ASHLAND, KY 41102

July 26, 2018

Aimee Hembree Kentucky Public Service Commission 211 Sower Blvd PO Box 615 Frankfort, KY 40602-0615

Dear Aimee:

Natural Energy Utility Corporation (NEUC) would like to inform the Commission that the certification regarding recent changes to the Underground Facility Damage Prevention Act, KRS 367.4901 through KRS 367.4917 (the "Act") has been completed. This certification includes a sample of the notice mailed 7/25/2018 to all NEUC active customers and inactive customers.

Sincerely,

Mark T. Baldock Chief Financial Officer

NOTICE TO CUSTOMERS

NEW PROVISIONS RELATED TO THE CALL-BEFORE-YOU-DIG REQUIREMENT

Because you receive natural gas service, you likely have underground natural gas lines at your place of residence or business. Damage to natural gas lines from excavation work can lead to explosion or fire and can cause property damage, serious injuries or death.

Beginning July 14, 2018, the Kentucky Public Service Commission ("PSC") will begin investigating instances of excavation damage to underground natural gas pipelines to determine whether the pipeline was properly located prior to excavation. Under changes to the Underground Facility Damage Prevention Act of 1994 (the "Act"), which take effect on July 14, 2018, the PSC will have the authority to levy fines for failing to comply with the requirements of the Kentucky statute related to protection of underground utilities.

Key requirements of the Act (KRS 367.4901 to KRS 367.4917) include:

- Excavators, including property owners working on their own property, must call the 811 one-call center at least two working days prior to the start of excavation. IF YOU FAIL TO CALL 811 AND THEN DAMAGE A NATURAL GAS LINE, YOU WILL BE SUBJECT TO A PENALTY.
- The requirement to call 811 applies to all work on private property if it occurs within a utility easement or uses mechanized equipment.
- Natural gas operators must mark the facilities within two working days of receiving the request.
- Penalties for violating the statute are up to \$1,250 for the first violation, \$2,000 for a second violation, and \$4,000 for subsequent violations.

CALL 811 BEFORE YOU DIG AND MAKE SURE THAT ANYONE DOING EXCAVATION ON YOUR BEHALF CALLS 811 TWO WORKING DAYS BEFORE THEY START.