Valley Gas, Inc.

P.S.C. KY No. _____

Cancels P.S.C. Ky No. _____

V A L L E Y G A S, I N C.

OF

Irvington, Kentucky

Rates, Rules and Regulations for Furnishing
Natural Gas

AT

Irvington, Kentucky and Environs

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

FEB 20 1990

PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)

BY: [signature]
PUBLIC SERVICE COMMISSION MANAGER

Filed with PUBLIC SERVICE COMMISSION OF KENTUCKY

Issued February 20, 1990 Effective February 20, 1990

Issued BY Valley Gas, Inc.
Name of Utility

BY L. Kenneth Kasey

President

Form for filing Rate Schedules

For – Irvington Kentucky and Environ

P.S.C. No. _____
73nd SHEET NO. 1

Valley Gas, Inc.
Name of Issuing Corporation

Canceling P.S.C. No. _____
72nd SHEET NO. 1

CLASSIFICATION OF SERVICE

GENERAL SERVICE RATE	RATE PER UNIT

APPLICABLE:

Entire service area of Irvington, Kentucky and environs

AVAILABILITY OF SERVICE:

Available for any use for individually metered service other than auxiliary or standby service at locations where suitable service is available from existing distribution system and an adequate supply of gas to render service is assured by the supplier of natural gas to the company.

RATE:

New Monthly

Customer Charge	$ 8.50
Base Rate	$ 2.3819
Gas Cost	8.7338
Total Cost	$11.1157

DATE OF ISSUE May 25, 2006 EFFECTIVE June 1, 2006

ISSUED BY Kenneth Kasey TITLE President
Name of Officer

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2006-00185
dated May 25, 2006.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
6/1/2006
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

By _____
Executive Director

Form for filing Rate Schedules

For Irvington, Kentucky and Environs
Community, Town or City

P.S.C. NO. 1

46th SHEET NO. 2

VALLEY GAS, INC.
Name of Issuing Corporation

CANCELLING P.S.C. NO. 1

45th SHEET NO. 2

CLASSIFICATION OF SERVICE

GENERAL SERVICE RATE	RATE PER UNIT

CHARACTER OF SERVICE:

Natural gas having approximately 1,000 Btu per cubic foot.

SPECIAL PROVISIONS:

(a) The Company may require a special written contract if the natural gas requirements of the customer justify such a contract in the opinion of the Company.
(b) All gas shall be measured or corrected to a base pressure of 14.65 pounds per square inch absolute.
(c) Not available for resale.
(d) Reconnection charge shall be $15.00.
(e) Late payment charge for collection shall be $7.50.

DISCONTINUANCE OF SERVICE:

The utility may refuse or discontinue service to an applicant or customer, after proper notice for failure to comply with its rules and regulations or state and municipal rules and regulations, when a dangerous condition is found to exist on the customers's or applicant's premises, when a customer or applicant refuses or neglects to provide reasonable access to the premises, for fraudulent or illegal use of service, or for nonpayment of bills. If discontinuance is for non payment of bills, the customer shall be given at least ten (10) days written notice, separate from the original bill, and cut-off shall be effective not less than twenty-seven (27) days after mailing date of the original bill unless, prior to discontinuance, a residential customer presents to the utility a written certificate, signed by a physican, registered nurse, or public health officer, that such discontinuance will aggravate an existing illness or infirmity on the affected premises, in which case discontinuance may be effected not less that thiry (30) days

PUBLIC SERVICE COMMISSION
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PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

DATE OF ISSUE November 9, 1989

DATE EFFECTIVE November 9, 1989

ISSUED BY L.K.Kasey
Name of Officer

TITLE President

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 89-103 dated November 9, 1989

Form for filing Rate Schedules

For Irvington, Kentucky and Environs
Community, Town or City

P.S.C. NO. 1

46th SHEET NO. 3

VALLEY GAS, INC.
Name of Issuing Corporation

CANCELLING P.S.C. NO. 1

45th SHEET NO. 3

CLASSIFICATION OF SERVICE

GENERAL SERVICE RATE	RATE PER UNIT
DISCONTINUANCE OF SERVICE: (continued) from the date the utility notifies the customer, in writing, of state and federal programs which may be available to aid in payment of bills and the office to contact for such possible assistance. CUSTOMER BILLING PROVISIONS: Each customer or applicant will receive a bill for service each month on or near the first day of the month. Each bill rendered will show all the necessary billing information as required by the Commission. Payment will be due on or before the ten (10) days. If payment is not received by the Company within the ten day period, a ten per cent greater amount and shown on the bill as a gross amount would then be due. CONTINUOUS AND UNIFORM PRESSURE: The Company shall supply gas continously and without interruption and adopts and shall maintain, subject to the Commission's regulations, a standard pressure of seven (7) inches w.c. as measured at the outlet side of the customer meter. However, the Company shall assume no liability for any damage or loss resulting from inadequate or interrupted supply or from any pressure variation when such conditions are not due to willful fault or neglect on its part. PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE NOV 09 1989 PURSUANT TO 807 KAR 5:011, SECTION 9 (1)	

DATE OF ISSUE November 9, 1989

DATE EFFECTIVE November 9, 1989

ISSUED BY L.K. Kasey L.K.Kasey
Name of Officer

TITLE President

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 89-103 dated November 9, 1989.

FOR Irvington, Kentucky and Environs

P.S.C. Ky. No. 1

R & R Sheet No. 1 of 14

VALLEY GAS, INCORPORATED

Cancelling P.S.C. Ky. No.

Sheet No.

RULES AND REGULATIONS

1. COMMISSION'S RULES AND REGULATIONS:

All gas service rendered by the Company ~~sahll~~ shall be in accordance with the "Rules and Regulations for the Government of Gas Utilities" which have been adopted by the Public Service Commission of Kentucky and all amendments thereto and modifications thereof which may be made by the Commission.

2. COMPANY'S RULES AND REGULATIONS:

In addition to the Rules and Regulations prescribed by the Commission, all gas service rendered shall, also, be in accordance with the following Rules and Regulations adopted by the Company, provided same do not conflict with those of the Public Service Commission.

FILING OF RATES, RULES AND REGULATIONS:

A copy of all schedules of rates, rules and regulations under which gas service is rendered is on file for the public's benefit with the Public Service Commission of Kentucky and in the office of the Company.

4. APPLICATION FOR SERVICE:

All applications for service shall be made on the Company's standard application or contract form which shall be signed by the Customer, or his duly authorized agent, and accepted by the Company before any service is rendered.

A separate application or contract shall be made for each class of service at each separate location.

In cases where unusual construction or equipment expense is necessary to furnish the service, the Company may require a contract for a minimum period of one (1) year.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

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PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)

DATE OF ISSUE November 9, 1989 (Month / Day / Year)

DATE EFFECTIVE November 9, 1989 (Month / Day / Year)

ISSUED BY L. L. Casey (Name of Officer) President (Title) Irvington, Kentucky (Address)

RULES AND REGULATIONS

6. SECURITY DEPOSITS:

The Company may require a minimum cash deposit or other guaranty to secure payment of bills except for customers qualifying for service reconnection pursuant to 807 KAR 5:006, Section 15, Winter Hardship Reconnection. Service may be refused or discontinued for failure to pay the requested deposit. Interest, as prescribed by KRS 278.460, will be paid annually either by refund or credit to the customer's bill, except that no refund or credit will be made if the customer's bill is delinquent on the anniversary date of the deposit.

The deposit may be waived upon a customer's showing of satisfactory credit or payment history, and required deposits will be returned after one (1) year if the customer has established a satisfactory payment record for that period. If a deposit has been waived or returned and the customer fails to maintain a satisfactory payment record, a deposit may then be required. The Company may require a deposit in addition to the initial deposit if the customer's classification of service changes or if there is a substantial change in usage. Upon termination of service, the deposit, any principal amounts, and any interest earned and owing will be credited to the final bill with any remainder refunded to the customer.

In determining whether a deposit will be required or waived, the following criteria will be considered:

1. Previous payment history with the Company. If the customer has no previous history with the Company, statements from other utilities, banks, etc. may be presented by the customer as evidence of good credit.
2. Whether the customer has an established income or line of credit.
3. Length of time the customer has resided or been located in the area.
4. Whether the customer owns property in the area.
5. Whether the customer has filed bankruptcy proceedings within the last seven years.
6. Whether another customer with a good payment history is willing to sign as a guarantor for an amount equal to the required deposit.

If a deposit is held longer than 18 months, the deposit will be recalculated at the customer's request based on the customer's actual usage.

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE

FOR Irvington, Kentucky and environs

P.S.C. Ky. No. 1

R & R Sheet No. 2 - 2

VALLEY GAS, INC.

Cancelling P.S.C. Ky. No.

Sheet No.

RULES AND REGULATIONS

6. Security Deposits (continued)

If the deposit on account differs from the recalculated amount by more than $10.00 for a residential customer or 10 percent for a non-residential customer, the Company may collect any underpayment and shall refund any overpayment by check or credit to the customer's bill. No refund will be made if the customer's bill is delinquent at the time of the recalculation.

All business/commercial or residential customers will pay equal deposits in the amount of $75.00. This amount does not exceed the average bill of residential customers served by the Company and is equal to 2/12 or less of the average annual bill. The Company may retain the deposit for a period of at least six months. The deposit plus interest accrued during the period the deposit is retained will be refunded after a six months period or before providing the customer has developed and shows a satisfactory credit and payment history.

PUBLIC SERVICE COMMISSION
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EFFECTIVE

JUN 17 1992

PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)
BY: [signature]
PUBLIC SERVICE COMMISSION MANAGER

DATE OF ISSUE _____ Month Day Year

DATE EFFECTIVE _____ Month Day Year

ISSUED BY L. Kenneth Casey
Name of Officer

President
Title

Irvington, Kentucky

RULES AND REGULATIONS

5. OWNER'S CONSENT TO OCCUPY:

In case the Customer is not the owner of the premises or of the intervening property between the premises and the Company's service connection, it shall be the Customer's responsibility to obtain from the property owner or owners the necessary consent to install and maintain in, on or over said premises all such piping and other equipment as are required or necessary for supplying gas service to the Customer whether the piping and equipment be the property of the Customer or the Company.

6. SECURITY DEPOSITS:

~~The Company may require from all Customers as a guaranty or security a cash deposit equal to the estimated maximum consumption for a period of two months; minimum deposit shall be $25.00. Such deposit less any unpaid amounts for service rendered the Customer shall be returned upon the discontinuance of service.~~

~~Where the monthly bills are in excess of the deposit, or where the Customer has delinquent bills, the Company may require the deposit to be increased, but such deposit shall not exceed the amount of two months' estimated maximum consumption. Interest will be paid at the rate of six per cent (6%) annually upon demand or upon return of the deposit for the period between the deposit date and the date service is discontinued. The original security deposit receipt should be presented when demand is made for payment of interest or refund of deposit.~~

No deposit shall be required of any receiver or trustee operating a business requiring utility service under an order of court.

7. ACCESS TO PREMISES:

The Company shall have the right of access to the Customer's premises at all reasonable times for the purpose of installing, reading, inspecting, repairing or removing its meters, regulators or other equipment used in connection with its supply of gas service or for the purpose of turning on or shutting off the gas supply when necessary and for all other proper purposes.

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE NOV 9 1989 PURSUANT TO 807 KAR 5:011, SECTION 9 (1)

DATE OF ISSUE November 9, 1989 (Month / Day / Year)

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ISSUED BY L. L. Kasey (Name of Officer) — President (Title) — Irvington, Kentucky (Address)

RULES AND REGULATIONS

8. COMPANY'S EQUIPMENT AND INSTALLATIONS:

The Company shall furnish, install and maintain at its expense the necessary service connection extending from its main to the Customer's nearest curb or property line. The location of this service connection will be made at the discretion and judgment of the Company.

The Company will furnish, install and maintain at its expense the necessary meter, regulator and connections which will be located at or near the main, service connection, property line, near or in the building, at the discretion or judgment of the Company. Whenever practical, in the judgment of the Company, the location will be as near the supply main as possible and outside of buildings. Suitable site or location for the meter, regulator and connections shall be provided by the Customer and the title to this equipment shall remain in the Company, with the right to install, operate, maintain and remove same, and no charge shall be made by the Customer for use of the premises as occupied or used.

9. CUSTOMER'S EQUIPMENT AND INSTALLATION:

The Customer shall furnish, install and maintain at his expense the necessary Customer's service line extending from the Company's service connection at the curb or property line to the building or place of utilization of the gas.

The installation of the Customer's service line shall be made in accordance with the requirements of the constituted authorities and the Company's specifications covering location, installation, kind and size of pipe, type of pipe coating or wrapping and method of connection the joints of pipe. The location shall be the point of easiest access to the Company from its facilities and the Company shall be consulted and its approval obtained before the installation is made.

In the installation of the service line the Customer shall not install any tees or branch connection and must leave the trench open and pipe uncovered until it is examined by an inspector of the Company and shown to be free from any irregularily or defect. The Customer shall not make any change in or interfere with his service line without the written consent of the Company.

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ISSUED BY L. K. Kasey (Name of Officer) President (Title) Irvington, Kentucky (Address)

RULES AND REGULATIONS

In all cases where practical the Customer's service line shall not be installed entering a building underground but shall be brought up out of the ground with a riser and entrance made to the building through the wall or foundation a minimum of six (6) inches above the ground.

The Customer shall furnish, install and maintain at his expense the necessary housepiping, connections and appliances and same shall be installed in accordance with the requirements and specifications of "INSTALLATION OF GAS PIPING AND GAS APPLIANCES IN BUILDINGS" as complied and approved by the American Standards Association, the National Board of Fire Underwriters, the American Gas Association and other similar bodies on December 5th, 1950 (ASA-Z 21.30 - 1950), and any revisions thereof which are herewith incorporated by reference as a part of the Company's Rules and Regulations where applicable and when not in conflict with the requirements of the constituted authorities.

No appliances shall be used which are not of a standard design and which have not been approved by the American Gas Association or a similar or equally qualified agency.

Suitable pressure regulators shall be installed by, or at the expense of the Customer on all heating appliances and special equipment which have an hourly input of 50,000 Btu or higher, pressure requlators shall also be installed on all appliances with lower inputs where provided or recommended by the manufacturer or where necessary, at the discretion of the Company, to provide better and safer gas utilization and service.

All of the Customer's service line, piping, connections and appliances shall be suitable for the purposes thereof and shall be maintained by the Customer at his expense at all times in a good, safe and serviceable condition.

The Company shall not assume any responsibility and shall not be held liable in any way for the making of any periodic inspection of the Customer's service line, piping, connections or appliances, or for the Customer's failure to properly and safely install, operate and maintain same.

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PURSUANT TO 807 KAR 5:011, SECTION 9 (1)

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RULES AND REGULATIONS

10. METERING:

The gas consumed ahall be measured by a meter or meters to be installed by the Company upon the Customer's premises at a point most accessible or convenient for the Company and all bills shall be calculated upon the registration of said meter or meters except as hereinafter provided. If more than one meter is installed for the same or different classes of service at different locations on the Customer's premises, each meter shall be considered separately in calculating the amount of any bills. Meters include all measuring instruments and equipment.

11. PROTECTION OF COMPANY'S PROPERTY:

All meters, piping and other appliances and equipment furnished by and at the expense of the Company, which may at any time be in or on Customer's premises shall, unless otherwise expressly provided herein, be and remain the property of the Company, and the Customer shall protect such property from loss or damage, and no one who is not an agent of the Company shall be permitted to remove such property or to tamper with or damage same.

12. EXCLUSIVE SERVICE:

Except in casees where the Customer has a special contract with the Company for reserve or auxiliary service, no other fuel service shall be used by the Customer on the same installation in conjunction with the Company's service connection, either by means of valves or any other connection.

The Customer shall not sell the gas purchased from the Company to any other Customer, Company or Person, and the Customer shall not deliver gas purchased from the Company to any connection wherein said gas is to be used off of Customer's premises or by persons over whom Customer has no control .

13. POINT OF DELIVERY OF GAS:

The point of delivery of gas supplied by the Company shall be at the point where the gas passes from the pipes of the Company's service connection into the Customer's service line or pipe of the Customer, or at the outlet of the meter, whichever is nearest the delivery main of the Company.

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE

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14. CUSTOMER'S LIABILITY:

The Customer shall assume all responsibility for the gas service in or on the Customer's premises at and from the point of delivery of gas and for all piping, appliances and equipment used in connection there with which are not the property of the Company, and will protect and save the Company harmless from all claims for injury or damage to persons or property occuring on the Customer's premises or at and from the point of delivery of gas occasioned by such gas or gas service and equipment, except where said injury or damage will be shown to have been caused solely by the negligence of the Company.

15. CONTINUOUS OR UNIFORM SERVICE

The Company will endeavor to supply gas continuously and without interruption, however, the Company shall not be responsible in damage or otherwise for any failure to supply gas or for any interruption of the supply when such failure is without wilful fault or neglect on its part.

The Company cannot and does not guarantee either a sufficent supply or an adequate or uniform pressure of the gas supplied and shall not be liable for any damage or loss resulting from inadequate or interrupted supply or from any pressure variations when such conditions are not due to wilful fault or neglect on its part.

16. MONTHLY BILLS

(a) Bills for gas service will be rendered monthly unless otherwise specified. The term "month" for billing puposes shall mean the period between any two consecutive readings of the meter by the Company, such readings to be taken as near as practicable every thirty (30) days.

(b) Bills are due upon rendition and shall be due and payable within a period not exceeding ten (10) days thereafter.

(c) Service shall be subject to being discontinued if bills are not paid in full within fifteen (15) days after rendition of bills.

(d) Failure to receive a bill does not exempt a Customer from these provisions.

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE NOV 9 1989 PURSUANT TO 807 KAR 5:011, SECTION 9 (1)

DATE OF ISSUE November 9, 1989 (Month Day Year)

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ISSUED BY L. K. Casey (Name of Officer) President (Title) Irvington, Kentucky (Address)

RULES AND REGULATIONS

(e) When the Company is unable to read the meter after a reasonable effort, or where the meter fails to operate, the Customer will be billed on an estimated basis at the average of three (3) immediately preceding months, or similar months of utilization, and the billing adjusted as necessary when the meter is read.

17. MEASUREMENT BASE:

The rates of the Company are based upon gas delivered to the Customer on a basis of four (4) ounces per square inch above an assumed atmospheric pressure of fourteen and four tenths (14.4) pounds per square inch, or fourteen and sixty-five hundreths (14.65) pounds per square inch absolute pressure, at an assumed temperature of sixty (60) degrees Fahrenheit; provided, however, the Company reserves the right to correct as necessary the actual temperature to a sixty (60) degree F. basis in the cases of large volume industrial customers.

All gas measured at pressures higher than the standard pressure for low pressure distribution systems shall be corrected to a pressure base of fourteen and sixty-five hundredths (14.65) pounds per square inch absolute.

18. CHARACTER OF SERVICE:

The Company will normally supply natural gas having a heating value of approximately one thousand (1,000) Btu per cubic foot and a specific gravity of approximately six tenths (0.6), however, when necessary to supplement the supply of natural gas, the Company reserves the right, at its discretion, to supply an interchangeable mixture of vaporized liquified petroleum gas and air, or a combination of same with natural gas.

19. ASSINGMENT OF CONTRACT:

The benefits and obligations of any service application or contract shall begin when the Company commences to supply gas service and shall inure to and be binding upon the succesors and assigns, survivors and executors or administrators, as the case may be, of the original parties thereto, respectively, for the full term thereof, provided, however, that no application, agreement or contract for service may be assigned or transferred without the written consent or approval of the Company.

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE NOV 9 1989 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

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When the gas supply has been discontinued or disconnected for non-payment of bills or other violation of the Company's Rules and Regulations, the serivce will not be restored at the same location, or connected at another location, for the same or related occupants under a different contract or name when it is evident the change of name is a subterfure designed to defraud or penalise the Company.

20. RENEWAL OF CONTRACT:

If, upon the expiration of any service contract for a specified term, the Customer continues to use the service, the contract (unless otherwise provided therein) will be automatically renewed and extended for sucessive periods of one year each, subject to termination at the end of any year upon thirty days written notice by either Party.

21. CUSTOMER'S DISCONTINUANCE OF SERVICE:

Any Customer desiring service discontinued or changed from one location to another shall give the Company three (3) days advance notice in person, by phone or in writing, provided such notice does not violate contractual obligations.

The Customer shall be held responsible for all gas consumed until such notice is received by the Company and three (3) days time allowed to read the meter and render final bill.

22. COMPANY'S DISCONTINUANCE OF SERVICE FOR CAUSE:

The Company has the right to discontinue service to a Customer for violation of its Rules and Regulations or for non-payment of bills, however, service shall not be discontinued until the Company has diligently tried to induce the Customer to comply with its Rules and Regulations, or has diligently attempted to induce the Customer to pay the bills. After such efforts on the part of Company the service may be discontinued only after at least ten (10) days written notice, but the cut-off shall not be effected before twenty-seven (27) days after the mailing date of the original bill.

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE

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ISSUED BY L. L. Casey (Name of Officer) President (Title) Irvington, Kentucky (Address)

RULES AND REGULATIONS

Where a dangerous condition is found to exist on the Customer's premises the srvice may be discontinued without notice.

Where necessary for construction, maintenance or operation purposes, the Company may temporily discontinue service to a Customer, however, notice shall be given whenever practical to do so.

The Company may discontinue service to a Customer immediately and without notice where it-is discovered that the Customer has been or is using gas without same being partially or wholly measured through the meter or where the gas is, or has been, used fraudently, or where the Company's equipment has been tampered with. Where the service has been discontinued for any of these reasons the Company, by written notice to the Customer, may require the Customer, at his expense, to make proper changes or corrections as required by the Company before service is restored.

In addition to the foregoing the Company may require the Customer to pay the Company the cost of any and all damages to the Company's equipment, the deficiency in revenue estimated on as accurate a basis as is available, and the cost incurred by the Company in the correction of the defects or diversion including the cost of removal and installation of meters and regulators and the cost of restoring the service.

Neglect or refusal on the part of the Customer to provide reasonable access to the premises for the purposes of reading meters, inspection, maintenance and peration shall also be deemed to be sufficent cause for the Company to discontinue the service.

23. RECONNECTION CHARGE:

A reconnection charge will be made by the Company to cover the cost incurred in reconnecting the meter or service when (a) the Customer's service has been disconnected for non-payment of bills or, for violation of the Commission's or Company's Rules and Regulations, and the Customer has qualified for and requested the service to be reconnected or (b) the Customer's service has been disconnected at his request and at any time subsequently within twelve (12) months is reconnected at the same or any other premises.

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RULES AND REGULATIONS

This Reconnection Charge to be made by the Company and paid by the Customer before or at the time the service is reconnected shall be and amount as provided for in General Service Rate as approved by the Public Service Commission.

24. REFUSAL OF SERVICE:

The Company will not render service to any Customer unless the Customer's service line, housepiping, appliances and equipment are properly installed and in safe operating condition, or where the Customer continually fails to comply with the Company's Rules and Regulations.

The Company will not furnish service to any applicant who owes the Company any past due bill or a delinquent account for service furnished either at the same or other location, until such indebtedness shall have been paid in full.

The Company reserves the right to refuse or to defer full service to an applicant where the existing mains are inadequate to serve the applicant's requiremnents without adversely affection the service to Customer's already connected and being served.

25. NOTICE OF ESCAPING GAS OR UNSAFE CONDITIONS:

Immediate notice must be given by the Customer to the office or employees of the Company if any escaping gas or unsafe conditions are detected or any defects or improper installations are discovered in the piping and equipment of either the Company or the Customer which are on the Customer's premises.

No flames or lights are to be taken near any escape of gas and the gas must be shut-off at the meter cock or valve until the hazard is eliminated and the gas service is not to be turned on again except by a Company employee.

The Company will not be responsible or assume any liability for any injury, loss or damage which may arise from the carelessness or negligence of the Customer or his agents or representatives.

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26. TURNING OFF GAS SERVICE AND RESTORING SAME:

The gas service may be turned off at the meter when justified by the Customer or his agent or any constituted authorities but no person, unless in the employ of the gas Company or having permission from the gas Company, shall turn the gas on or restore service.

27. SPECIAL PROVISIONS - LARGE VOLUME CUSTOMERS:

Industrial, Commercial or other Customers using large volumes of gas on a varying basis shall install and maintain at their expense adequate piping and suitable requlating and control equipment to provide reasonable and practical limitation of intermittance or fluctuation in the pressure, volume or flow of gas, and shall so regulate and control their operations and the use of gas here under so as not to interfere with gas service being furnished to them or to any other Customers, or whith the proper and accurate metering of gas at their or any other location.

28. SPECIAL RULES FOR CUSTOMERS SERVED FROM TRANSMISSION MAINE:

In addition to the Standard Rules and Regulations the following special Rules and Regulations shall apply to all Customers served directly from a high pressure transmission main which is the property of the Company or one of its Suppliers:

(a) All service connections to a high pressure transmission line shall be subject to the special requirements, consent and approval of the Owner of said line. In case the connection is to a line not the property of the Company, proper approval must be obtained from both the Owner and the Company.

(b) A special form application and service contract or agreement shall be executed by the Customer and approved and accepted by both the Owner of the transmission line and the Company prior to the time the tap or connection is made. If the transmission line is owned by the Company only the approval and acceptance of the Company is necessary.

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(c) All meters, regulators, equipment and connections necessary to serve the Customer from a high pressure transmission line shall be installed on the Customer's premises at or as near the transmission line as is practical.

(d) Suitable site or location for the equipment owned by the Company or the Owner of the line shall be provided and furnished by the Customer without any expense to the Company or Owner of the line. The Company or Owner of the line shall have the right of ingress, egress or regress to and from this location at any time without any expense or charges from the Customer.

(e) The Customer's service line extending from the outlet of the meter shall be installed and maintained by the Customer at his expense.

(f) The Customer shall notify the Company promptly of any leaks in the transmission line or equipment, also, of any hazards or damages to same.

(g) Customers may be required to send in monthly meter readings to the Company on suitable forms provided by the Company.

29. CURTAILMENT ORDER:

Incase of impairment of gas supply or partial or total interruption and when it appears the Company is, or will be, unable to supply, at any time, the requirements of all its Customers in any system or segment thereof, due to any cause whatsoever, then the Order of Curtailment or Interruption of Service, insofar as practicable shall be:

Step 1. Deliveries to industrial or other Customers under contracts providing for interruptible service and curtailment.

Step 2. Deliveries to industrial Customers under contracts or rate schedules providing for firm services.

Step 3. Deliveries to commercial Customers for space heating purposes.

Step 4. Deliveries to commercial Customers for non-space heating purposes.

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When the curtailments or interruptions of deliveries in the above steps fail to provide sufficient gas to meet the requirements of the remaining Customers, the Company shall exercise its best judgement and distribute as equitably as possible the gas that is available, taking into consideration the Customers affected and their gas utilization, the operation of its system and any other factors it deems necessary in the best interests of service, public health and safety.

When the causes or contingencies of the curtailment or interruptions cease to be operative the Company shall restore full service to all Customers as promptly as possible in the reverse order of the curtailments or interruptions insofar as is practicable.

Regardless of impairment of supply or other similar reasons, industrial and other Customers under contracts providing for interruptible service and curtailment will be interrupted or curtailed for "peak shaving" purposes to avoid an increased Maximum Daily Demand in the Company's gas purchases, and for other reasons as justified or necessary in accordance with the provisions of the contract.

The Company will curtail or interrupt these Customers on as equitable a basis as is practicable, using its best judgement, and taking into consideration its operations and related factors and the operations and gas utilization of the Customers affected.

30. DISTRIBUTION MAIN EXTENSIONS:

The Company will extend without charge its existing distribution mains one hundred (100) feet for any one Customer provided the existing mains are of sufficent capacity to properly supply the additional Customers and provided that the Customer contracts to use gas on a continuous basis for one (1) year more, and, provided, the potential consumption and revenue will be of such amount and permanency as to warrant the capital expenditures involved and to make the investment economically feasible.

Whenever an extention exceeds one hundred (100) feet per Customer, the Company will enter into an agreement with the Customer or Subscriber which will

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provide for such additional extension on a cost per foot basis, with the amount to be deposited by the Customer or Subscriber, and for a proportionate and equitable refund in the event other Customers are connected to the extension within ten (10) years. Any further or lateral extensions shall be treated at a new and separate extension. Refunds shall be made only after the Customer has used gas service for a minimum continuous period of one (1) year. The Company reserves the right to determine the length of the extension and to specify the pipe size and location of the extension. All extensions will be made dependent on the economic feasibility of the extension. Title to all extensions covered by agreements shall be and remains in the Company and in no case shall the amount of the refunds exceed the original deposit.

Nothing contained herein shall be construed as to prohibit the Company from making at its expense greater extensions to its distribution mains or the granting of more favorable terms than herein prescribed, should its judgement so dictate, provided like extensions are made for other Customers, or Subscribers, under similar conditions.

31. NO EXCEPTIONS TO RULES AND REGULATIONS:

No agent, representative or employee of the Company shall make any promise, agreement or representation, not incorporated in or provided for by the Rules and Regulations of the Public Service Commission of Kentucky or of this Company and neither has any agent, representative or employee of the Company any right or power to amend, modify, alter or waive any of the said Rules and Regulations, except as hereinafter provided.

32. RULES AND REGULATIONS MAY BE AMENDED:

The Company reserves the right to amend or modify its Rules and Regulations or to adopt such additional Rules and Regulations as the Company deems necessary in the proper conduct of its business, subject to the approval of the Public Service Commission of Kentucky.

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE

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BY: [illegible]

DATE OF ISSUE November 9, 1989 (Month Day Year)

DATE EFFECTIVE November 9, 1989 (Month Day Year)

ISSUED BY L. L. Kasey (Name of Officer) President (Title) Irvington, Kentucky (Address)

FOR Irvington, Kentucky and environs

P.S.C. Ky. No. 1

R & R Sheet No.

VALLEY GAS, INC.

Cancelling P.S.C. Ky. No.

Sheet No.

RULES AND REGULATIONS

33. MONITORNING OF CUSTOMER USAGE:

At least once annually the Company will monitor the usage of each customer according to the following procedure:

1. The customer's annual usage for the most recent 12-month period will be compared with the annual usage for the 12 months immediately preceding that period.

2. If the annual usage for the two periods are substantially the same or if any difference is known to be attributed to unique circumstances, such as unusual weather conditions, common to all customers, no further review will be done.

3. If the annual usages differ by twenty-five percent or more and cannot be attributed to a readily identified common cause, the Company will compare the customer's monthly usage records for the 12-month period with the monthly usage for the same months of the preceding year.

4. If the cause for the usage deviation cannot be determined from analysis of the customer's meter reading and billing records, the Company will contact the customer by telephone or in writing to determine whether there have been changes such as different number of household members or work staff, additional or different appliances, changes in business volume, or known leaks in the customer's service line.

5. Where the deviation is not otherwise explained, the Company will test the customer's meter to determine whether it shows an average error greater than 2 percent fast or slow.

6. The Company will notify the customers of the investigation, its findings, and any refunds or backbilling in accordance with 807 KAR 5:006, Section 10 (4) and (5).

In addition to the annual monitoring, the Company will immediately investigate usage deviations brought to its attention as a result of its on-going meter reading or billing processes or customer inquiry.

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OF KENTUCKY
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JUN 17 1992

DATE OF ISSUE
Month Day Year

DATE EFFECTIVE PURSUANT TO 807 KAR 5:011
Month SECTION 9 (1) Year

ISSUED BY L. Kenneth Kasey President
Name of Officer Title

BY: [illegible]
Irvington, Kentucky
Address

Form for filing Rate Schedules

For Irvington, Kentucky and environs
Community, Town or City

P.S.C. NO. 1

R & R SHEET NO.

VALLEY GAS, INC.
Name of Issuing Corporation

CANCELLING P.S.C. NO.

SHEET NO.

CLASSIFICATION OF SERVICE

	RATE PER UNIT
34. BUDGET PAYMENT PLAN:	

The Company has a dudget payment plan available for its residential customers whereby a customer may elect to pay a monthly amount for the budget year in lieu of monthly or bimonthly billings for actual usage. The monthly budget payment will be determined by the Company based, under normal circumstances, on a minimum of one-twelfth of the estimated annual usage, subject to review and adjustment during the budget year. The normal budget year is the 12 months determined as shown below:

Customer	Budget Year	Settlement Month
Gas Service	August - July	July

The customer's account may be adjusted through a series of levelized adjustments on a monthly basis if usage indicates that the account will not be current upon payment of the last budget amount.

If Customer fails to pay bills as rendered under the budget payment plan, the Company reserves the right to revoke the plan, restore the Customer to regular billing and require immediate payment of any deficiency.

Failure to receive a bill in no way exempts the Customer from the provisions of these Terms and Conditions.

When the Company is unable to read a meter after reasonable effort, the Customer will be billed at the average of the three immediately preceding monthly bills and the billing adjusted when the meter is read.

Fuel clause adjustments (±) are in addition to the minimum
Customer's bill will be due within 10 days from date of bi

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DATE OF ISSUE

DATE EFFECTIVE JUN 17 1992

ISSUED BY L. Kenneth Kasey
Name of Officer

TITLE President

PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)
BY: [signature]
PUBLIC SERVICE COMMISSION MANAGER

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. _____ dated _____.

FOR Entire Service Area

P.S.C. KY. NO. _____

_____ SHEET NO. _____

Valley Gas INC.

CANCELLING P.S.C. KY. NO. _____

_____ SHEET NO. _____

RULES AND REGULATIONS

PURCHASED GAS COST ADJUSTMENT CLAUSE

Determination of GCR

The Company shall file a quarterly report with the Commission which shall contain an updated Gas Cost Recovery Rate (GCR) and shall be filed at least thirty (30) days prior to the beginning of each calendar quarter. The GCR shall become effective for billing for service rendered on or after the first day of each calendar quarter.

The Gas Cost Recovery Rate is comprised of:

1. The expected gas cost component (EGC) on a dollar-per-Mcf basis, which represents the average expected cost of purchased gas.

2. The Actual Cost Adjustment (ACA), on a dollar-per-Mcf basis, compensates for over- or under-collection of gas cost resulting from differences between expected gas cost and the actual cost of gas. For purposes of determining the GCR, the ACA for the application period shall equal the sum of the ACA for the reporting period and for the three (3) preceding calendar quarters. This may also be used to compensate for any over or under recoveries remaining from previous actual and/or refund adjustments after a 12 month period.

3. The supplier refund adjustment (RA) on a dollar-per-Mcf basis, which reflects the refunds received from suppliers during the reporting period plus interest at a rate equal to one-half of one percent below the average 90-day commercial paper rate for the twelve-month period. In the event of any large or unusual refunds, the Company may apply to the Public Service Commission for the right to depart from the refund procedure herein set forth.

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PURSUANT TO 807 KAR 5:011, SECTION 9 (1)

BY: [signature]
PUBLIC SERVICE COMMISSION MANAGER

DATE OF ISSUE 6 1 91 (MONTH DAY YEAR) DATE EFFECTIVE 7 1 91 (MONTH DAY YEAR)

ISSUED BY [signature] President, P.O.Box 218, Irvington, Ky. 40146

FOR Entire Service Area

P.S.C. KY. NO. _____

_____ SHEET NO. _____

Valley Gas INC.

CANCELLING P.S.C. KY. NO. _____

_____ SHEET NO. _____

RULES AND REGULATIONS

PURCHASED GAS COST ADJUSTMENT CLAUSE
(Continued)

Billing

The gas cost recovery rate to be applied to bills of customers shall equal the sum of the following components:

$$GCR = EGC + RA + ACA$$

The GCR will be added to or subtracted from the tariff rates prescribed by the Commission Order on the Company's latest general rate case and will be included in the tariff rates stated on each applicable rate sheet within this tariff.

Definitions

For the purposes of this tariff:

a. "Average Expected Cost" is the cost of purchased gas which results from the application of supplier rates currently in effect, or reasonably expected to be in effect during the calendar quarter, on purchased volumes for the most recently available twelve-month period, divided by the corresponding sales volume. In the event that line loss exceeds 5 percent, purchased volumes for the twelve-month period shall be calculated as: sales volumes ÷ .95. Where the calculations require the use of volumes used during a given period, and those volumes did not exist for a particular source for the entire period, or the Company expects the volumes to change substantially, the Company may make appropriate adjustments to its calculations. Any adjustments of this type shall be described in the quarterly Gas Cost Recovery Report.

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ISSUED BY L. Kenneth Kasey President, P.O.Box 218, Pikeville, Ky. 41501
NAME OF OFFICER TITLE ADDRESS

PURSUANT TO 807 KAR 5:011, SECTION 9 (1)

BY: [signature]
PUBLIC SERVICE COMMISSION MANAGER

FOR Entire Service Area

P.S.C. KY. NO. _____

_____ SHEET NO. _____

Valley Gas INC.

CANCELLING P.S.C. KY. NO. _____

_____ SHEET NO. _____

RULES AND REGULATIONS

PURCHASED GAS COST ADJUSTMENT CLAUSE
(Continued)

b. "GCR" means the quarterly updated gas cost recovery rate and is the sum of the expected gas cost component plus the supplier refund adjustment plus the actual cost adjustment; i.e., GCR = EGC + RA + ACA

c. "Calendar Quarters" means each of the four three-month periods of (1) January, February, and March; (2) April, May, and June; (3) July, August, and September; (4) October, November, and December.

d. "Reporting Period" means the three-month accounting period that ended approximately sixty (60) days prior to the filing date of the updated gas cost recovery rates, i.e., the calendar quarters ended March 31, June 30, September 30, and December 31 of each year.

Interim Gas Cost Adjustment

The Company may apply to the Public Service Commission for an interim PGA in addition to the quarterly GCA should any significant change in supplier rates occur.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

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BY: [signature]
PUBLIC SERVICE COMMISSION MANAGER

DATE OF ISSUE 6 / 1 / 91 (MONTH DAY YEAR) DATE EFFECTIVE 7 / 1 / 91 (MONTH DAY YEAR)

ISSUED BY [signature] (NAME OF OFFICER) President (TITLE) P.O.Box 218, Irvington, Ky. 40146 (ADDRESS)