JOHN N. HUGHES

Attorney at Law Professional Service Corporation 124 West Todd Street Frankfort, Kentucky 40601

Telephone: (502) 227-7270

jnhughes@fewpb.net

Telefax (502) 875-7059

August 9, 2012

RECEIVED

Jeff Derouen Executive Director Public Service Commission 211 Sower Blvd. Frankfort, KY 40601 AUG 09 2012

PUBLIC SERVICE COMMISSION

Re: KY Frontier Gas Case No. 2011-00443

Dear Mr. Derouen:

Attached is the application of Kentucky Frontier Gas, LLC for a rate adjustment with the verification of the application by Steve Shute.

Please contact me if you have any questions about this matter.

truly yours, ohn N. Hughes

John N. Hughes Attorney for KFG

Attachments

CERTIFICATION

DECLARATION OF STEVEN SHUTE

I, Steven Shute, am a Member of Kentucky Frontier Gas, LLC, the Applicant in the referenced matter. I have read the Application and I have full authority to sign this declaration. The facts set forth therein are true and correct to the best of my knowledge, information and belief.

Pursuant to KRS 523.020-040, I certify under penalty of false swearing that the foregoing is true and correct.

Dated this 6th day of August, 2012.

Steven Shute Member, Kentucky Frontier Gas, LLC

COMONWEALTH OF KENTUCKY BEFORE THEPUBLIC SERVICE COMMISSION

In the Matter of:

The Application of Kentucky Frontier Gas, LLC for Approval of Consolidation of and Adjustment of Rates, Approval of AMR Equipment and a Certificate of Convenience and Necessity for Installation of AMR, Pipeline Replacement Program, Revision of Non-recurring Fees and Revision of Tariffs RECEIVED

AUG 09 2012

PUBLIC SERVICE COMMISSION

Case No. 2011-00443

APPLICATION

Kentucky Frontier Gas, LLC, (Frontier) by counsel, petitions the Commission for an order approving a consolidation of and adjustment of rates, purchase and installation of Automated Meter Reading equipment (AMR) and issuance of a certificate of convenience and necessity for the purchase and installation of AMR equipment on existing and future meters and surcharge, implementation of a pipeline replacement program (PRP), an adjustment of nonrecurring fees and revision of tariffs. Because of the financial impact recent acquisitions have had on Frontier and the need to stabilize its cash position, it requests an expedited review of the application to maximize its ability to recover the proposed increased revenue during the 2012-2013 heating season.

. 1. Frontier is an LLC formed for the purpose of acquiring and operating several small natural gas utilities generally located in eastern Kentucky. It is a Colorado company authorized to do business in Kentucky. Its address is 4891 Independence St., Wheat Ridge CO 80033. Managing partners are Robert Oxford, Larry Rich and Steven Shute. A copy of its articles organization and its certificate to operate in Kentucky were filed in Case No. 2008-00394. A current Certificate of Existence is attached as exhibit 1. It owns and operates East Kentucky Gas (Floyd County Gas), Belfry Gas, Alert Gas Farm Tap System, Kinzer Farm Taps, Mike Little Gas Company pursuant to the order in Case No. 2008-00394 issued on November 25, 2008. It also owns the stock of Auxier Road Gas Company, which was approved in Case No. 2009-00442. It acquired the assets of Cow Creek Gas Company (formerly Sigma Gas Company) and Dema Gas Company in Case 2010-00076. It acquired the assets of People's Gas in Case No. 2009-00492 on January 29, 2010. Approval to acquire B.T.U. Gas Company was issued on June 1, 2012 in Case No. 2012-0099. It acquired the municipal gas system of Blaine effective August 1, 2012. Frontier has consolidated the farm tap customers of Interstate Gas Company, Kinzer Gas Company, Alert Oil and Gas Company, Quality Gas Company, and KLC Enterprises into its operations. The farm tap rates are separate from the distribution rates and have been adjusted in a separate case. Farm tap rates are not part of this application.

2. The operation of these small gas systems as a group has made a much more economically viable system. There are about 3330 distribution customers and 630 farm tap customers. Most Frontier utility customers are concentrated in specific areas of Floyd-Pike-Magoffin counties. However, the Frontier farm taps are widely flung over at least seven counties. Frontier proposes to consolidate all of the customers of all of the gas systems into one operating company – Kentucky Frontier Gas, LLC. This will allow for a single

rate structure, tariffs and operating procedures for all of the customers. Eliminating the multiple rates, tariffs and company record keeping will reduce operating costs, improve efficiency and place all customers on the status.

3. The proposed rates reflect the consolidation of all gas systems, the financing of the proposed Automated Meter Reading (AMR) and Temperature Compensated metering equipment with a monthly surcharge, pro forma changes in operating expenses and revenues, an acquisition adjustment for the purchase of the various gas systems and imposition of a recovery mechanism for the PRP.

4. The application includes the following proposals.

a. Rates are being adjusted to unify the rates of the former customers of the previously acquired systems and to recover current operating expenses based on an operating ratio calculation. Since the acquisitions of each of the gas systems, the rates and tariffs have remained as they were prior to the acquisition. This is the first rate case filed by Frontier since the acquisitions that presents the opportunity to propose a single, system-wide rate. Because of the different rate structures of the various systems, there is a disparity in the contribution of the cost of service of each system. To equalize the rates and the recovery of the operating costs equally among all customers, a unified rate is necessary.

b. Frontier proposes to revise its tariffs. Since the acquisitions of each of the gas systems, it has adopted the tariffs of each and has been operating each system according to those respective tariffs. This has created a complex mix of conflicting, duplicative and inconsistent tariffs.

To simplify the tariffs for all customers and to make the rules and regulations for gas customers consistent, Frontier has prepared new tariffs applicable to the unified gas system. This revision of tariffs includes revisions of the existing non-recurring fees for each operating utility.

c. Frontier also proposes to acquire AMR equipment for its meters. Frontier plans to install an automated meter reading system (AMR) for radio reading up to one half mile away. Transmitters will be installed first on the most difficult to read meters such as farm tap meters, and eventually on all utility meters. Conversion to AMR will assure the accuracy in the monthly reading of the usage of gas by the customer, minimize re-reading of meters, reduce meter reading costs by limiting travel distances and time and improve timeliness of reading the meters. A certificate of convenience and necessity, if required, is requested for this project pursuant to KRS 278.020.

d. Frontier proposes to replace or upgrade meters so that all meters, including Farm Taps, can accept AMR and are Temperature Compensating (TC) meters. The Commission allows no more than 5% lost and unaccounted (L&U) for gas to be included in the cost of gas, so the rest must be absorbed as a loss by the utility. Frontier has established that there is no significant gas leakage in these systems, so the high L&U is likely mostly measurement error. Frontier has taken inventory of its roughly 4000 meters installed by almost a dozen entities. These meters are a mix of at least 21 models from 4-5 different manufacturers, many of

which are no longer made or supported, many of which are not suitable for AMR and three fourths of which are not temperature compensated (TC). Frontier has many old Sprague and Rockwell meters which might accept AMR, but the cost of testing and upgrading those meters at \$50.00 in not economical versus a new meter purchase for \$65.00. The TC meter corrects the reading back to 60°F standard temperature. Colder gas is denser and will not register as many cubic feet as warmer gas. The average December-January temperatures will cause a 5% reduction in metered gas on about 36% of the year's sales, or a 1.8% annual loss in just two months' use.

Frontier has found numerous metering-billing-pressure correction errors and has greatly reduced L&U. But inadequate measurement still remains. Frontier estimates that only 25% of its approximately 100 commercial meters are Temperature Compensated. The non-TC meters will be tested and converted to TC. Similarly, about 20% of all domestic meters are TC. Some of these are newer 250-size meters which can be tested and converted to TC. Many of the non-TC meters are 175-size which are 30-50 years old and for which parts have not been available for 20 year.

e. Frontier plans to complete both of these meter projects within 8 years. The base system of radio reader, office equipment and software interface, along with 400 remote transmitters will cost about \$50,000. Frontier will start with this program in 2013, then expand coverage by 500 meters at a cost of about \$30,000 per year. Total cost for all customers

will be about \$250,000 spread over 8 years. The total cost of the meter upgrade and the AMR program will be about \$400,000 spread over 8 years or \$50,000 per year. With approximately 3900 paying customers, this equates to \$13.00 per customer per year. A monthly surcharge is proposed to finance the program. Frontier believes that approval of the financing of this project does not require approval pursuant to KRS 278.300. However, if such approval is required, it is specifically requested as part of this application.

f. Frontier proposes a Pipeline Replacement Program as described in Shute's testimony. This cost of this program will be recovered through a \$15.00 per year fee allocated monthly on the customers' bills..

5. The following information is provided pursuant to 807 KAR 5:001 (8) for approval of the certificate of convenience and necessity for the AMR and TC equipment:

a. Articles of incorporation filed in Case 2008-00394 and exhibit 1.

b. Facts relied upon to show that the application is in the public interest: See Shute and Oxford pre-filed testimony. The construction is in the public interest and is required to allow Frontier to continue to provide adequate service to its customers. The project will provide enhanced meter reading and customer service options. The project, its cost, need and other details are contained in the testimony and exhibits.

c. No franchises, rights of ways, easements or permits are required.

d. The area of the AMR and TC projects is the service area of Frontier. The route of the installation of the AMR and TC equipment will be

determined at the time of initiation of installation. These projects will not compete with any other utility.

e. A map of the consolidated Frontier Gas system is not available. Maps, which generally show the facilities but are not complete, are attached as exhibit 2. A more detailed map is being prepared and will be filed when completed. A deviation from this requirement is requested pursuant to 807 KAR 5:001(14).

f. The construction costs will be financed with a proposed monthly surcharge over eight years.

g. The cost of the operation of the system after installation is reflected in the pro forma calculations including estimates of operating cost savings and reduced lost and unaccounted gas costs.

6. The following information is provided in response to 807 KAR 5:001 (8) and (11) for approval of financing of the AMR and TC projects pursuant to KRS 278.300 should such approval be necessary:

a. A general description of the property and its original cost to the applicant is contained in the Annual Report incorporated by reference.

b. No stock is to be issued; No bonds are to be issued in this case;

c. There is no refunding or refinancing;

d. The proceeds of the internal financing are to construct the property described in the application.

e. The proceeds of the surcharge are to acquire AMR and TC meter equipment

f. There are no trust deeds. All notes, indebtedness and mortgages are included in Exhibit 3.

g. Property is to be acquired and constructed is described in testimony.

h. A deviation for filing of maps has been requested.

 The facilities being constructed will be reflected in USoA Account 334 "Meters and Meter Installations".

. j. The start date for construction; proposed in-service date; and total estimated cost of construction at completion are included in the application and testimony.

k. CWIP at end of test year is listed in the 2011 Annual Report, which is incorporated by reference.

I. Plant retirements are listed in the Annual Report. No salvage values are included as booked.

m. The use of the funds and need for the facilities is justified based on the testimony.

7. The following information is provided pursuant to 807 KAR 5:001(6):

a. No stock is authorized.

b. No stock is issued.

c. There are no stock preferences.

d. Mortgages are listed in Exhibit 3

e. There are no Bonds. .

f. Notes are listed in Exhibit 3.

g. Other indebtedness is listed in Exhibit 3.

h. No dividends have been paid.

i. Current balance sheet; income statement and debt schedule are attached as Exhibit 4.

8. Frontier prepared a test year analysis based on financial results from January 1, 2011 to December 31, 2011. The rate analysis and supporting schedules are attached as Exhibit 5.

9. Frontier proposes a \$10.00 per month service charge instead of the traditional "First MCF, Other MCFs" rates now charged by all Frontier entities. For most customers, operating costs are not at all dependent on sales volume. A zero-use customer costs about the same to serve as a school with monthly meter readings and billings, and typical small-scale gas facilities. Only the largest customers, such as the hospital and prison served by Auxier Road, require larger facilities and services designed to carry peak day capacity to serve the large loads. Thus, for most customers it is impractical to strictly allocate costs by MCF volume used, when almost all operating costs are incurred per-month and per-meter. A separate industrial rate is being proposed for the two largest customers – the Highlands Hospital and the Federal Prison, including a new monthly customer charge of \$50.00.

10. Frontier submits information pursuant to 807 KAR 5:001(10), to the extent applicable or available.

a. Notice of intent to file a rate application was given to the Commission on November 4, 2011.

b. The rates proposed are to recover current operating expenses related to the operation and consolidation of the current gas systems, finance the AMR equipment and recovery of the meter expenses related to temperature compensated meters. The reasons for the proposed increase are more fully explained in the testimony and financial exhibits.

c. The company's Annual Reports have been filed with the Commission.

- d. The company is not a limited partnership.
- e. There is no assumed name.

f. Current and proposed tariffs with cost justification forms are attached as Exhibit 6.

g. Notice has been given by publication in local newspapers as required by 807 KAR 5:001 (1). A copy is attached as exhibit 7.

h. A pro forma schedule of changes is attached as Exhibit 5.

I.. Prepared testimony is Exhibit 8.

j. Estimated impact proposed rates will have on revenues is attached as Exhibit 5.

k. The effect of the proposed rates on the average customer's bill is attached as Exhibit 5.

I. A billing analysis is attached as Exhibit 5.

m. A summary of the calculation of the revenue requirements is attached as Exhibit 5.

n. A reconciliation of rate base and capital is not applicable,

because there is no rate base calculation.

o. A chart of accounts is attached as Exhibit 9.

p. There is no independent auditor's report.

q. There are no FERC or FCC audit reports.

- r. The company has not performed a depreciation study.
- s. In house software is Word and Excel.
- t. There is no stock prospectus.
- u. There is no report to shareholders.

v. There are no monthly reports. Quarterly financial reports are attached as Exhibit 10.

v. Expenses allocated to affiliates are attached as Exhibit 11.

w. There is no cost of service study required due to KFG's size.

x. An income statement and balance sheet are attached as

Exhibit 4.

is 0.

y. Pro forma adjustments in the filing for plant additions and are no plant additions for the test year are reflected in Exhibit 5.

z. An operating budget is not prepared by the company.

aa. The number of new customers to be added to the test period

bb. The percentage change and dollar change in rates for each customer class is in Exhibit 5.

cc. Present and proposed rates are reflected in the tariffs filed in Exhibit 6 and Exhibit 5.

dd. The effect on the average customer's bill is in Exhibit 5.

ee. Maps of the acquired systems were provided in prior cases.

A complete map of the consolidated system is not currently available but is being

compiled. It will be filed when available. A deviation from this requirement is requested pursuant to 807 KAR 5:001(14).

11. Frontier requests a deviation from any filing requirement that is not included in this application, based on the lack of historical data from the acquired company or the lack of applicability to the requested action.

For these reasons, the Frontier requests approval of the proposed rates, approval of the installation the proposed automated metering equipment and surcharge, imposition of the PRP recovery mechanism and fee, adjustment of non-recurring fees, revisions to tariffs and any other authorizations required. .

ibmitted By: John N. Hughes

124 West Todd St. Frankfort, KY 40601 Attorney for Frontier Gas Company, LLC

J.

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EXHIBIT 1

Commonwealth of Kentucky ⁷ Alison Lundergan Grimes, Secretary of State

Division of Corporations Business Filings P. O. Box 718 Frankfort, KY 40602 (502) 564-3490 http://www.sos.ky.gov

Certificate of Authorization

Authentication Number: 128164

Visit https://app.sos.ky.gov/ftshow/certvalidate.aspx to authenticate this certificate.

I, Alison Lundergan Grimes, Secretary of State of the Commonwealth of Kentucky, do hereby certify that according to the records in the Office of the Secretary of State,

KENTUCKY FRONTIER GAS, LLC

, a limited liability company organized under the laws of the state of Colorado, is authorized to transact business in the Commonwealth of Kentucky and received the authority to transact business in Kentucky on August 25, 2005.

I further certify that all fees and penalties owed to the Secretary of State have been paid; that an application for certificate of withdrawal has not been filed; and that the most recent annual report required by KRS 275,190 has been delivered to the Secretary of State.

NUCLEUS CONTRACTOR CONTRACTOR

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal at Frankfort, Kentucky, this 24th day of July, 2012.



alison Gundergan Creimes

Alison Lundergan Grimes Secretary of State Commonwealth of Kentucky 128164/0620382

COMMONWEALTH OF KENTUCKY TREY GRAYSON SECRETARY OF STATE



0620382.06

phart L902

Secretary of State Secretary of State Received and Filed 08/25/2005 12:38:13 PM Fee Receipt: \$90.00

APPLICATION FOR CERTIFICATE OF AUTHORITY

Pursuant to the provisions of KRS Chapter 275, the undersigned hereby applies for authority to transact business in Kentucky on behalf of the limited liability company named below and for that purpose submits the following statements:

		U	
1. The company is a limited liability company (LLC) a professional limited liability company			
2. The name of the limited liability company is Kentucky Frontier Gas, LLC			
3. The name of the limited liability company to be used in K Kentucky Frontier Gas, LLC	•		
Colorado	me" is unavailable for use) country of organization.		
5. August 4, 2005 is the date of of dissolution, the latest date upon which the limited liability is the date of t	, .	ed liability compan AUGUSt 3, 2	y has a specific date
6. The street address of the office required to be maintaine	d in the state of formation o	r, if not so required	d, the principal
office address is 3760 Vance St, Suite 200	Wheat Ridge	CO	80033-6275
7. The names and usual business addresses of the current	City managers if any are as fo	State	Zip Code
Robert J. Oxford	3097 Owens Ct, La	kewood, CO	
Larry Rich	104 Sand Castle D	r, Emerald Is	le, NC 28594
Name	nuation, If necessary)	Address	
8. The street address of the registered office in Kentucky is Kentucky Home Life Built		KY	40202
	City	State	Zip Code
and the name of the registered agent at that office is	tion System		
9. This application will be effective upon filing, unless a dela N/A	•	me is specified:	
I certify that, as of the date of filing this application, the abo	ove-named limited liability co	ompany validly exi	sts as a limited liability
company under the laws of the jurisdiction of its formation.	form	- Lochad	
	Robert J. (Oxford, Memb	ber
	Date:	Type or Print Name & Title Augu	ust 22 , 20 05
CT Compation System	, consent to serve as the re	A second	71
I, <u>CT Corportation System</u> company. Type or print name of registered agent	, consent to serve as the te		
	// Sig	hature of Registered Agent James N	lartin
		Type or Assistant S	ecretary

(See attached sheet for instructions)

SLL-902 (2/98)

,

ARTICLES OF ORGANIZATION <u>For</u> Kentucky Frontier Gas LLC, a Colorado LIMITED LIABILITY COMPANY

The undersigned, natural persons of at least 18 years of age, acting as organizers, hereby form a limited liability company by virtue of the Colorado Limited Liability Company Act and adopt the following Articles of Organization for such limited liability company.

ARTICLE I Name

The name of the limited liability company is Kentucky Frontier Gas, L.L.C.

ARTICLE II Principal Place of Business

The principal place of business of the limited liability company is the county of Jefferson, State of Colorado. The address of the principal place of business is: 3760 Vance Street, Suite 200, Wheat Ridge, Colorado 80033.

ARTICLE III Duration

The limited liability company shall dissolve and terminate thirty (30) years from the date of filing of these Articles of Organization with the Secretary of State.

ARTICLE IV Registered Agent

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The registered agent of this limited liability company in this state is Industrial Gas Services, Inc., a Colorado corporation. The business address of the registered agent is 3760 Vance Street, Suite 200, Wheat Ridge, Colorado 80033.

ARTICLE V Initial Managers

The management of the LLC is vested in the managers of the LLC. The name and business addresses of the initial managers who shall serve until the first annual meeting of the members or until their successors are elected and qualified are: Robert J. Oxford, 3097 Owens Court, Lakewood, CO 80215, and Steven^e Shute, 993 Brush-Creek, Glenwood Springs, CO. 81601, and Larry Rich, 104 Sand Castle Drive, Emerald Isle, NC 28594.

ARTICLE VI Purposes

The limited liability company is organized for the following purposes:

1. To conduct and carry on any lawful business.

ARTICLE VII Manager Liability and Indemnity

To the fullest extent permitted by Colorado law:

(a) A Manager of the limited liability company shall not be personally liable to the limited liability company or to the Members for monetary damages for breach of fiduciary damage, except with respect to (1) any breach of the duty of loyalty; (2) acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; or (3) any transactions from which the Manager derived an improper personal benefit;

(b) A Manager shall not be liable to the limited liability company or to any Member for any action taken or omitted to be taken by such Manager, provided that such Manager acted in good faith and such action or omission does not involve the gross negligence, willful misconduct or fraud of such Manager; and

(c) The limited liability company shall hold harmless and defend each such Manager against expenses (including any legal fees and expenses), judgments, fines, and amounts paid in settlement, actually and reasonably incurred by such Manager, in connection with any threatened, pending or completed claim, demand, action, suit or proceeding to which such Manager was or is a party or is threatened to make a party, by reason of (1) such Manager's status as Manager or any person who is or was serving at the request of the Manager, or (2) any action taken or omitted to be taken by such Manager in any capacity referred to in clause (1) of this subsection (c), relating to the property, business, affairs or management of the limited liability company (provided that the Manager acted in good faith and the act or omission that is the basis of such claim, demand, action, suit or proceeding does not involve the gross negligence, willful misconduct or fraud of such Manager).

IN WITNESS WHEREOF, we have signed these Articles of Organization this 4th

day of August, 2005, and we acknowledge the same to be our true act and deed.

ORGANIZER

Oxford

ORGANIZER

Steven E. Shute

STATE OF COLORADO) ss. COUNTY OF JEFFERSON)

I, <u>Pamella A. Oxford</u> a Notary Public in and for the County and State as aforesaid, hereby certify that Robert J. Oxford and Steven Shute whose names are subscribed to the annexed and foregoing Articles of Organization appeared before me this day in person and acknowledged that they signed, sealed, and delivered the said instrument of writing as their free and voluntary act, for the uses and purposes therein set forth.

SUBSCRIBED AND SWORN TO before me this $\underline{\mathcal{H}}$, day of \underline{Aug} 2005.

PUBLIC

My Commission expires My commission expires 9/22/08 IN WITNESS WHEREOF, I have signed these Articles of Organization this 8th

day of August, 2005, and acknowledge the same to be my true act and deed.

ORGANIZER Larry

STATE OF NORTH CAROLINA)) ss. COUNTY OF CARTERET)

I, <u>Kebecca</u> Sm.H._____a a Notary Public in and for the County and State as aforesaid, hereby certify that Larry Rich whose name is subscribed to the annexed and foregoing Articles of Organization appeared before me this day in person and acknowledged that he signed, sealed, and delivered the said instrument of writing as his free and voluntary act, for the uses and purposes therein set forth.

SUBSCRIBED AND SWORN TO before me this _____, day of ______ 2005. TARY PUBLIC My Commission expires

99061b.rjo

Information On File

ID Number:	20051297798
Name:	Kentucky Frontier Gas, LLC.
Registered Agent:	Industrial Gas Services, Inc.
Registered Agent Street Address:	3760 Vance Street, Suite 200, Wheat Ridge, CO 80033, United States
Registered Agent Mailing Address:	
Principal Office Street Address:	3760 Vance St., Suite 200, Wheat Ridge, CO 80033, United States
Principal Office Mailing Address:	
Status:	⁻ Good Standing
Form:	Limited Liability Company
Jurisdiction:	Colorado
Formation Date:	08/04/2005
Term of Duration:	Perpetual
Annual Report Month:	August

You may:

- View History and Documents
- Obtain Certificate of Good Standing
- File a Document
- Set Up Email Notification

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EXHIBIT 2



Portion of DLR System sold to Cow Creek; approximately 32.6 miles of PE pipe, 2", 3", 4". П

DLR System 334 Customers 206,800 feet of pipe

129

Teff P

Conn

Portion of DLR System to be owned and operated by IGS Approximately 10 miles of 4" and 6" PE pipe from the compressor station (X) to the Auxier Road Gas Co. valve station (Y). Does not include connecting laterals.



EXHIBIT 3

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Exhibit ____

Kentucky Frontier Gas LLC Debt Financing

	Loan Description	Maturity Date	Interest Rate	Original Balance	Current Balance	Prin+Int Payment	Current Interest
Lc	oans with Commun	ity Trust Bar	ık:				
	SBA Loan	########	3.75%	\$1,525,000	\$1,047,152	\$15,322	\$3,272
	USDA Loan #3	########	6.00%	\$1,571,760	\$1,412,392	\$13,500	\$7,062
	USDA Loan #4	########	6.00%	\$160,431	\$156,932	\$1,500	\$785
	Excavator	########	5.00%	\$25,500	\$9,869	\$1,120	\$41
	2012 Tundra	########	3.50%	\$29,761	\$28,604	\$666	\$83
	2012 Tacoma	#########	3.50%	\$23,655	\$22,805	\$531	\$67
	2012 Tacoma #2	#########	3.50%	\$23,655	\$22,805	\$531	\$67
	SBA Loan - BTU	#########	5.00%	\$237,000	\$237,000	\$1,874	\$988
	Totals			\$3,596,762	\$2,937,559	\$35,044	\$12,364 per mo
				T	otal Payments	\$420,529	φ ιεμού τα μετ πιο
				Ca	omponents P+I	\$272,160	\$148,369 per yr
							5.1% wtd ave

balances as of 07/26/2012

EXHIBIT 4

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07/27/12

Accrual Basis

AUXIER ROAD GAS COMPANY, INC.

Profit & Loss

April through June 2012

	Apr - Jun 12
Ordinary Income/Expense	
Income	
48001 · Residential	20,211.43
48002 · Commercial	5,369.20
48003 · Commercial-Nontaxable	112,478.79
487 · Penalties	449.32
488 · Service Charge	25.00
Total Income	138,533.74
Expense	
730 · Gas Purchases	0.040.00
73002 · Gas Purchases- AEI-KAARS	2,219.60 6,114.48
73005 · Gas Purchases-Nytis Exploration	48,870.17
73008 · Gas Purchases-Cumberland Valley	
Total 730 · Gas Purchases	57,204.25
763 · Contract Labor	300.00
874 · Mains and Service Expense	50.00
921 · Office Supplies and Expense	
92101 · Telephone	395.15
92104 · Bank Charges	334.61
92105 · Office Supplies & Expense	299.95
Total 921 · Office Supplies and Expense	1,029.71
981 · Interest Expense 98106 · Int Exp - Meter Deposit	8.89
98106 · Int Exp - Meter Deposit	
Total 981 · Interest Expense	8.89
98803 · Public Serv Comm Assess	1,938.09
Total Expense	60,530.94
Net Ordinary Income	78,002.80
let Income	78,002.80

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07/27/12

Accrual Basis

AUXIER ROAD GAS COMPANY, INC. Balance Sheet

As of June 30, 2012

	Jun 30, 12
ASSETS Current Assets Checking/Savings	
131 · Cash 13106 · Cash In Bank-Citizens KFG	343.96
Total 131 · Cash	343.96
Total Checking/Savings	343.96
Accounts Receivable 142 · Accounts Receivable	34,270.06
Total Accounts Receivable	34,270.06
Other Current Assets 145 · N/R from Associated companies 151 · N/R-BTU GAS	274,000.00 10,000.00
Total Other Current Assets	284,000.00
Total Current Assets	318,614.02
Fixed Assets	
161 · PLANT AND EQUIPMENT 168 · ACCUM DEPRECIATION	1,203,193.47 -841,524.56
Total Fixed Assets	361,668.91
TOTAL ASSETS	680,282.93
LIABILITIES & EQUITY Liabilities Current Liabilities Accounts Payable 232 - ACCOUNTS PAYABLE	21,388.02
Total Accounts Payable	21,388.02
Other Current Liabilities	
235 · Customer Deposits 237 · Accrued Interest 23701 · Accrued Interest Deposits	51,343.93 2,385.00
Total 237 · Accrued Interest	2,385.00
238 · Accrued Taxes 23805 · Accrued Sales Tax 23806 · School Tax	52.58 27.97
Total 238 · Accrued Taxes	80.55
240 · Accrued Salaries	11,214.92
Total Other Current Liabilities	65,024.40
Total Current Liabilities	86,412.42
Total Liabilities	86,412.42
Equity 301 - Common Stock 317 - Other Paid-In Capital 318 - Retained Earnings Net Income	20,000.00 72,323.97 239,228.60 262,317.94
Total Equity	593,870.51
TOTAL LIABILITIES & EQUITY	680,282.93

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07/27/12 Accrual Basis

COW CREEK GAS, INC. Profit & Loss April through June 2012

_	Apr - Jun 12
Ordinary Income/Expense	
Income	
480 Residential	15,850.69
481 · Commercial	4,043.49
482 · Commercial Nontaxable	4,359.77 365.77
487 · Penalties	
Total Income	24,619.72
Cost of Goods Sold 800 · Gas Supply Expenses 804.1 · Gas Transmissio-DLR Enterprises	4,629.69
804.2 · Gas Purchases-Interstate	554.51
804.3 · GAS PURCH-JEFFERSON GAS	333.72
804.5 · GAS PURCH - NYTIS EXPLORATION	11,344.79
804.6 · GAS PURCH - HTC GAS COMPANY	426.00
Total 800 · Gas Supply Expenses	17,288.71
Total COGS	17,288.71
Gross Profit	7,331.01
Expense 919 · Administrative & Gen Operation 921 · Office Supplies and Expense 92105 · OFFICE SUPPLIES AND EXPENSES	101.82
Total 921 · Office Supplies and Expense	101.82
Total 919 · Administrative & Gen Operation	101.82
932 · Maintenance of General Plant 93303 · TRANSPORTATION EXPENSE	23.87
Total 932 · Maintenance of General Plant	23.87
981 · INTEREST EXPENSE-METER DEPOSIT 98803 · Public Service Comm Assess	11.74 1,120.72
Total Expense	1,258.15
Net Ordinary Income	6,072.86
Net Income	6,072.86

2:22 PM

07/27/12

Accrual Basis

COW CREEK GAS, INC. Balance Sheet As of June 30, 2012

	Jun 30, 12
ASSETS	
Current Assets	
Checking/Savings	
131 · Cash 13101 · Cash in Bank- CNB	297.12
Total 131 · Cash	297.12
	297.12
Total Checking/Savings	231.12
Accounts Receivable 142 · Accounts Receivable	-9,432.75
Total Accounts Receivable	-9,432.75
Other Current Assets	
143 · N/R-DEMA	458.92
145 · N/R- KFG	128,000.00
148 · N/R- BTU GAS	15,000.00
Total Other Current Assets	143,458.92
Total Current Assets	134,323.29
Fixed Assets	
161 · PLANT & EQUIPMENT	4 70 4 00
16104 · TOOLS	1,724.66
	3,915.86
16506 · INVENTORY	2,075.54 499,245.71
161 · PLANT & EQUIPMENT - Other Total 161 · PLANT & EQUIPMENT	506,961.77
	-141,168.00
Total Fixed Assets	365,793.77
TOTAL ASSETS	500,117.06
Current Liabilities	
Accounts Payable	20 507 61
232 · Accounts Payable 233 · A/P-Intercompany	30,507.61 5,000.00
	35,507.61
Total Accounts Payable Other Current Liabilities	35,507.01
235 · CUSTOMER DEPOSITS	19,887.00
237 · ACCRUED INTEREST-METER DEP	2,262.73
Total Other Current Liabilities	22,149.73
Total Current Liabilities	57,657.34
Total Liabilities	57,657.34
Equity	
300 · Common Stock	1,000.00
317 · Additional Paid in Capital KFG	338,828.72
318 · Retained Earnings	-89,814.8
32000 · *Retained Earnings	80,010.43
Net Income	112,435.39
Total Equity	442,459.72
TOTAL LIABILITIES & EQUITY	500,117.00

EXHIBIT 5
		FY 2011 Con	solidated Inco	me + Expense		
	1/1/2011	2/28/2011	3/31/2011	4/30/2011	5/31/2011	6/30/2011
OPERATING REVENUES:						100,420
Gas Sales Revenues	737,365	498,617	381,245	222,142	146,360	100,439
Other Revenues	2,116	4,393	3,501	1,790	774	19,745
TOTAL REVENUES	739,482	503,010	384,745	223,932	147,133	120,184
OPERATING EXPENSES:			105 103	123,326	101,211	48,038
Natural Gas Purchases	395,275	287,671	185,192	•	19,411	31,238
Maintenance Expense	21,738	21,878	27,231	24,967	2,989	3,714
Office Supplies	5,235	2,263	5,550	4,644	2,989	6,363
Outside Services	7,551	3,743	5,064	1,850		0,303 9,160
Customer Records, etc	9,697	8,864	10,595	15,836	10,476	9,100 4,974
Meter Reading Labor	3,512	3,690	3,924	2,359	2,283	
Admin Salaries	12,235	10,213	11,925	10,444	13,767	13,176
Pensions & Benefits	1,886	1,886	5,431	(281)	1,873	2,206
Property Insurance	2,067	7,971	2,447	2,447	1,200	1,200
Other/Misc Expenses	452	(125)	963	37	235	
Depreciation	15,446	15,446	15,446	15,446	15,446	15,446
Tax Expense - Other	2,509	2,303	2,102	1,990	2,847	7,188
Income Tax Expense		1,258		875	0	
TOTAL OPERATING EXPENSE	477,603	367,060	275,870	203,939	175,638	142,703
NET OPERATING INCOME	261,878	135,950	108,875	19,993	(28,505)	(22,520)

Exh ____

Exh								
	7/31/2011	8/31/2011	9/30/2011	Income + Expe 10/31/2011	11/30/2011	12/31/2011	Totals	Utilities*
OPERATING REVENUES:		101 000	116 000	176,950	296,764	427,986	3,296,614	
Gas Sales Revenues	91,725	101,022	116,000 17,629	22,866	49,323	63,033	186,220	
Other Revenues	270	779			346,087	491,019	3,482,834	0
TOTAL REVENUES	91,995	101,801	133,629	199,816	540,087	451,015	3) 102)001	
OPERATING EXPENSES:				140.021	107 022	251,977	1,876,328	
Natural Gas Purchases	56,523	51,072	70,190	118,021	187,833	57,719	343,980	302,703
Maintenance Expense	23,539	35,902	23,667	26,154	30,537	6,046	57,724	50,797
Office Supplies	4,500	6,144	4,405	4,861	7,373	-	75,676	66,595
Outside Services	9,098	8,638	11,050	3,883	12,150	2,387	141,602	124,610
Customer Records, etc	14,047	11,751	9,284	16,089	10,309	15,493		40,849
Meter Reading Labor	5,819	2,793	3,706	4,441	3,327	5,590	46,420	
Admin Salaries	14,364	21,383	15,927	18,340	23,500	12,140	177,414	156,124
Pensions & Benefits	3,279	2,576	2,909	2,576	1,877	2,242	28,461	25,046
Property Insurance	11,069	1,200	1,200	1,235	3,377	2,303	37,717	33,191
Other/Misc Expenses	38	728	6	195	100		2,627	2,312
Depreciation	15,446	15,446	15,446	15,446	15,446	15,446	185,352	185,352
Tax Expense - Other	6,764	2,316	690	(23)	8,474	31,586	68,745	60,496
Income Tax Expense	-,, •	-	4,522			511	7,166	6,306
	164,485	159,949	163,003	211,219	304,303	403,439	3,049,212	1,054,380
TOTAL OPERATING EXPENSE	104,405	100,010		-				
NET OPERATING INCOME	(72,490)	(58,148)	(29,373)	(11,403)	41,784	87,580	433,622	

Kentucky Frontier Gas LLC

Results from Fiscal & Calendar Year 2011.

*Revenues, Gas Purchases & Depreciation are attributable to Utilities from Test Year.

All other consolidated Frontier expenses are allocated at 88% to Utility customers.

Consolidated Frontier expenses were allocated at 12% to tariffed Farm Taps in Case 2011-00513.

Kentucky Frontier Gas LLC Revenue Requirements

FY Ended 06/30/11 Income Statement	٦	「est Year Actual	own-Meas justments	Adjusted Tyr		Known & Measurable Change
OPERATING REVENUES: Gas Sales Revenues			ggan da kan da ka ga	\$	CHENTRAL CONTRACTOR CONTRACTOR CONTRACTOR CONTRACTOR CONTRACTOR CONTRACTOR CONTRACTOR CONTRACTOR CONTRACTOR CONT	
Other Revenues	\$	-		\$	-	minimal & not predictable
TOTAL REVENUES	\$	-	\$ 	\$	-	-
OPERATING EXPENSES:						
Natural Gas Purchases				\$	-	balanced to zero with GCAs
Maintenance Expense	\$	302,703	\$ 19,252			add 1 Operator Jun11 (partial yr)
			\$ 5,854			add 1 truck (partial yr)
			\$ 40,560			add 1 Operator Feb12 for BTU
			\$ 15,120			add 1 truck for BTU
			\$ 21,822	\$	405,311	6 Operators incr in May11+Jul12
Office Supplies	\$	50,797	\$ 8,128	\$	58,925	add BTU+Blaine
Outside Services	\$	66,595		\$	66,595	
Customer Records, etc	\$	124,610	\$ 13,435			office staff incr in May11+Jul12
			\$ 30,401	\$	168,447	add 1 clerk May12 for BTU
Meter Reading Labor	\$	40,849		\$	40,849	all addl labor in Mtce Expense
Admin Salaries	\$	156,124		\$	156,124	
Pensions & Benefits	\$	25,046	\$ 7,385			incr med ins, st pension contribs
			\$ 9,768	\$	42,199	SEP pension contributions
Property Insurance	\$	33,191	\$ 7 <i>,</i> 964	\$	41,155	incr liability insur for labor+trks
Other/Misc Expenses	\$	2,312		\$	2,312	
Depreciation	\$	185,352	\$ (16,364)	\$	168,988	consolidated schedule
Tax Expense - Other	\$	60,496		\$	60,496	all payroll changes incl above
Income Tax Expense	\$	6,306		\$	6,306	
TOTAL OPERATING EXPENSE	\$	1,054,380	\$ 163,326	\$	1,217,706	Known & Measurable changes

Test Year is based on Fiscal & Calendar Year 2011.

Frontier started operating BTU Gas in August 2011 under contract with Trustee. Other Revenues in 2011 were mostly accrued Ops charges to BTU Trustee. Frontier added 2 employees specifically for BTU Gas in 2012,

these were not allocated to FTs and come in at 100% of cost.

For simplicity, added labor costs are all in Mtce Exp & Customer Records, and not allocated into Meter Reading or Tax Expense (for payroll taxes). Frontier started a Simplified Employee Pension pgm in Jul12 for all employees.

Kentucky Frontier Gas LLC Revenue Requirements

Revenue Requirement	using Operating Ratio	
Pro Forma Operating Costs	\$ 1,217,706	Test Yr with Known & Meas chgs
divide by Operating Ratio	0.88	set by PSC
Revenue to cover Operating Ratio	\$1,383,757	
less Ops Costs = Net Ops Income	\$ 166,051	
Multiply by Grossup for taxes	1.000	no income tax allowed by PSC
Net Ops Income before Income Taxes	\$ 166,051	
Add: Pro Forma Ops Costs	\$ 1,217,706	
Interest Expense	148,369	see Loans exhibit
Imputed Income Taxes		no income tax allowed by PSC
Total Revenue Requirement	\$ 1,532,126	to Cost of Service exhibit

i

Kentucky Frontier Gas LLC Cost of Service by Class

Customer Classes					Rate	S	
	Average # Meters	Annual Use MCF		Peak Month			
Residential & Commercial	3,330	213,500	74.9%	44,835	80.7%		
Large Commercial	3	71,500	25.1%	10,725	19.3%		
- Totals	3333	285,000		55,560			
Costs allocated by Demand		Annual		Allocation	Rate	s	
Depreciation Operating Costs (partial)	\$168,988 \$597,075						
· · · · ·		\$766,063	50%	by peak dem	and month		
Residential & Commercial			80.7%	\$618,186		\$2.90	per MCF
Large Commercial			19.3%	\$147,877 \$766,063	-	\$2.07	per MCF
Costs allocated by Meter & Volume		Annual		Allocation	Rate	25	
Revenue Requirement less Demand Costs	\$1,532,126 -\$766,063						
other Operating Costs	-\$760,005	\$766,063	50%	by monthly i	meter charges & an	nual volu	me
Monthly Meter Charges		\$401,400	26%	by meter fee	25		
Residential & Commercial				\$399,600	\$10.00		per Month
Large Commercial				\$1,800	\$50.00		per Month
Volumetric		\$364,663	24%	by annual vo	olume		
Residential & Commercial			74.9%	\$273,177		\$1.28	per MCF
Large Commercial			25.1%	\$91,486 \$766,063		\$1.28	per MCF

Exhibit	Kent Co:				
Cost Allocation Summary	Demand	Mtr / MCF	Allocation	Rates	
Residential & Commercial		\$399,600 / mtr	\$399,600 26	.1% \$10.00	per Month
	\$618,186	\$273,177 / mcf	\$891,364 <i>58</i>	\$4.18	per MCF
Large Commercial		\$1,800 / mtr	\$1,800 <i>0</i>	.1% \$50.00	per Month
	\$147,877	\$91,486 / mcf	\$239,362 15	5.6% \$3.35	per MCF
	50%	50%	\$1,532,126 10	00%	

Revenue Requirement is calculated with Operating Ratio. Rev Req is allocated between Customer Classes using the Atlantic Seaboard method. 50% of RevReq is allocated based on Monthly Charges & Annual MCF volume. 50% of RevReq is allocated based on Monthly MCF usage vs Annual volume.

Kentucky Frontier Gas LLC Cost of Service by Class

Cost Comparison for Typ Customer	60 MCF/yr average use	
Monthly Service Charge	\$10.00 per month	
Volumetric Charge Gas Cost	\$4.18 per MCF <u>\$3.60</u> per MCF commodity (projec \$7.78 per MCF	ted)
\$ 58	6.80 total proposed annual bill	\$ 48.90 per month
	9.00 <i>current wtd ave annual bill</i> 7.6% average customer increase	\$ 41.58 per month

Kentucky Frontier Gas LLC Current Rates

Company	Eff Date of Tariff	Min Bill	Addl	Jan 18% 10.8	Feb 12% 7.2	Mar 10% 6.0	Apr 8% 4.8	May 4% 2.4	Jun 3% 1.8	Jul 3% 1.8	Aug 3% 1.8
Calculates average annual n	nargin for typ	oical Reside	ential custom								
Auxier Road Gas	1-May-09	6.36 1st MCF	5.06 Addl	\$55.99	\$37.76	\$31.68	\$25.61	\$13.45	\$10.41	\$10.41	\$10.41
Belfry Gas Co.	17-Dec-04	4.27 1st MCF	2.72 Addl	\$30.93	\$21.13	\$17.87	\$14.61	\$8.08	\$6.45	\$6.45	\$6.45
Blaine	25-Jul-12	10.00 per mo	4.00 all mcf	\$53.20	\$38.80	\$34.00	\$29.20	\$19.60	\$17.20	\$17.20	\$17.20
BTU Gas Co.	23-Jan-00	3.90 1st MCF	2.97 Addl	\$33.01	\$22.31	\$18.75	\$15.19	\$8.06	\$6.28	\$6.28	\$6.28
Cow Creek / Sigma	19-Dec-08	6.25 1st MCF	4.55 Addl	\$50.84	\$34.46	\$29.00	\$23.54	\$12.62	\$9.89	\$9.89	\$9.89
Cow Creek Gas	8-Jun-06	3.18 1st MCF	3.18 Addl	\$34.31	\$22.87	\$19.06	\$15.25	\$7.62	\$5.72	\$5.72	\$5.72
Dema Gas	16-Jun-06	7.47 1st MCF	6.27 Addl	\$68.86	\$46.31	\$38.79	\$31.27	\$16.24	\$12.48	\$12.48	\$12.48
East Kentucky Utilities	1-Feb-05	10.00 1st MCF	5.26 Addl	\$61.55	\$42.61	\$36.30	\$29.99	\$17.36	\$14.21	\$14.21	\$14.21
Mike Little Gas Co.	1-Aug-04	5.50 1st MCF	4.33 Addl	\$47.93	\$32.35	\$27.15	\$21.95	\$11.56	\$8.96	\$8.96	\$8.96

Exhibit	Kentucky Frontier Gas LLC Current Rates										
Company	Eff Date of Tariff	Min Bill	Addl	Jan 18% 10.8	Feb 12% 7.2	Mar 10% 6.0	Apr 8% 4.8	May 4% 2.4	Jun 3% 1.8	Jul 3% 1.8	Aug 3% 1.8
Calculates average annual r Peoples Gas Co.	1-May-01	oical Reside 4.40 1st MCF	ntial custom 2.77 Addl	er \$31.55	\$21.57	\$18.25	\$14.93	\$8.28	\$6.62	\$6.62	\$6.62
Consolidated companies Weighted Average Rates		\$10.00 \$2.70		\$39.16	\$29.44	\$26.20	\$22.96	\$16.48	\$14.86	\$14.86	\$14.86
		\$282	annual non-	-gas rev							

Kentucky Frontier Gas LLC Current Rates

Company	Sep 3% 1.8	Oct 8% 4.8	Nov 12% 7.2	Dec 16% 9.6	Total 100% 60	MCF	Meters	% of Meters	Wtd Contrib
Calculates average annual n									
Auxier Road Gas	\$10.41	\$25.61	\$37.76	\$49.91	\$319.42	\$319.42 \$5.32	489	15%	\$47
Belfry Gas Co.	\$6.45	\$14.61	\$21.13	\$27.66	\$181.80	\$181.80 \$3.03	462	14%	\$25
Blaine	\$17.20	\$29.20	\$38.80	\$48.40	\$360.00	\$360.00 \$6.00	59	2%	\$6
BTU Gas Co.	\$6.28	\$15.19	\$22.31	\$29.44	\$189.36	\$189.36 \$3.16	458	14%	\$26
Cow Creek / Sigma	\$9.89	\$23.54	\$34.46	\$45.38	\$293.40	\$293.40 \$4.89	611	18%	\$54
Cow Creek Gas	\$5.72	\$15.25	\$22.87	\$30.50	\$190.62	\$190.62 \$3.18	53	2%	\$3
Dema Gas	\$12.48	\$31.27	\$46.31	\$61.34	\$390.30	\$390.30 \$6.51	10	0%	\$1
East Kentucky Utilities	\$14.21	\$29.99	\$42.61	\$55.24	\$372.48	\$372.48 \$6.21	796	24%	\$89
Mike Little Gas Co.	\$8.96	\$21.95	\$32.35	\$42.74	\$273.84	\$273.84 \$4.56	313	9%	\$26

Exhibit	Kentucky Frontier Gas LLC Current Rates									
Company	Sep 3% 1.8	Oct 8% 4.8	Nov 12% 7.2	Dec 16% 9.6	Total 100% 60	MCF	Meters	% of Meters	Wtd Contrib	
Calculates average annual n Peoples Gas Co.	\$6.62	\$14.93	\$21.57	\$28.22	\$185.76	\$185.76 \$3.10	78	2%	\$4	
Consolidated companies			Д	All utilities li	sted		3329	100%	\$282	wtd averag
Weighted Average Rates	\$14.86	\$22.96	\$29.44	\$35.92	\$282.00	\$282				

Kentucky Frontier Gas LLC Debt Financing

Loan Des	cription	Maturity Date	Interest Rate	Original Balance	Current Balance	Prin+Int Payment	Current Interest
Loans with C	Commun	ity Trust Bar	nk:				
SBA Loan		########	3.75%	\$1,525,000	\$1,047,152	\$15,322	\$3,272
USDA Loa	in #3	########	6.00%	\$1,571,760	\$1,412,392	\$13,500	\$7,062
USDA Loa	an #4	########	6.00%	\$160,431	\$156,932	\$1,500	\$785
Excavato	r	########	5.00%	\$25,500	\$9,869	\$1,120	\$41
2012 Tun	dra	########	3.50%	\$29,761	\$28,604	\$666	\$83
2012 Tac	oma	########	3.50%	\$23,655	\$22,805	\$531	\$67
2012 Tac	oma #2	#########	3.50%	\$23,655	\$22,805	\$531	\$67
SBA Loan	- BTU	########	5.00%	\$237,000	\$237,000	\$1,874	\$988
Totals				\$3,596,762	\$2,937,559		
						\$35,044	\$12,364 per mo
					Fotal Payments	\$420,529	
				C	omponents P+I	\$272,160	\$148,369 per yr <i>5.1%</i> wtd ave

balances as of 07/26/2012

8/2/2012

JOURNAL ENTRIES KENTUCKY FRONTIER GAS LLC

ACCT #		DEBIT	CREDIT
	MIKE LITTLE GAS:		
131	CASH		\$463,378.00
	TRANSMISSION PLANT:		
367.2	MAINS	\$16,268.00	
369.2	MEASURE & REGULATING STATION EQUIP	\$8,229.00	
	TOTAL TRANSMISSION PLANT	\$24,497.00	
	DISTRIBUTION PLANT:		
376.2	MAINS	\$170,244.00	
380.2	SERVICES	\$31,899.00	*
381.2	METERS	\$6,510.00	
383.2	HOUSE REGULATORS	\$18,779.00	
	TOTAL DISTRIBUTION PLANT	\$227,432.00	
	GENERAL PLANT:		
389.2	LAND RIGHTS	\$569.00	
392.2	TRANSPORTATION EQUIPMENT	\$58,577.00	
394.2	TOOLS, SHOP & GARAGE EQUIP	\$2,579.00	
396.2	POWER EQUIPMENT	\$3,535.00	
	TOTAL GENERAL PLANT	\$65,260.00	
108.2	ACCUMULATED DEPRECIATION		\$334,856.00
114.2	GAS PLANT ACQUISITION	\$481,045.00	
111.00			
	TOTALS	\$798,234.00	\$798,234.00
	BELFRY GAS INC:		\$353,000.00
131	CASH		φ353,000.00
	TRANSMISSION PLANT:	¢4,400,00	
365.3	LAND & LAND RIGHTS	\$4,498.00	
367.3	MAINS	\$270,168.00	
	TOTAL TRANSMISSION PLNAT	\$274,666.00	
	DISTRIBUTION PLANT:	#00.040.00	
381.3	METERS	\$83,619.00	
	TOTAL DISTRIBUTION PLANT	\$83,619.00	¢405 607 00
108.3	ACCUMULATED DEPRECIATION	¢ 400 0 40 00	\$485,627.00
114.3	GAS PLANT ACQUISITION	\$480,342.00	
	TOTALS	\$838,627.00	\$838,627.00
	TUTALO	4000jam	. ,

JOURNAL ENTRIES KENTUCKY FRONTIER GAS LLC

131	EAST KENTUCKY UTILITIES INC: CASH		\$945,135.00
374.1 376.1 378.1 381.1	DISTRIBUTION PLANT: LAND & LAND RIGHTS MAINS MEASURE & REGULATING STATION EQUIP METERS	\$10,936.00 \$993,848.00 \$17,643.00 \$19,484.00 \$45,860.00	
383.1	HOUSE REGULATORS TOTAL DISTRIBUTION PLANT GENERAL PLANT:	\$1,087,771.00	
394.1	TOOLS, SHOP & GARAGE EQUIP TOTAL GENERAL PLANT	\$4,025.00 \$4,025.00	\$1,102,031.00
108.1 114.1	ACCUMULATED DEPRECIATION GAS PLANT ACQUISITION	\$955,370.00	ψ1,102,001100
	TOTALS	\$2,047,166.00	\$2,047,166.00
	KINZER FARM TAPS 1 CASH 4 GAS PLANT ACQUISITION	\$250,000.00	\$250,000.00
13	PEOPLES GAS 1 CASH DISTRIBUTION PLANT:		\$20,000.00
376. 392.	8 MAINS 8 VEHICLES	\$82,917.00 \$25,000.00 \$107,917.00	
108. 114. 114.8	8 GAS PLANT ACQUISITION	\$7,785.00 \$6,420.00	\$102,122.00
	TOTALS	\$122,122.00	\$122,122.00
13 123. 123.		\$1,695,459.00 \$530,000.00	\$2,245,459.00

123.3	INVESTMENT DEMA	\$10,000.00
123.4	INVESTMENT INTERSTATE FARM TAPS	\$10,000.00

EXHIBIT 6

CURRENT TARIFFS

Kentucky PSC No. 1

KENTUCKY FRONTIER GAS, LLC

PO BOX 408 PRESTONSBURG, KENTUCKY 41653

> RATES & CHARGES AND RULES & REGULATIONS

FOR NATURAL GAS SERVICE

AT ALL AREAS SERVED

FILED WITH THE PUBLIC SERVICE COMMISSION OF KENTUCKY

	KENTUCKY
	PUBLIC SERVICE COMMISSION
	JEFF R. DEROUEN EXECUTIVE DIRECTOR
ISSUED January 15, 2009 EFFECTIVE March 1, 2009	TARIFF BRANCH
BY <u>Defent OU ford</u> TITLE Manager, Kentucky Frontier Gas LLC	Bunt Kirtley
BY AUTHORITY OF ORDER OF PSC OF KENTUCKY	EFFECTIVE
IN CASE NODATED	3/1/2009 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

For All Areas Served Kentucky PSC No. 1 Original Sheet No. C-1

CONTENTS

Kentucky Frontier Gas, LLC has consolidated the operations of several natural gas utilities and farm tap suppliers in Kentucky. This tariff details the conditions of service for all Customers served by Kentucky Frontier Gas.

- I. RATES & CHARGES
 - A. Monthly Charges and Commodity Rates
 - B. Deposits
 - C. Other Charges

II. RULES & REGULATIONS FOR NATURAL GAS SERVICE

GENERAL - Rules Applicable to All Natural Gas Services

- A. General Statement
- B. Application for Gas Service
- C. Choice of Rates
- D. Temporary or Intermittent Service
- E. Deposits
- F. Monthly Bills
- G. Budget Billing Plan
- H. Measurement of Gas Service
- I. Discontinuance of Service at Customer's Request
- J. Discontinuance of Service by Company
- K. Restoration of Service
- L. Connection & Reconnection Fee
- M. Meter Transfer Fee
- N. Returned Check/Charge
- O. Late Payment Charge and Trip Charge
- P. Diversion of Natural Gas
- Q. Easements /
- R. Access for Company's Employees and Agents
- S. Reallocation or Resale of Natural Gas
- T. Customer's Installation
- U. Protection of Sub-Surface Facilities
- V. Shortage of Natural Gas Supply
- W. Liabality
- X. Indemnity to Company
- Y. Inside Gas Services Rendered by Company
- Z. **C**omplaints

	KENTUCKY
	PUBLIC SERVICE COMMISSION
	JEFF R. DEROUEN EXECUTIVE DIRECTOR
ISSUED January 15, 2009 EFFECTIVE , March 1, 2009	TARIFF BRANCH
BY TITLE Manager, Kentucky Frontier Gas LLC	Bunt Kirthey
BY AUTHORITY OF ORDER OF PSC OF KENTUCKY	EFFECTIVE
IN CASE NODATED	3/1/2009 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

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	KENTUCKY
	PUBLIC SERVICE COMMISSION
	JEFF R. DEROUEN EXECUTIVE DIRECTOR
ISSUED January 15, 2009 EFFECTIVE March 1, 2009	TARIFF BRANCH
BY TITLE Manager, Kentucky Frontier Gas LLC	Bunt Kirtley
BY AUTHORITY OF ORDER OF PSC OF KENTUCKY IN CASE NODATED	EFFECTIVE 3/1/2009 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

KENTUCKY FRONTIER GAS, LLC

For All Areas Served Kentucky PSC No. 1 Or

o. 1 Original Sheet No. R-1

RATES AND CHARGES

A. MONTHLY CHARGES & COMMODITY RATES

These entities have identical rates:

ALERT OIL & GAS

APPLICABILITY: For all classes of customers served by farm taps along pipelines operated by Alert Oil & Gas Company, Inc. in the communities of Jenancy, Robinson Creek, Hurricane and Pikeville in Pike County, and whose rate schedule is not otherwise governed by a producer contract.

HUEYSVILLE GAS

APPLICABILITY: For all classes of customers served by farm taps along pipelines operated by Hueysville Gas in the Hueysville area, and whose rate schedule is not otherwise governed by a producer contract.

KLC ENTERPRISES

APPLICABILITY: For all classes of customers served by farm taps along pipelines operated by KLC Enterprises in the Cedar Creek area, and whose rate schedule is not otherwise governed by a producer contract.

MONTHLY RATES:						
	Base	e Rate	GC	RR Gas Cost	Total	
First 1 MCF	\$	*	\$	\ *	\$7.45 – minimum bill	
Over 1 MCF	\$	*	\$	*	\$7.45	
				λ		

*rate components are not specified

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IN CASE NODATED	3/1/2009 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

	FOR Belfry Kentuch Community, To	
	P.S.C. KY. NO102	nd
	Original SHEET	NO1
<u>Belfry Gas Company, Inc.</u> (Name of Utility)	CANCELING P.S. KY.NO.	
•	SHEET NO	D <u> </u>
	RATES AND CHARGES	
APPLICABLE:	Entire area served	 ^
AVAILABILITY OF SERVICE:	Domestic and commercial use in app	blicable areas.
A. MONTHLY RATES		
FIRST (1) MCF (MININ OVER 1 MCF	UM BILL \$ 4.2667	GCRR Total 3.1623 7.4290 3.1623 5.8805
	X	
		**
B. DEPOSITS \$1000	0 1	
DATE OF ISSUE	February 28, 2012 Month/Date/Year	
DATE EFFECTIVE	April 1, 2012	
ISSUED BY	Robert Alle	L
	(Signature of Officer)	
TITLE	Member	
BY AUTHORITY OF ORDER OF THE IN CASE NO. <u>2012 - 00</u> 0		2,2012
	PL	KENTUCKY JBLIC SERVICE COMMISSION
		JEFF R. DEROUEN EXECUTIVE DIRECTOR
		Bunt Kirtley
		EFFECTIVE 4/1/2012
	PU	JRSUANT TO 807 KAR 5:011 SECTION 9 (1)

	FOR ENTIRE AREA SERVED Community, Town or City	
	P.S.C. KY. NO103	
	SHEET NO1	
East Kentucky Utilities, Inc. (Name of Utility)	CANCELING P.S. KY.NO. 102	
(Name of Guildy)		
	SHEET NO	
4	RATES AND CHARGES	
APPLICABLE:	Entire area served	l.
AVAILABILITY OF SERVICE:	Domestic and commercial use in applicable areas.	
A. <u>MONTHLY RATES:</u> FIRST (1) MCF (MINIMU OVER 1 MCF	JM BILL) Base Rate GCRR Total \$ 10.0000 3.4073 13.4073 \$ 5.2553 3.4073 8.6626	
B. DEPOSITS \$100.00	February 28, 2012	
DATE EFFECTIVE	Month/Date/Year April 1, 2012	
ISSUED BY	P. Mayor	
	(Signature of Officer)	
TITLE	Member	
BY AUTHORITY OF ORDER OF THE IN CASE NO. 2012 - 000		
	KENTUCKY PUBLIC SERVICE COMMISSION	
	JEFF R. DEROUEN	
	EXECUTIVE DIRECTOR TARIFF BRANCH	
	Bunt Kirtley	
	EFFECTIVE * 4/1/2012	

	FOR: <u>Melvin, Byro, Weeksbury, Langley and Goble Roberts</u> Community, Town or City	
	P.S.C. KY. NO1	
Mike Little Gas Company, In	SHEET NO5	
(Name of U		
	SHEET NO	
	RATES AND CHARGES	
APPLICABLE:	Entire area served	D
AVAILABILITY OF SERVICE	E: Domestic and commercial use in applicable areas.	-
A. <u>MONTHL</u> FIRST (1) M OVER 1 MC	CF (MINIMUM BILL) Base Rate GCRR Total \$ 5.5000 3.8934 9.3934	
B. DEPOSIT	TS \$100.00 March 29, 2012	
DATE EFFECTIVE	May 1, 2012	
ISSUED BY	Radiddle	
_	(Signature of Officer)	
TITLE	Member	
BY AUTHORITY OF ORDE IN CASE NO20	ER OF THE PUBLIC SERVICE COMMINSSION 012-00122 DATED April 24, 2012	
	KENTUCKY PUBLIC SERVICE COM	MISSION
	JEFF R. DEROU EXECUTIVE DIREC	
		1
	Bent Kirtle	¥
	EFFECTIVE 5/1/2012 PURSUANT TO 807 KAR 5:011	sed 02-26-04 SECTION 9 (1)

RATES AND CHARGES MONTHLY CHARGES & COMMODITY RATES A. QUALITY NATURAL GAS APPLICABILITY: For all classes of customers served by farm taps along pipelines operated by Quality Natural Gas, LLC in Floyd, Knott, Letcher, Martin, Perry and Pike counties, and whose rate schedule is not otherwise governed by a producer contract. MONTHLY RATES: GCRR Gas Cost Base Rate Total \$13.05 – minimum bill First 1 MCF \$ * \$13.0537 \$ * Over 1 MCF \$ *rate components are not specified

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IN CASE NODATED	3/1/2009 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

Original Sheet No. R-6

RATES AND CHARGES			
B.	DEPOSITS		D
	Alert Gas	\$100.00	
	Hueysville Gas	\$100.00	
	KLĆ \	\$100.00	
	Quality Natural Gas	\$100.00	
	Belfry Gas	\$ 50.00	
	East Kentucky Utilities or Floyd County Gas	\$150.00	
	Mike Little Gas	\$100.00	

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	3/1/2009 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

RATES AND CHARGES

C. OTHER CHARGES

Alert Gas, Hueysville Gas, KLC Ent		Ŋ
New Service Tap	\$150.00 at application for service	D
Reconnection Charge	\$ 40.00 following disconnect for non-pay	
Reconnection Charge	\$ 50.00 within 12 months of Customer disconnect	
Returned Check Charge	\$ 25.00	
Trip Charge	\$ 15.00 for trip to collect delinquent bill	
Late Paymen Charge	10% of current bill after Past Due Date	
\mathbf{h}		-
Belfry Gas		
Connection Fee	\$ 35.00 at application for service	
Meter Relocation Fee	\$ 35.00 for meter relocated at Customer request	
Reconnection Charge	\$ 35,00 following disconnect for non-pay	
Reconnection Charge	\$ 50.00 within 12 months of Customer disconnect	
Returned Check Charge	\$ ‡ 5.00	
Transfer Charge	20.00 to transfer service to another location	
Trip Charge	\$ 15.00 for trip to collect delinquent bill	
Late Payment Charge	/ 10% of current bill after Past Due Date	
	/	
East Kentucky Utilities or Floyd	unty Gas	
Connection Charge	\$ 75.00 for temporary or mobile home service	
/	\$ 25.00 if meter loop is in place	
Reconnection Charge	\$ 35.00 following disconnect for non-pay	
Reconnection Charge	\$ 50.00 within 12 months of Customer disconnect	
Returned Check Charge	\$\20.00	
Transfer Charge	\$ \$5.00 to transfer service to another location	
Trip Charge	\$ 1\$.00 for trip to collect delinquent bill	
Late Payment Charge	10% of current bill after Past Due Date	
/		
Mike Little Gas		
Connection Charge	\$ 65.00 at application for service	
Reconnection Onarge	\$ 50.00 within 12 months of any disconnect	
Returned Check Charge	\$ 12.50	
Trip Charge	\$ 35.00 for trip to collect delinquent bill	
Late Payment Charge	10% of current bill after Past Due Date	

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Original Sheet No. U-7

RULES AND REGULATIONS

CONNECTION & RECONNECTION FEE L.

Renumber The Company may charge the Customer a Connection or Reconnection Fee as set forth herein for the following services:

1) Initial Connection of gas service to a Customer;

Reconnection of gas service to a Customer who has requested discontinuance of service 2) at the same premises within the past twelve months; and

Reconnection of gas service to a Customer whose service has been discontinued by the 3) Company for any reason stated herein within the past twelve months.

M. **METER TRANSFER FEE**

The Company may charge a Meter Transfer Fee as set forth herein:

For transfer of service at the same premises from one tenant to another, when the gas 1) service is not otherwise changed or interrupted. Such Fee will be charged to the new Customer. For transfer of service to a Customer from one premises to another. 2)

N. **RETURNED CHECK CHARGE**

The Company may charge a Returned Check Charge as set forth herein for each check that is returned to the Company as uncollectable by its bank.

0. LATE PAYMENT CHARGE AND TRIP CHARGE

The Company may charge a Late Payment Charge on all bills not paid by the Past Due Date marked on the bill. Penalties are assessed only once on a past due amount.

The Company may charge a Trip Charge when an extra trip is made by a Company employee to collect a delinquent bill after proper notice.

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For All Areas Served Kentucky PSC No. 1

RULES AND REGULATIONS

P. DIVERSION OF NATURAL GAS

The existence of natural gas consuming devices installed ahead of the meter or any tampering or interfering with pipes, regulators or equipment connected to Company's distribution system or the damage to, alteration, or obstruction of any meter (including the breaking of meter seals and increasing regulator pressure) which will permit or make possible the use of natural gas without its proper registration on Company's meter shall constitute prima facie evidence of diversion of natural gas by the Customer in whose name service is being rendered, or by the person benefiting from the use of such diverted natural gas. In the event that a Company check meter registers more natural gas in the same interval of time than does the meter installed at Customer's premises after such meters have been tested and found to be registering within the limits of accuracy prescribed by the Commission, such fact shall also constitute prima facie evidence of diversion of natural gas.

In such instances, Company will, in any reasonable manner, compute the amount of diverted natural gas and shall have the right to enter Customer's premises and make an actual count of all natural gas consuming devices to aid in such computation. Where Company is unable to make such count, the computation will be based on any other available information, or estimated. Such computation will be made for the period beginning with the date on which Customer began using natural gas at the location where the diversion occurred, unless evidence proves the diversion commenced a later date, and ending with the date on which said diversion ceases. Bills for natural gas diverted, based upon the aforesaid computation, under the applicable rate effective during the period of diversion, plus the cost of investigating and confirming such diversion and disconnecting service, shall be due and payable upon presentation.

If service has been discontinued for diversion of natural gas, Company will not render service to Customer, or to any other person for Customer's use, at the same or any other location until:

1) Customer has paid all bills as set forth preceding, and

2) Customer has paid to Company or others the installation cost of such entrance and service equipment as is necessary to prevent further diversion of natural gas.

The foregoing rules pertaining to diversion of natural gas are not in any way intended to affect or modify any action or prosecution under Kentucky statutes.

Q. EASEMENTS

Receipt of natural gas service by Customer shall be construed as an agreement with the property owner, granting to Company at no charge an easement for gas mains, services, meters, and other equipment of Company necessary to render service to Customer. If requested by Company and before or after service is connected, Customer will execute Company's standard form of right-of-way agreement, granting to Company, at no expense therefore, satisfactory easements for suitable location of Company's mains, services, meters and metering equipment, and other appurtenances on or across lands owned or controlled by Customer, and will furnish space and shelter satisfactory to Company for all apparatus of

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For All Areas Served Kentucky PSC No. 1 Original Sheet No. U-9

RULES AND REGULATIONS

Company located on Customer's premises. In the event that Customer shall divide premises by sale in such manner that one parcel shall be isolated from streets where Company's gas mains are accessible, Customer shall grant or reserve an easement for gas service over parcel having access to gas mains for the benefit of the isolated parcel.

R. ACCESS FOR COMPANY'S EMPLOYEES AND AGENTS

Customer will at no charge provide access to its premises at all reasonable times for authorized employees and agents of the Company for any proper purpose incidental to the supplying of natural gas service.

S. REALLOCATION OR RESALE OF NATURAL GAS

Natural gas service supplied by the Company is for the exclusive use of the customer. The customer is expressly forbidden to re-allocate or resell gas for any purpose.

T. CUSTOMER'S INSTALLATION

The Customer shall furnish, install and maintain at his expense all lines and equipment from the Point of Delivery to the place of gas utilization. Before purchasing equipment or beginning construction of a proposed installation, Customer shall confer with the Company to determine if the type of service, capacity, and pressure desired by Customer is available, to determine if extensions of, or additions to, Company's facilities will be required; and to secure definite location of the Company's meter and point of delivery. The Company must also be notified in advance before any additions to or alterations of existing installations which will materially affect the existing gas consumption.

If required, any Customer-installed buried line shall be at least 1-inch diameter pipe (only US DOTapproved coated steel or PE) from the meter to all appliances. The size cannot be reduced until it enters a room with an appliance, where it may be reduced to the same size as the appliance connection. A stopcock shall be installed at the building wall if applicable, and at each appliance.

All gas piping and other natural gas appliances and equipment on the Customer's side of the point of delivery will be furnished, installed and maintained at all times by the Customer in conformity with good practice, the requirements of PSC or any public body having jurisdiction or appropriate gas piping codes, and in accordance with the Company's Rules and Regulations. However, Company accepts no liability for injury or damage caused by defects in Customer's piping or equipment.

No equipment or apparatus will be connected to Company's distribution system, the operation of which may cause such an abnormal pressure variation in said system as to impair or endanger the natural gas service supplied to other customers on said system or to adversely affect operation of Company's metering or pressure regulating equipment. In the event that equipment having a high instantaneous demand such as a gas engine is to be connected, Customer shall provide adequate pulsation or surge tank, shut off valves and other protective devices as may be required by Company. Customer shall, in

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RULES AND REGULATIONS

every case, confer with Company before any equipment or apparatus requiring extremely close regulation of pressure or quality of gas is connected to Company's distribution systems.

When the Company is required by order of proper authorities to move or alter its existing distribution system, thereby necessitating a change in the location of the service line and the point of delivery, the Company will designate a new point of delivery to which the Customer, at its expense, will bring the customer-owned piping.

Service will be delivered to the Customer for each premise at one point of delivery to be designated by the Company. For the mutual protection of the Customer and the Company, only authorized employees of the Company are permitted to make connections between the Company's facilities and the Customer's gas service piping.

The Company reserves the right to require the Customer to reimburse the Company for any cost due to a change in meters or other apparatus or in their locations made at the request of the Customer. Meters and other Company equipment will be removed or relocated only by Company employees.

U. PROTECTION OF SUB-SURFACE FACILITIES

Customer shall consult Company regarding necessity of changing location of gas service before building any improvement, addition, or structure over the gas service pipe. Customer shall notify Company or the appropriate One-Call center before operating or permitting the operation of any power excavating or ditching equipment in the proximity of Company's underground gas service on Customer's premises.

V. SHORTAGE OF NATURAL GAS SUPPLY

In case of emergency causing a shortage of supply, Company shall have the right to grant preference to that service, which, in its sole opinion, is most essential to the public welfare. In general, the curtailment sequence would normally be:

- 1) Industrial and Commercial customers, except schools.
- 2) Schools.
- 3) Residential Customers.

W. LIABILITY

All mains, services, apparatus, instruments, meters, regulators, and materials supplied by Company at its expense or under its standard policies will be and remain the property of the Company. Company's property shall not be worked upon or interfered with by Customer or other unauthorized person.

The Customer shall be responsible for any damage to or loss of Company's property located on Customer's premises, caused by or arising out of the acts, omissions or negligence of Customer or others, or the misuse or unauthorized use of Company's property by Customer or others. The cost of making good such loss and/or repairing such damage shall be paid by the Customer. Customer shall be

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Original Sheet No. U-11

RULES AND REGULATIONS

held responsible for injury to Company's employees if caused by Customer's act, omissions or negligence.

The Customer shall be responsible for any injury to persons or damage to property occasioned or caused by the acts, omissions or negligence of the Customer or any of its agents, employees, or licensees, in installing, maintaining, operating, or using any of the Customer's piping, equipment, machinery, or apparatus and for injury and damage caused by defects in same.

Company shall not be liable for injury to persons, damage to property, monetary loss, or loss of business caused by accidents, acts of God, fires, floods, strikes, wars, authority or orders of government, or any other causes and contingencies beyond its control.

X. INDEMNITY TO COMPANY

Customer shall hold the Company harmless and indemnify it against all claims and liability for injury to persons or damage to property when such damage or injury results from the facilities located on Customer's side of the point of delivery, unless caused by the negligence or wrongful acts of Company's agents or employees.

Y. INSIDE GAS SERVICES RENDERED BY COMPANY

The Company will not perform installation or maintenance services on customer facilities downstream of the meter. Some health- and safety-related services are provided by Company free of charge to its customers. Such services are limited to the following:

- 1) Response to gas leak complaints regardless of cause.
- 2) Response to fires regardless of cause.
- 3) Restore service when outage is caused by Company.

4) Bill investigations, meter and meter reading investigations, and routine maintenance of Company facilities.

Z. COMPLAINTS

The Company will investigate promptly all complaints made by its Customers and will keep a record of all written complaints which record will include: name and address of complainant, date, nature of complaint, and adjustment or disposition made. This record will be kept at least three years after the date of the complaint.

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RULES AND REGULATIONS

RESIDENTIAL SERVICE

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AA. DEFINITION OF RESIDENTIAL SERVICE

Residential Service is the furnishing of natural gas for the exclusive use of the individual customer for domestic purposes: for cooking, water heating, space heating, clothes drying, and incineration, in a private home or individual living unit where only one household is served through a single meter. Service to buildings adjacent to the residence including garages, barns, and other minor buildings for use of the residents may also be served through the residential meter. Each family dwelling place or housekeeping unit shall be considered as a separate living unit if separately metered.

Where two or more separate living units in a private residence or apartment building are offered for rent and the entire building is supplied through one meter, such building shall be classified as a commercial establishment and shall not be entitled to a residential schedule.

Except as specifically provided herein, Residential Service rates are not applicable to service for commercial enterprises as defined herein.

COMMERCIAL SERVICE

AB. DEFINITION OF COMMERCIAL SERVICE

Commercial Service is the furnishing of natural gas for the exclusive use of the individual customer for cooking, water heating, space heating, heat applications, and miscellaneous purposes to commercial establishments.

Any entity engaged in the operation of an enterprise, whether or not for profit, shall be considered a Commercial customer. Such enterprises will include but not be limited to retail and wholesale merchants, professional services, offices, restaurants, clubs, lodges, hotels and motels; apartment buildings, rooming houses, assisted living and multi-unit dwellings where more than one living unit is served through one meter; schools, government, churches and charitable institutions; mobile home parks, camp grounds, greenhouses, dairies, manufacturing, agriculture, livestock production, mining, oil and gas extraction, construction, communication, transportation, natural gas engine service, gas-fired power back-up service, and other uses.

These enterprises may also be supplied under a large commercial rate if such exists. Large Commercial service is defined as any Commercial customer using 18,000 mcf per year or more.

Where the total load of a customer served at one point of delivery cannot be combined under one classification for billing purposes due to restrictions in the applicable schedule, customer shall so arrange the piping so that each class of service can be separately metered and billed under the applicable schedule.

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RULES AND REGULATIONS

FARM TAP SERVICE

AC. FARM TAP SERVICE RULES

Farm Tap Service is the furnishing of natural gas to Residential and Commercial customers not from a typical distribution system operated at 60 psig or lower, but from a direct connection to a high-pressure transmission or gathering pipeline operated by Company or others. In addition to the Rules & Regulations which apply to all customers, these rules and regulations apply specifically to Farm Tap customers:

1) All service connections to a high-pressure pipeline shall be subject to the special requirements, consent and approval of the Owner of the pipeline, and of the Company if not the pipeline Owner.

2) Prior to initiating service, an application and service agreement specific to the owner of the pipeline shall be executed by Customer and approved by Owner and Company. Customer shall pay Farm Tap Fee and deposit as required.

3) The pipeline Owner shall make the tap on the pipeline.

4) The Company will install regulators, meter, equipment and connections as necessary to provide service to Customer, which equipment shall be installed on Customer's premises at or as near the pipeline as is practical. Customer shall provide suitable meter location at no cost to Company or pipeline Owner, who each shall have the right of ingress, egress and regress to and from this location at any time without charges from Customer.

5) Customer shall install and maintain any service line and facilities extending from the outlet of the meter.

6) Customer shall promptly notify Company of any leaks in the pipeline or tap facility.

7) If the farm tap Customer's gas rate schedule is not otherwise governed by an existing producer or right-of-way contract, then the Customer shall pay the rates in this tariff applicable to service off the pipeline supplying gas.

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Rules and Regulations

AJ. DEFINITION OF A CUBIC FOOT OF GAS

1) For purpose of testing natural gas, a standard cubic foot of gas shall be taken to be that amount of gas which occupies a volume of one cubic foot, dry, at a temperature of 60 degrees Fahrenheit and under an absolute pressure of 14.73 pounds per square inch.

2) For the purpose of volumetric measurement of gas to a Customer, a cubic foot of gas shall be taken to be the amount of gas which occupies a volume of 1 cubic foot under the conditions existing in such Customer's meter as and where installed. When gas is metered at a pressure in excess of 4 ounces above average local atmospheric pressure, a suitable correction factor shall be applied to provide for measurement of gas as if delivered and metered at a pressure of 4 ounces above average local atmospheric pressure, pressure, a

AK. HEATING VALUE

The Company will endeavor to maintain a consistent average heating value of natural gas sold by the Company. Each individual system has different sources of supply which range in heating value from 1,000 to 1,200 BTU per standard cubic foot. If necessary to supplement the supply of natural gas, the Company may, at its sole discretion, supply a mixture of liquefied natural gas, liquefied petroleum gases and air to deliver a mixture compatible with the gas-using equipment in each system.

AL. THERM BILLING

[Reserved]

AM. DELIVERY PRESSURE

The Company will maintain the gas pressure at the outlet of the meter with as little variation as practicable. For most customers, gas will be delivered at a standard pressure as close as practicable to 4 ounces per square inch above the average local atmospheric pressure.

Gas may be delivered at higher pressure at Customer's request or where operating conditions are such that the Company deems a higher pressure is necessary. Each Customer shall install and maintain at its expense any such additional pressure or flow-regulating equipment. Company reserves the right to specify the pressure at the delivery meter.

AN. SERVICE EXTENSION POLICY

The Company will make extensions from its existing distribution mains in all of its service areas in accordance with 807 KAR 5:022, Section 9. All extensions will be made dependent on the economic feasibility of the extension. Title to all extensions shall be and remain with the Company. In the event a deposit is placed with the Company, the amount of the refund shall not exceed the original deposit, plus accrued interest. Nothing shall be construed as to prohibit the Company from making at its expense greater extensions to

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For All Areas Served Kentucky PSC No. 1

Original Sheet No. U-17

RULES AND REGULATIONS

its distribution mains or the granting of more favorable terms than prescribed, should its judgment so dictate, provided like extensions are made for other customers or subscribers under similar conditions.

	KENTUCKY		
	PUBLIC SERVICE COMMISSION		
ISSUED January 15, 2009 . EFFECTIVE, March, 1, 2009	JEFF R. DEROUEN EXECUTIVE DIRECTOR		
ISSUED January 15, 2009 EPFECTIVE, March 1, 2009	TARIFF BRANCH		
BY <u>ICOMUN UYAYUM</u> TITLE Manager, Kentucky Fropher Gas LLC	Bunt Kirtley		
BY AUTHORITY OF ORDER OF PSC OF KENTUCKY	EFFECTIVE		
IN_CASE NODATED	3/1/2009 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)		
P.S.C. Ky, Adoption Notice No.

ADOPTION NOTICE

The undersigned Kentucky Frontier Gas, LLC of 4891 Independence Street, Suite 200, Wheat Ridge, CO 80033 hereby adopts, ratifies, and makes its own, in every respect as if the same had been originally filed and posted by it, all tariffs and supplements containing rates, rules and regulations for furnishing natural gas service at Pike County in the Commonwealth of Kentucky, filed with the Public Service Commission of Kentucky by Belfry Gas Company, and in effect on the 31st day of December, 2008, the date on which the public service business of the said Belfry Gas was taken over by it.

This notice is issued on the 9th day of January, 2009, in conformity with 807 KAR 5:011, Section 11, of the Regulations for the filing of Tariffs of Public Utilities with the Public Service Commission of Kentucky.

Pal 40 Robert Oxford

By Managing Member

Authorized by Ky.P.S.C. Order No. __2008-00394___

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE 12/31/2008 PURSUANT TO 807 KAR 5:011 SECTION 9 (1) Director

		- 14 s	FOR Belfry, Kentucky Community, Town or City
			P.S.C, KY. NO. 1
Belfry Gas Company, Inc. (Name of Utility)			Original SHEET NO. 6 CANCELLING P.S.C. KY. NO. 93-111-B SHEET NO.

مرجع فحدا الإقرار

RULES AND REGULATIONS

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GAS COST ADJUSTMENT CLAUSE

Determination of GCR

The Company shall file a gas cost recovery rate (GCR) with the Commission at least 30 days prior to the first day of each calendar quarter. The GCR shall become effective for billing for service rendered on and after the first day of each calendar quarter.

The gas cost recovery rate is comprised of:

- 1. The expected gas cost (EGC), on a dollar-per-Mcf basis, which represents the average expected cost of purchased gas based on 12 months of actual usage.
- 2. The actual adjustment (AA), on a dollar-per-Mcf basis which compensates for differences between previous quarters' expected gas cost and the actual cost of say. The AA shall equal the sum of the AA for the reporting period and for the preceding calendar quarters.
- 3. The supplier refund adjustment (RA) on a dollar-per-Mcr 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 refund, the Company may apply to the Commission for the right to depart from the refund procedures set forth herein.
- 4. The balance adjustment (BA) on a dollar-per-Mcf basis, which compensates for any remaining under- or overcollections which have occurred as a result of prior actual, refund, and balance adjustments.

Billing

The gas cost recovery rate to be applied to bills of customers shall equal the sum of the following components: GCR = EGC + AA + RA + BA

DATE OF ISSUE	June 26, 2002 Month / Date / Year	
DATE EFFECTIVE	August 1, 2002 Month/Date/Year	
ISSUED BY	(Signature of Office)	
TITLE Pres	sident	
BY AUTHORITY OF C	ORDER OF THE PUBLIC SERVICE COMMISSION	E
IN CASE NO.	DATED	2

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE

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PURSUANT TO 807 KAR 5:011. SECTION 9 (1) BY SECRETARY OF THE COMMISSION

FOR	Belfry, Kentucky Community, Town or City
P.S.C. KY. NO)l
Original	SHEET NO7
CANCELLING	3 P.S.C. KY. NO. 93-111-B
	SHEET NO

The GCR will be added to or subtracted from the latest base tariff rates prescribed by Commission Order in the tariff rates stated on each applicable rate sheet within this tariff.

Definitions

For purposes of this tariff:

Belfry Gas Company, Inc. (Name of Utility)

- "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 volume / .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 adjustment of this type shall be described in the quarterly GCR application.
- 2. The "GCR" is the total of the expected gas cost and all adjustments.
- 3. The "Calendar Quarters" are: 1st January, February, and March; 2nd April May, and June; 3rd July, August, and September; 4th October, November, and December.
- 4. "Reporting Period" means the three month accounting period that ended approximately 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.

DATE OF ISSUE	June 26, 2002	
DATE EFFECTIVE	Morith / Date / Year August 1, 2002	PUBLIC SERVICE COMMISSION
DITERITECTIVE	Month / Date / Year	OF KENTUCKY EFFECTIVE
ISSUED BY	(Signature of Officer)	AUG 0 1 2002
TITLE	President	PURSUANT TO 807 KAR 5:011.
BY AUTHORITY OF	ORDER OF THE PUBLIC SERVICE COMMISSION	SECTION 9 (1)
IN CASE NO	DATED	BY Skinhad BUL SECRETARY OF THE COMMISSION

For All Areas Served Kentucky PSC No. 1 Original Sheet No. U-1

RULES AND REGULATIONS

A. GENERAL STATEMENT

Kentucky Frontier Gas, LLC has consolidated the operations of several natural gas utilities and farm tap suppliers in Kentucky. This tariff details the conditions of service for all Customers served by Kentucky Frontier Gas operations.

The following Rules and Regulations are filed with the Public Service Commission of Kentucky, hereinafter referred to as "Commission", as part of the natural gas tariff of the gas utility operations of Kentucky Frontier Gas, LLC, hereinafter "Company" or "the utility". These Rules and Regulations set forth the terms and conditions under which natural gas service is supplied and govern all classes of service in all systems and territories served by the utility. Service furnished by the Company is also subject to the Rules of the Commission.

Copies of this tariff are available for any Customer's inspection at the offices of the Company. They are subject to termination, change, or modification, in whole or in part, at any time.

Any waiver at any time of the Company's rights or privileges under these Rules & Regulations will not be deemed a waiver as to any later breach of these rules.

B. APPLICATION FOR GAS SERVICE

Application for natural gas service may be made at-any-office-of the Company. The Company may refuse service to any Customer who fails to comply with these Rules & Regulations. The Company will not furnish service to any applicant who owes the Company any past due amount for service at any location, until all such indebtedness is paid in full.

The Company may require any applicant to sign a Service Contract before service is supplied. The use of natural gas service constitutes an agreement under which the Customer receives natural gas service, agrees to pay the Company therefore in accordance with the applicable Tariff rate schedule, and agrees to comply with the Rules and Regulations of the utility. The benefits and obligations of the agreement for service may not be assigned without written consent of the Company. A separate agreement will be made for each class of service at each separate location.

A Customer is defined as any individual, enterprise or legal entity classified as either a Residential or Commercial purchasing natural gas from the Company at each point of delivery, under each rate classification, contract or schedule.

C. CHOICE OF RATES

A schedule of rates is available at the offices of the Company. When two or more rate schedules apply to a customer's service requirements, the Company will assist in selecting the most suitable rate. Applicant is responsible for the final selection of said rate, and Company assumes no liability for that selection.

	KENTUCKY
	PUBLIC SERVICE COMMISSION
	JEFF R. DEROUEN EXECUTIVE DIRECTOR
ISSUED January 15, 2009 EFFECTIVE March 1, 2009	TARIFF BRANCH
BY <u>Manager, Kentucky Froptier Gas LLC</u>	Bunt Kirtley
BY AUTHORITY OF ORDER OF PSC OF KENTUCKY	EFFECTIVE
IN CASE NODATED	3/1/2009 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

KENTUCKY FRONTIER GAS, LLC

For All Areas Served

Kentucky PSC No. 1 Original Sheet No. U-2

Rules	and	Regulations

TEMPORARY OR INTERMITTENT SERVICE

If service to Customer is to be temporary or intermittent in usage, service will be supplied in accordance with the applicable rate schedule. Service to mobile homes and trailers may be considered by the Company as temporary. All costs of main or service construction will be paid in advance by the Customer. If service is provided for more than 24 months the Company will refund any construction costs in excess of those allowed under the Service Extension Policy.

E. DEPOSITS

The Company requires each Customer to make a minimum each deposit to initiate or re-establish gas service, or if there is a substantial increase in usage. The deposit amount should approximate 2 months of average gas usage. Such deposit is not an advance payment or partial payment of any bill for service, but is security for payment of bills for service, to be applied against unpaid bills only in event service is discontinued.

Simple interest on such deposits will be calculated at a rate not less than as prescribed by the Commission for the period elapsed from date of deposit to date refunded or service is terminated. Interest will be paid annually either by refund or credit to Customer's bill, except that no refund or credit will be made if Customer's bill is delinguent on the anniversary date of the deposit.

Deposits shall be refunded after a 10-year period if the Customer has had no delinquency resulting in the issuance of a written Notification of Discontinuance of Service.

Deposits will be refunded when service is discontinued, or at the option of the Company at any other time prior to the end of the deposit holding period, upon proof that person claiming deposit is legally entitled to same. On discontinuance of service, the Company reserves the right to apply the Costomer's deposit and any interest accrued thereon against unpaid bills for service, and only the remaining balance of the deposit, if any, will be refunded.

In cases where the Applicant for new service is in default of payment of bills for any service previously rendered to Applicant, a settlement of the old account, or arrangement satisfactory to the company for its sentement, will be required before the new service is rendered.

The Company may waive the deposit upon a Customer's showing of satisfactory credit and payment historics with Company and others, established income or local property ownership and no recent bankruptey, or a suitable co-signor.

F. MONTHLY BILLS

Bills for service will be readered monthly. The term "month" for billing purposes means the period between any two consecutive regular readings by the Company of the meters at the Customer's

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KENTUCKY PUBLIC SERVICE COMMISSION			
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3/1/2009 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)			

KENTUCKY FRONTIER GAS, LLC

For All Areas Served Kentucky PSC No. 1

Original Sheet No U-3

Rules and Regulations

premises, such readings to be taken as nearly as may be practicable every thirty days. The timing of the meter cycle is selected by the Company.

If an initial or final bill is for a period less than the monthly billing period described above, the billing will include the monthly minimum charge plus actual gas usage from the prior meter reading.

If the Company is unable to read a meter after reasonable effort, the Customer will be hilled on an estimated usage based on the best available information. When Company for any reason submits a bill to a Customer for utility service which contains an estimated reading or a no-charge, Company will include on such bill a notice informing Customer that the bill contains an estimate or no-charge.

Any Franchise Fee or similar tax shall be added to the customer's bill as a separate item. Such fees are often agreed to or imposed upon utilities by local taxing authorities, and are typically based upon a percentage of the gross receipts. Such amount shall be added only to bills of customers receiving service within the territorial limits of the authority imposing the fee. Where more than one such charge is imposed, each of the charges applicable to each customer shall be added to the customer's bill as separately identified items.

All bills for service, including any excise tax, sales tax, franchise fee or the like imposed by governmental authority, are due and payable at an office of the Company, or to an authorized agent of the Company, not later than the Past Due Date shown on the bill. All bills are due upon presentation. The Past Due Date is usually 15 days after the date the bill was prepared.

The bill will be considered as received by the Customer when mailed to, or left at, the location where service is used or at some other location that has been mutually agreed upon. If the Customer fails to receive a bill, the Company, upon request, will issue a doplicate. However, failure to receive a bill in no way exempts the Customer from payment, before delinquent date, for service rendered.

Customer usage is monitored during the billing process and any significant deviation from normal usage pattern will be assessed. Company will re-read or test meters and review billing calculations as part of its investigation. Company will inform Customer if any significant billing adjustment is needed.

If a Customer gives notice at the Company's office prior to the time that payment is due that the correctness of the bill is disputed, stating reasons, the Company will investigate the complaint. However, such notice disputing correctness of a bill shall not be sufficient reason for withholding payment of subsequent undisputed bills. If the bill is found to be incorrect, the Company will refund the amount of overpayment or credit the amount of overpayment to the next bill rendered.

BUDGET BILLING PLAN G.

Customers may elect, at their option, to pay monthly bills for service on a Budget Billing Plan. This option is available to Residential customers and small Commercial accounts at the option of the Company, which customers have a suitable 12-month payment history and all accounts are paid in full.

ISSUED	January 15, 2009 EFFECTIVE March 1, 2009
BY	January 15, 2009 EFFECTIVE March 1, 2009
TITLE	Manager, Kentucky Frontier Gas LLC

BY AUTHORITY OF ORDER OF PSC OF KENTUCKY IN CASE NO. DATED

For All Areas Served Kentucky PSC No. 1 Original Sheet No. U-4

RULES AND REGULATIONS

Customer shall make an application and sign a payment agreement for Budget Billing, acknowledging average usage and the calculated monthly payment.

The monthly amount to be paid under Budget Billing is calculated from the past twelve months' gas usage at the current gas rates rate, divided by 11 and rounded to the nearest dollar. Said monthly payment shall be made for eleven successive months beginning with the July billing month. The twelfth month's payment is a settlement amount equal to the difference between the total of the prior eleven months' payments and the actual billings for the twelve month period.

If the settlement amount is a credit balance the Company will issue a check to the Customer in the amount of the credit balance, or the Customer may elect to have the credit applied to future billings. If the settlement amount is a debit balance owed by the Customer, the total balance will be due and payable on the due date shown on the bill for the settlement month, except that in the event the debit balance exceeds \$100, the Customer may elect to pay the debit over a two month period with at least one half of the total debit balance payable in the settlement month. The Customer may continue on the Budget Billing Plan for succeeding years, in which case the settlement month for each year will occur in twelve month cycles starting with the beginning month.

If a Customer electing Budget Billing Plan fails to pay the budget billing obligation in any month, normal collection procedures shall be applicable for the outstanding budget billing amount. Upon termination of service of a Customer on the Budget Billing Plan, the entire balance amount of the account for actual usage shall be due and payable by Customer to Company if a debit balance exists or shall be refunded by Company to Customer if a credit balance exists.

The monthly budget billing amount will be adjusted for changes in the Company's base rates and for unusual changes in Purchased Gas Cost Adjustment due to major purchase gas cost changes from the Company's gas suppliers. No adjustment in monthly budget billing amounts will be made for normal Gas Cost Adjustment changes. Changes in Gas Cost Adjustment levels shall be considered unusual when such changes would result in a 10% or more increase or decrease in Customer's anticipated annual billing for gas service.

H. MEASUREMENT OF GAS SERVICE

The Company will install, own and maintain the service connection and metering equipment necessary for measuring the natural gas supplied. The Point of Delivery to the Customer is the outlet of the Company's meter. The location of the service connection and meter are at the discretion of the Company.

Each class of natural gas service supplied will be metered and billed separately. All service to a Customer under one applicable rate schedule will be measured by a single meter installation and meter readings of one meter installation shall not be combined with meter readings of another meter installation for billing purposes, unless specifically allowed under the applicable tariff. Adjoining

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	JEFF R. DEROUEN EXECUTIVE DIRECTOR	
ISSUED January 15, 2009 EFFECTIVE / March 1, 2009	TARIFF BRANCH	
BY <u>Januar</u> TITLE Manager, Kentucky Frontier Gas LLC	Bunt Kirtley	
BY AUTHORITY OF ORDER OF PSC OF KENTUCKY	EFFECTIVE	
IN CASE NODATED	3/1/2009 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)	
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KENTUCKY FRONTIER GAS, LLC

For All Areas Served Kentucky PSC No. 1

Original Sheet No. U-5

RULES AND REGULATIONS

properties may be combined on a single meter installation at the Customer's expense, and served as a single Customer where such properties are controlled, occupied, and used for commercial purposes by a single enterprise engaged in the pursuit of a single business.

Service to the same Customer at different premises will be considered as service to separate Customers.

Standard delivery pressure and temperature of natural gas supplied by the Company is four (4) ounces per square inch above average atmospheric pressure, which is assumed to be 14.40 psia in the Company service area and sixty (60) degrees Fahrenheit. Where necessary, the volume of gas as registered on the service meter shall be adjusted to the foregoing conditions for billing purposes.

Customer shall not bypass, adjust, alter or tamper with Company meters or regulators for any reason, such actions being cause for immediate discontinuance of service. Customer shall not construct any addition or structure over utility-owned mains, service lines, or meters, and shall not enclose exposed portion of gas service facilities with any unventilated enclosure. Customer shall immediately notify Company of any leak or defect observed in Company's facilities.

I. **DISCONTINUANCE OF SERVICE AT CUSTOMER'S REQUEST**

A Customer wishing to discontinue or transfer service should give at least three days notice to Company to that effect, unless otherwise specified in the rate or contract applicable, in order to allow time for final meter reading and disconnection of service. Where such notice is not received by the Company, the Customer will be liable for service until final reading of the meter. Notice to discontinue service will not relieve a Customer from any minimum or guaranteed payment under any contract or applicable rate.

J. DISCONTINUANCE OF SERVICE BY COMPANY

Company may discontinue service upon not less than 10 days' written notice to Customer, and to any Customer designated third party, of Company's intention to discontinue service:

If Customer fails to pay, or make arrangements for payment of, bills for service rendered 1) as provided in these rules. Qualifying customers may enter into a Partial Payment Plan in accordance with 807 KAR 5:006(13) (2).

If Customer fails to comply with Company's Rules and Regulations after due notice of 2) such failure is given by Company and reasonable time is allowed for compliance.

If Customer's use of service is detrimental to the natural gas service being furnished by 3) Company to other Customers in the immediate vicinity or supplied from the same distribution system.

If discontinuance is for nonpayment of bills, the customer shall be given at least 10 days written notice, separate from the original bill, and cut-off shall be effected not less than twenty seven (27) days after the mailing date of the original bill, unless, prior to discontinuance, a residential customer presents to the utility a written certificate, signed by a physician, registered nurse, or public health officer, that such

KENTUCKY
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Bunt Kirtley
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3/1/2009 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

KENTUCKY FRONTIER GAS, LLC

For All Areas Served Kentucky PSC No. 1 Original Sheet No. U-6

RULES AND REGULATIONS

discontinuance will aggravate an existing illness or infirmity on the affected premises, in which case discontinuance may be effected not less than thirty (30) days 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.

Discontinuance of service under (1) will not occur if: Customer makes full payment of outstanding bill, such payment to be made by cash or bona fide check to a Company representative or field employee unless Customer has twice previously tendered payment with check which was returned to the Company by the banking institution unpaid, and the second such check was returned within the most recent twelve month period, in which cases payment by cash or certified check is required to avoid termination.

Discontinuance of service shall only occur between 8:00 am and 4:00 pm, Monday through Thursday. Service may not be terminated on the day prior to, or the day of, a legal holiday.

Company may discontinue service at any time without notice:

1) If a condition or installation of any part of the Customers' gas piping or any appliance is found to be dangerous to life, health, or safety of any person. Company does not assume responsibility for, and will not be held liable for, ascertaining such condition.

2) Upon the receipt of a lawful request or order of the properly constituted authority applicable to Customer's gas service.

3) If service is found to have been restored by someone other than Company and the original cause for the discontinuance has not been cured. The Company does not assume responsibility and will not be held responsible for ascertaining such condition.

4) If Company metering and regulating equipment has been bypassed, adjusted, altered or tampered with.

K. RESTORATION OF SERVICE

Service which has been terminated due to failure to pay or make arrangements for payment of bills for service rendered will be restored if Customer pays all applicable collection and/or reconnection charges.

Where service has been discontinued as set forth in these rules, Company shall restore such service within 24 hours after elimination by Customer of the cause for discontinuance, unless extenuating circumstances prevent restoration. Extenuating circumstances includes, but is not limited to, the requirement that the Customer or a responsible individual designated by the Customer be at the premises at the time of restoration of service.

Qualifying customers for Winter Hardship Reconnection may have service reconnected pursuant to 807 KAR 5:006 (14) and (15) if conditions of the regulation are met.

	KENTUCKY
	PUBLIC SERVICE COMMISSION
	JEFF R. DEROUEN EXECUTIVE DIRECTOR
ISSUED January 15, 2009 EFFECTIVE March 1, 2009	TARIFF BRANCH
BY <u>Manager, Kentucky Frontier Gas LLC</u>	Bunt Kirtley
BY AUTHORITY OF ORDER OF PSC OF KENTUCKY	EFFECTIVE
IN CASE NODATED	3/1/2009 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

	FORBelfry, Kentucky Community, Town or City
	P.S.C. KY. NO1
	Original SHEET NO. 8
Belfry Gas Company, Inc.	CANCELLING P.S.C. KY. NO. 93-111-B
(Name of Utility)	SHEET NO.
RULE	S AND REGULATIONS
udget Billing Payment Plan	
(A) <u>Objective</u> - To establish a procedur	re whereby residential customers pay their gas bill in equal monthl

- (B) <u>Availability</u> The plan will be available to all residential Belfry Gas customers who have received service at their present location for at least six months and have present bill status as "current". This plan is also available to churches and other non-commercial accounts.
- (C) <u>Terms and Policy of the Plan</u>

installments.

- 1. <u>Plan Implementation</u>: Upon receipt of the castomers request to participate, Belfry Gas will review the customers account as to its current status and if the customer's account is current the budget amount will be computed and the customer notified as to the budget amount.
- 2. <u>Computation of Budget Amount</u>. For hose customers who have a twelve month service history the budget amount will be computed by applying current rates to that twelve month usage, adding applicable taxes, and dividing that total by eleven.
 - For those customers who have less than a twelve month service history the current amount will be computed by applying the current rates to the average twelve month usage for all residential customers, adding applicable taxes, and dividing the total by eleven.

Budget amounts computed above will be rounded up to even dollars.

3. <u>Contract Period</u>: The contract period runs from August to July each year. The bill paid for July will close out the contract year and any credit remaining after the July bill will be carried over into the new contract year.

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DATE OF ISSUE	June 26, 2002
	Month / Date / Year
DATE EFFECTIVE	August 1, 2002
-	Month / Date / Year
ISSUED BY	A. W. timer
	Signature of Officer
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TITLEPres	ident
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BY AUTHORITY OF O	RDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO.	
IN CASE NO.	DATED

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE

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PURSUANT TO 807 KAR 5:011. SECTION 9 (1) BY SECRETARY OF THE COMMISSION

		FOR	Belfry, Kentucky Community, Town or City
		P.S.C. k	Y. NO1
		Original	SHEET NO9
Belfry Gas Comp	bany, Inc.	CANCE	LLING P.S.C. KY. NO. 93-11
(Name of Ut			SHEET NO
	RULES	AND REGULATIONS	
4.	customers implementing the bud	get plan that do no maint	ace will be eligible for the plan. Ar ain a current status as to the budget to that particular date will become
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DATE OF ISSUE	June_26, 2002		
DATE OF ISSUE DATE EFFECTIVE	Month / Date / Year		PUBLIC SERVICE COMMISSI OF KENTUCKY EFFECTIVE
	Month / Date / Year <u>August 1, 2002</u> Month / Date / Year <i>Month / Date / Year</i>		PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE AUG O 1 2002
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BELFRY GAS COMPANY, Inc.

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ALLEN, KENTUCKY 41601

This agreement and assignment made and entered into, this the 4th day of October, 1971, by the First Baptist Church of Forest Hills, Kentucky, party of the first part, and Belfry Gas Company, Inc., party of the second part:

The First Baptist Church of Forest Hills, Kentucky, does hereby sell and assign to Belfry Gas Company, Inc. of Allen, Kentucky, a pipe line of two inch and one and one-half inch in diameter, from the First Baptist Church at Forest Hills, Kentucky, to a connection point on City Service Company pipe line a distance of approximately 3,000 feet for the price of \$1,100.00 cash in hand paid.

The Belfry Gas Company does hereby agree to furnish gas to the First Baptist Church and parsonage as long as they have service available in this area at a price of .35% per thousand cubic foot.

In the event that Belfry Gas Company does not have gas available in this area, said Belfry Gas Company does hereby agree to sell the same line back to the First Baptist Church for a price of \$500.00.

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Sighed: FIRST'BAPTIST CHURCH OF FORE T HILLS, KENTUCKY CHHIRMAN OF TRUSTEES BELFRY GAS COMP PUBLIC SENDICE COMMISSION OF KENTUCKY EFFECTIVE By President 1 2002 ĀR 5:011. Secy-Trea ECTION 9 (1) Ferhand Bell SECRETARY OF THE COMMISSION ŝ).

Forest Hills, Ky.

December 9, 1978

Mr. J. W. Kinzer Belfry Gas Co., Inc. Box 155 Allen, Ky. 41601

Dear Mr. Kinzer:

Re: Forest Hills Baptist Church

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We are attaching herewith, a copy of agreement and assignment, as prepared by your firm and acknowledged by both parties thereto, in October, 1971.

We realize that we have been billed at the regular rate for several months and our bill remains unpaid for that reason.

Our Trustees would like to make an appointment with you to discuss this matter and attempt to reach a fair and equitable settlement of this matter. Of course, any agreement that we reach, will have to be approved by vote of the Church in a regular business session.

Please contact me at 606+237-6050 or 237-7305 to arrange a meeting, or contact our Pastor, Bob Simpkins, at the church phone, 237-4892.

Very truly yours,

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P. C. Anderson Chairman of Trustees First Baptist Church Forest Hills, Ky. 41527

cc: Bob Simpkins, Trustee Board, file

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE

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PURSUANT TO 807 KAR 5:011. SECTION 9 (1) BY SECRETARY OF THE COMMISSION

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PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE



P.S.C. Ky. Adoption Notice No.

ADOPTION NOTICE

The undersigned Kentucky Frontier Gas, LLC of 4891 Independence Street, Suite 200, Wheat Ridge, CO 80033 hereby adopts, ratifies, and makes its own, in every respect as if the same had been originally filed and posted by it, all tariffs and supplements containing rates, rules and regulations for furnishing natural gas service at Floyd County in the Commonwealth of Kentucky, filed with the Public Service Commission of Kentucky by Floyd County Gas Company, aka East Kentucky Utilities and in effect on the 31st day of December, 2008, the date on which the public service business of the said Floyd County Gas was taken over by it.

This notice is issued on the 9th day of January, 2009, in conformity with 807 KAR 5:011, Section 11, of the Regulations for the filing of Tariffs of Public Utilities with the Public Service Commission of Kentucky.

Califord () Robert Oxford

By Managing Member

Authorized by Ky.P.S.C. Order No. 2008-00394___

PUBLIC SERVICE COMMISSION OF KENTUCKY **EFFECTIVE** 12/31/2008 PURSUANT TO 807 KAR 5:011 SECTION 9 (1) ive Director

FOR ENTIRE AREA SERVED
P.S.C. KY. NO. 1
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SHEET NO

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RULES AND REGULATIONS

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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 back billing 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.
(21) <u>Gas Cost Adjustment Clause</u> The rates authorized herein are based upon the wholesale cost of gas to East Kentucky as computed using rates of its wholesale suppliers currently in effect. In the event there is an increase or decrease in wholesale gas cost, East Kentucky shall file with this Commission the following information within 30 days:
1. A copy of the contract or wholesale supplier notification effecting the change in rate and a statement relative to the effective date of such proposed change.
2. A statement setting out gas sales for the most recent 12 months. PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE
APR 7 1994
PURSUANT TO 807 KAR 5:011, SECTION 9/41), /
SECTION 9 (1), 1
-DATE OF ISSUE October 5, 1993 DATE EFFECTIVE OCH CONTRACTOR MANAGER MONTH DAY YEAR MONTH DAY YEAR
ISSUED BY Jaud Alle President P. O. Box 551 Prestonsburg, KY 41653 NAME OF OFFICER TITLE ADDRESS

	FOR ENTIRE AREA SERVED
	P.S.C. KY. NO. 1
	1st SHEET NO. 7
EAST KENTUCKY UTILITIES, INC.	Canceling P.S.C. KY NO
	SHEET NO

- 3. A statement setting out the details of gas purchased for the most recent 12 months showing billing from the supplier(s) under the most recent rate(s) and under the proposed supplier rate. The difference between the amounts so determined shall be divided by East Kentucky's sales for the most recent 12 months, provided East Kentucky's line loss for the same 12 month period does not exceed 5%. If line loss exceeds 5%, the difference shall be divided by allowable sales calculated as (purchases x .95).
- 4. A signed and dated tariff sheet showing East Kentucky's proposed rates for service based on the change in supplier rate. An increase in rates shall not be effective with less than 30 days notice unless a waiver is requested and granted.
- 5. Such other information as this Commission may request for a proper determination of the purchased gas adjustment.

In the event that East Kentucky receives from its supplier a refund, bill adjustment or credit of amounts paid to such supplier in respect of a prior period, East Kentucky will apply to the Commission within 30 days for authority to make adjustments on the rates charged to its customers under this provision as follows:

- 1. The "refundable amount" shall be the amount received by East Kentucky as a refund. Such refundable amount shall be divided by the Mcfs of gas that East Kentucky estimates it will sell to its customers during the four-month period commencing with the first day of the month following receipt of the refunds, thus determining a "refund factor."
- 2. Upon Commission approval, East Kentucky will reduce by the refund factor any purchased gas adjustment that would otherwise be applicable during such period.
- 3. In the event of any large or unusual refunds **public schules on a** pply to the Commission for the right to depart from the **Kenfucki** procedure herein set forth.

							APR 7	1994	
						PUR	SUANT TO 80	7 KAR 5:)11
-DATE OF	ISSUE <u>October</u>	5, 1993		DATE	EFFEC'	r ļv ķ	SECTION October	9 (1) 5 × ×895	3
	MONTH	DAY	YEAR			BUt	LIC SERVICE COMM	ISSION MANA	YEAR
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	NAME OF OFFI		TITLE			DRES			

	FOR ENTIRE AREA SERVED
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EAST KENTUCKY UTILITIES, INC.	Canceling P.S.C. KY NO
	SHEET NO

Upon receipt of the required information, the Commission shall review the proposed increase, reduction, or refund and, within 30 days from receipt of the information required, issue its Order setting out the proper revised rates or otherwise acting to investigate or suspend the proposed rates.

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	PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE		
	APR 7 1994		
	PURSUANT TO 807 KAR 5:011, SECTION 9 (1)		
	PUBLIC SERVICE COMMISSION MANAGER		
MONTH DAY YEAR	DATE EFFECTIVE October 5, 1993 MONTH DAY YEAR		
ISSUED BY And Alle Presiden NAME OF OFFICER TITLE	ADDRESS		

P.S.C. Ky. Adoption Notice No.

ADOPTION NOTICE

The undersigned Kentucky Frontier Gas, LLC of 4891 Independence Street, Suite 200, Wheat Ridge, CO 80033 hereby adopts, ratifies, and makes its own, in every respect as if the same had been originally filed and posted by it, all tariffs and supplements containing rates, rules and regulations for furnishing natural gas service at Floyd County in the Commonwealth of Kentucky, filed with the Public Service Commission of Kentucky by Mike Little Gas Company and in effect on the 31st day of December, 2008, the date on which the public service business of the said Mike Little Gas was taken over by it.

This notice is issued on the 9th day of January, 2009, in conformity with 807 KAR 5:011, Section 11, of the Regulations for the filing of Tariffs of Public Utilities with the Public Service Commission of Kentucky.

Robert Oxford

By Managing Member

Authorized by Ky.P.S.C. Order No. 2008-00394____

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
12/31/2008
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)
NI 00
By MA AREAN
Executive Director

For Melvin, Weeksbury, Bypro, Langley

P.S.C. KY NO. 1

<u>63rd Rev.</u> SHEET NO. <u>14</u>

CANCELLING P.S.C. KY. NO.

SHEET NO. _____

<u>Mike Little Gas Company, Inc.</u> Name of Issuing Corporation

RULES AND REGULATIONS

PURCHASED GAS COST ADJUSTMENT CLAUSE

Determination of GCRR

The Company shall file a quarterly report with the Commission which shall contain an updated Gas Cost Recovery Rate (GCRR), as calculated in accordance with the provisions set forth in the Definitions Section hereinafter, and which shall be filed at least 30 days prior to the beginning of each calendar quarter. The GCRR shall become effective for billing for service rendered on or after the first day of each calendar quarter.

Billing

Gas Cost Recovery Rate to be applied to bills of customers shall equal the s i of the following components;

GCRR = EGCA + ACA + RA.

The GCRR will be added to or subtracted from the base 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 purposes of this tariff:

- a. The "Gas Cost Recovery Rate" (GCRR) represents the adjustment calculated quarterly at a time 30 days prior to the beginning of the next calendar quarter and which is to be used for all gas sales during the next calendar quarter. It is the sum of the Expected Gas Cost Component plus the Actual Cost Adjustment plus the Supplier Refund Adjustment as defined and calculated as follows in (b) - (e) hereinafter; i.e., GCRR = EGCA + ACA + RA.
- b. The "Expected Gaslic Service and the cost of purchased gas for basis, represents the RENEWED expected cost of purchased gas for

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I 3 OF ASSUE October 29, 1991 SEP 3 0 1991 DATE EFFECTIVE	September 30, 1991	OK
ISSUED BY Caniel C, GREEKESHANT TO 807 KATE 5211 Vice Pres	sident	
NAME OF OFFICER SECTION 9 (1)		Ī
BY:		

For Melvin, Weeksbury, Bypro, Langley

P.S.C. KY NO. _1____

63rd Rev. SHEET NO. 16

CANCELLING P.S.C. KY. NO.

SHEET NO.

<u>Mike Little Gas Company, Inc.</u> Name of Issuing Corporation

RULES AND REGULATIONS

PURCHASED GAS COST ADJUSTMENT CLAUSE (Continued)

the next calendar quarter based on 12 months of actual usage. The 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 12-month period, divided by the corresponding sales volume. In the event that line loss exceeds 5 percent, purchased volumes for the 12-month period shall be calculated as: sales volumes \div .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 adjustment of this type shall be described in the quarterly Gas Cost Recovery Rate application.

- c. The "Actual Cost Adjustment" (ACA) on a dollar-per-Mcf basis compensates for differences between previous quarters' expected gas cost and the actual cost of gas. The ACA shall equal the sum of the ACA for the reporting period and for the 3 preceding calendar quarters. This may also be used to compensate for any over- or under-recoveries remaining from previous actual or refund adjustments after a 12-month period.
- d. The "Supplier Refund Adjustment" (RA) on a dollar-per-Mcf basis 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 12-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.
- e. "Calendar Quarter(s)" means each of the four 3-month periods of (1) May, June and July; (2) August Sember and October; (3) November, December and January, (4) FREE Privary, March and April.

I E OF ISSUE October 가, 1991	SEP DATESEFFECTIVE	September 30, 1991	-ok Me
ISSUED BY Wanuel C. Greek NAME OF OFFICER	PURSUANT TO BOT KAR 5:011ice	President in	nge
	SECTION 9 (1) BY: <u>Clonger Helle</u> PUBLIC SERVICE COMMISSION MANAGER		

EFFECTIVE

For Melvin, Weeksbury, Bypro, Langley

P.S.C. KY NO. 1

63rd Rev. SHEET NO. 14

CANCELLING P.S.C. KY. NO.

SHEET NO.

Mike Little Gas Company, Inc. Name of Issuing Corporation

RULES AND REGULATIONS

PURCHASED GAS COST ADJUSTMENT CLAUSE (Continued)

- f. "Reporting Period" means the 3-month accounting period that ended approximately 60 days prior to the filing date of the updated GCRR for the calendar quarters ended January 31, April 30, July 31 and October 31 of each year.
- g. "Next Calendar Quarter" means the calendar quarter beginning approximately 30 days from the required filing date of the updated GCRR.

Interim Gas Cost Adjustments

Sould any significant change in supplier rate occur, the Company may apply to Public Service Commission for an interim purchased gas cost adjustment in addition to the regular quarterly Furchased Gas Cost Adjustment Clause filings.

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	OF KENTUCKY	
	EFFECTIVE	
DATE OF ISSUE <u>Octoberd</u> , 1991 1. JUED BY Warnel C. Greek	SEP DAUE 90 FFECTIVE	791
NAME OF OFFICER	PURSUANT TO BUT KAR 0.0444 SECTION 9 (1) BY: <u>Coore stalle</u> PUBLIC SERVICE COMMISSION MANAGER	

DUDUIC SERVICE COMMISSION



orm for f	iling Rate Schedules	ForCommunity, Town or City
		P.S.C. NO
	0	SHEET NO
Mike ame of Is	suing Corporation	CANCELLING P.S.C. NO
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	CLASSIFICATIO	N OF SERVICE
New York of Constant State		RATE PER UNIT
	DLEASE MAKE MIKE LITTLE GAS COMPANY, I P.O. BOX 69 MELVIN, KY 41650	INC. Mike Little Gas Co., Inc. P.O. BOX 69 MELVIN, KY 41650 WELVIN, KY 41650 PERMIT #1
H	PREVIOUS PRESENT USED DESCRIPTION AMO	UNT
	RATES AVAILABLE UPON REQUEST BILLS ARE DUE WHEN RENDERED. PENALTY WILL BE ADDED IF NOT PAID BY THE 15TH. IF NOT PAID BY THE FOLLOWING MONTH SERVICE WILL BE DISCONTINUED WITHOUT FUR-	
1	THER NOTICE. PHONE 452:2475 OFFICE HOURS 8:00-4:30 MON. THRU FRI. EMERGENCY AFTER 5:00 TOTAL AN	ACCOUNT NO. TOTAL AMOUNT
		PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE
DATE OF	ISSUE	MAY 1 1992 DATE EFFECTIVE
ISSUED B		TITLE PURSUANT TO 807 KAR 5:011, SECTION 9 (1)
Issued h		BY: <u><u><u><u></u></u><u><u></u><u><u></u><u><u></u><u></u><u></u><u><u></u><u></u><u></u><u></u><u></u><u></u><u></u><u></u><u></u></u></u></u></u></u></u>

A

P.S.C. Ky. Adoption Notice No.

ADOPTION NOTICE

The undersigned ___Kentucky Frontier Gas LLC_____(Name of Utility) System

of _____Prestonsburg, KY______hereby adopts, ratifies, and makes its own, in every respect as if the same had been originally filed and posted by it, all tariffs and supplements containing rates, rules and regulations for furnishina _____ service at _____ Phelps, KY and area natural gas (Nature of Service) in the Commonwealth of Kentucky, filed with the Public Service Commission of Kentucky by ____Peoples Gas Company____ of ____Phelps, KY_____ (Name of Predecessor) and in effect on the 31 day of December _____, 20 09 , the date on which the public service business of the said ____Peoples Gas Company_ (Name of Predecessor) was taken over by it.

This notice is issued on the ___15__ day of ____April_____, 2010__, in conformity with 807 KAR 5:011, Section 11, of the Regulations for the filing of Tariffs of Public Utilities with the Public Service Commission of Kentucky.

_Kentucky Frontier Gas LLC

Authorized by Ky.P.S.C. Order No. 2009-0049 EXECUTIVE DIRECTOR TARIFF BRANCH EFFECTIVE 4/15/2010	Ву	Robert Oxford
Authorized by Ky.P.S.C. Order No. 2009-0049 TARIFF BRANCH Bunt Kinkley EFFECTIVE	2,	PUBLIC SERVICE COMMISSION
Bunt Kirtley EFFECTIVE		EVECUTIVE DIDECTOD
EFFECTIVE	Authorized by Ky.P.S.C. Order No. 2007-0079	TARIFF BRANCH
		Bunt Kirthey
4/15/2010		EFFECTIVE
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)		

P.S.C. Ky. Adoption Notice No. 2001-027

ADOPTION NOTICE

The undersigned PEOPLE'S GAS, INC. of STANVILLE, KENTUCKY hereby adopts, ratifies, and makes its own, in every respect as if the same had been originally filed and posted by it, all tariffs and supplements containing rates, rules, and regulations for *to the Phelps Division* furnishing the DISTRIBUTION OF NATURAL GASI in the Commonwealth of Kentucky, filed with the Public Service Commission of Kentucky by MIKE LITTLE GAS COMPANY, INC. of MELVIN, KENTUCKY and in effect on the 28th day of April, 2001, the date on which the public service business of the said MIKE LITTLE GAS COMPANY, INC. was taken over by it.

This notice is issued on the 29th DAY OF April, 2001, in conformity with 807 KAR 5:011, Section 11, of the Regulations for the filing of Tariffs of Public Utilities with the Public Service Commission of Kentucky.

By

People's Gas, Inc.

Authorized by KY P.S.C. Order No. 2001-027

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE

AUG 04 2001

PURSUANT TO 807 KAR 5:011, SECTION 9 (1) BY: Stephano BUU SECRETARY OF THE COMMISSION



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	FOR: <u>Phelps</u> Community, Town or City		
	P.S.C. KY. NO1		
	SHEET NO1		
Peoples Gas, Inc. (Name of I	Jtility) CANCELING P.S. KY.NO. 1		
	SHEET NO		
	RATES AND CHARGES	0	
APPLICABLE:	Entire area served	У	
AVAILABILITY OF SERVIC	E: Domestic and commercial use in applicable areas.		
A. <u>MONTH</u>	<u>_Y RATES:</u> <u>Base Rate</u> <u>GCRR</u> <u>Total</u>		
FIRST (1) M OVER 1 MC	ICF (MINIMUM BILL) \$ 4.3971 7.1895 11.5866 \$ 2.7670 7.1895 9.9565		
B. DEPOSI	TS \$100.00		
DATE OF ISSUE	March 29, 2012		
DATE EFFECTIVE	May 1, 2012		
ISSUED BY	Reded March		
T 1 T 1 F	(Signature of Officer)		
TITLE -	Member		
IN CASE NO2	R OF THE PUBLIC SERVICE COMMINSSION 012-00123 DATED April 24, 2012		
	KENTUCKY PUBLIC SERVICE COMMISSION	1	
	JEFF R. DEROUEN EXECUTIVE DIRECTOR		
	TARIFF BRANCH	1	
	Bunt Kirtley		
	EFFECTIVE	1	

5/1/2012	
PURSUANT TO 807 KAR 5:011 SECTION 9	(1)

Form for filing Rate Schedules

POR PHELPS Community, Town or City P.S.C. NO.Original 2.1 SHEET NO. CANCELLING P.S.C. NO. SHEET NO.

PEOPLES GAS Name of Issuing Corporation

CLASSIFICATION OF SERVICE

RATE PER UNIT

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 19 months, the deposit will be recalculated at the customer's request based on the customer's actual usage. 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 Buld Enveryeont for shall refund any overpayment by check or credit to the customer KENDICKY. No refund will be made if the customer's bill is delinquent at the FRENTHER the recalculation.

Water districts should substitute KRS 74.050 and water any maintaions should substitute KRS 273.392 since these statutes governmentations interest to be paid by water districts and associations.

DATE OF ISSUE AUGUST 19 2001	DATE EPPECTIVE AUCUENT 10 807 KAR 5011; TITLE OPECATION STAT
issued by authority of an order.	of the Public Serverany of the Commission
in Case No. 2001-027 dated Avg.	

FOR		Phelps			Phelps		
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			CURR	T NO			

SECTION 9 (1)

SECRETARY OF THE COMMISSION

Bus

BY: Stephand

RULES AND REGULATIONS

Peoples >Gas

SPECIAL CHARGES

Late Payment Penalty: Bills for service are due on the 15th of each month. A late payment penalty of 10 percent will be assessed on all bills not paid by the due date. When a penalty is assessed, any payment received will first be applied to the bill for services rendered. Additional penalty charges on subsequent bills will not be assessed on unpaid penalty charges.

Deposits: Where actual usage data is available, the deposit shall be calculated using the customer's average bill for the most recent 12 month period. If actual usage data is not available, the deposit shall be based on the average bills of similar customers and premises in the system.

<u>I. rest on Deposits</u>: Interest in the amount of 6 percent will be paid annually on customer deposits. If interest is paid or credited to the customer's bill prior to 12 months from date of deposit, the payment or credit shall be on a prorated basis.

Reconnection Charge: A reconnection charge of \$75 shall be paid before service is restored following disconnection for nonpayment of bills. The charge will also be assessed to customers who request disconnection of service and subsequently reestablish service at the same premise within 12 months.

Connections: A charge of \$45 will be made to install a meter at an existing connection.

Service Charge: A charge of \$15 will be made for a unnecessary field service trip that is requested by the customer. This includes rereading a meter that was found to be read correct.' The charge will also be made to collect a delinquent bill after a delinquent notice has been sent to the customer. Only one such trip will be made during a billing period.

PUBLIC SERVICE COMMISSION DATE OF ISSUES August 19, 2001 DATE EFFECTIVE August MONTH MONTH DATE VEAR erations Mas ISSUED BY OFFICER NAME OF TITLE AUG 0 / 2001 PURSUANT TO 807 KAR 5:011,

FOR	Phelps	
P.S.C. KY. NO	02	
Original	SHEET NO	3
CANCELLING P.	.S.C. KY NO	1
	SHEET NO.	

Monitoring of Customer Usage

Peoples Gas

The Company will monitor the usage of each customer according to the following procedures.

If the annual usage for 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.

If the usages differ according to the table below and cannot be attributed to a readily identified common cause, the Company will compare the customer's monthly usage records for the 2 month period with the monthly usage for the same months of the preceding year.

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

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.

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

In addition to the routine 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.

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE

AUG 01 2001

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

SECRETARY OF THE COMMISSION

2001

YEAR.

DATE

DATE EFFECTIVE August 1, 2 OF ISSUES August 19 <u>2001</u> MONTH DATE YEAR ations Mass **ISSUED BY** NAME OF OFFICER

FOR	Phelps	
P.S.C. KY.	NO2	
Original	SHEET NO.	4
CANCELLING	P.S.C. KY NO.	1
	SHEET NO.	

GENERAL RULES AND REGULATIONS

All gas service rendered by the Company will be in accordance with the Rules and Regulations of the Company which have been approved by the Public Service Commission.

Application for Service:

Peoples Gas

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, or in the event two classes of service are necessary at one location to the same customer the Company may require separate applications.

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

Owner's Consent to Occupy:

In case the Customer is not the owner of the premises it shall be the Customer's responsibility to obtain from the property owner the necessary consent to install and maintain all piping and other equipment as are required for supplying gas service to the Customer. However, the utility shall not require a prospective customer to obtain easements on property not owned by either the prospective customer or the customer's landlord.

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, or for determining Case (GECONAMISSION of either the rules and regulations of the Company, or other regulatory KENDUCKY agency relating to the use of natural gas.

AUG 01 2001 & OF ISSUES August DATE EFFECTIVEAugust PURSUANTOTO 807 KAR 5011 2001 19 DATE MONTH VEAR MONTH DATETOYEAR BY: Stephan() Bu Alrations Mag. ISSUED BY SECRETARY OF THE COMMISSION ADDRESSV.

FOR	Phelps		
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Original	SHEET NO.	5	
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Company's Equipment and Installation:

Peoples Gas

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 Company will furnish, install and maintain at its expense the necessary meter, regulator and connections. Whenever practical, in the judgement of the Company, the location will be as near as possible to the supply main and outside of buildings. Suitable site or location for the meter, regulator and connections shall be provided by the Customer, and the title to/ the equipment shall remain in the Company, with the right to install, operate, maintain and remove same.

Customer's Equipment and Installations:

OF ISSUES August 19,2001 MONTH

NAME OF

The Customer shall furnish, install and maintain at his expense the necessary s vice 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 connecting the joints of pipe. The location shall be the point of easiest access to the Company. The Company shall be advised and shall inspect the installation of any and all service lines prior to backfilling.

Metering:

ISSUED BY

The gas consumed shall be measured by a meter or meters to be installed by the Company upon the Customer's premises. If more than one meter is installed for the same or different classes of service at different locations and the customers as premises, each meter shall be considered separately & calculating the shower of the EFFECTIVE bills.

YEAR

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OFFICER

AUG 01 2001

PURSUANT TO 807 KAR 5011, SECTION 9 (1)

BY: Stephan() BIL

DATE EFFECTIVEAugust 1, 2001 MONTH STATES OF THAT SECRETARY OF THE COMMISSION

ADDRESS

FOR Phelps	
P.S.C. KY. NO. 2	
Original SHEET NO.	6
CANCELLING P.S.C. KY NO	1
SHEET NO.	

Protection of Company's Property:

Peoples Gas

All meters piping and other appliances and equipment furnished by and at the expense of the Company, shall remain the property of the Company, and the Customer shall protect such property from loss and damage, and no one who is not an agent of the Company shall be permitted to remove such property or tamper with or damage same.

Exclusive Service:

Except in cases 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 resell gas, nor/ deliver any gas purchased from the ompany through any connection with either the Company's facilities or those onging to the Customer.

Point of Delivery:

The point of delivery of gas supplied 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 , or at the outlet of the meter, /whichever is nearest the delivery main of the Company.

Continuous or Uniform Service:

The Company will endeavor to supply gas continuously and without interruption, however the Company shall not be responsible for damages or otherwise any failure to supply gas or for any interruptions of the supply when such failure to or KENTUCKY willful fault or neglect on its part/.

EFFECTIVE

AUG 07 2001

PURSUANT TO 807 KAR 5:011. SECTION 9 (1) BY: Stephand Bue SECRETARY OF THE COMMISSION

OF ISSUES August 19, 2001 MONTH DATE YEAR	DATE EFFECTIVE	Manat 1 2001 YEAR
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	FOR Phelps
	P.S.C. KY. NO. 2
	Original SHEET NO. 7
Peoples Gas	CANCELLING P.S.C. KY NO. 1
y	SHEET NO.

The Company cannot and does not guarantee either a sufficient supply or an adequate or uniform pressure of the gas supplied, except as mandated by the Public Service Commission, 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 willful fault or neglect on its part.

Monthly Bills:

Bills for gas service are rendered monthly unless otherwise specified. The term month for billing purposes shall mean the period between any two consecutive readings of the meter by the Company, such readings to be taken as near as possible every 30 days.

Bills are due upon rendition and shall be due and payable within a period not exceeding ten days from receipt.

Service shall be subject to disconnection if bills are not paid in full within lays of the mailing of the original bill. The Customer will be sent a delinquent otice not less than 10 days prior to termination. The notice will set out information, including name and telephone number of federal and state programs that will offer assistance in paying of utility bills under certain conditions.

If the Company is unable to read a meter due to the weather or other conditions the Customer will receive an estimated bill. The bill will be clearly marked as estimated.

Measurement Base:

The rates of the Company are based upon gas delivered 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 hundredths (14.65) pounds per square inch absolute pressure, at an assumed temperature of fourteen (60) degrees Fahrenheit.

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

Character of Service:

Peoples Gas

The Company will normally supply natural cas 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.

Assignment 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 successors 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.

When the gas supply has been discontinued or disconnected for non-payment of bills or other violation of the Company's tariffed rules and regulations, the service will not be restored at the same location, or connected at another location, for the same customer under a different contact or name when it is evident the change of name is a subterfuge designed to defraud or penalize the Company.

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 successive Specification of the year each, subject to termination at the end of any year upon third Kanyek written notice by either Party.

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Customer's Discontinuance of Service:

Peoples Gas

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.

Company's Discontinuance of Service For Cause: /

The Company has the right to discontinue service to a Customer for violation of its tariffed rules and regulations or for non-payment of bills, however, service shall not be discontinued until the Company has diligently tried to induce the "Sustomer to comply with its tariffed rules and regulations, or has diligently impted to induce the Customer to pay the bills. After such efforts on the part of the Company, the service may be discontinued only after at least ten days (10) written notice of such invention shall have been given to the Customer by the Company.

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

Where necessary for construction, maintenance or operation purposes, the Company may temporarily 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.

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE AUG 07-2001-PURSUANT TO 807 KAR 5011, +, 20 SECTION 9 (1) DATE EFFECTIVE LE OF ISSUES August 1.9 2001 MONTH YEAR MONTH BY: Stephand Bus LW Your ISSUED BY SECRETARY OF THE COMMISSION NAME OF OFFICER T ADDRESS

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Peoples Gas	CANCELLING P.S.C. KY NO. 1
	SHEET NO.

Refusal on the part of the Customer to provide reasonable access to the premises for the purposes of reading meters, inspection, maintenance and operation shall also be deemed to be sufficient cause for the Company to discontinue the service. For any discontinuance, the Customer shall be given notice of their right to appeal the decision.

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 tariffed 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 requirements without adversely affecting the service to Customers already connected and being served.

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.

> PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE

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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.

Turning Off Gas Service and Restoring Same:

People's Gas

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.

Special Provisions - Large Volume\Customers:

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

Special Rules For Customers Service From /Transmission Mains:

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:

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.

> PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE

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CANCELLING P.S.	C. KY NO.	1

Peoples Gas

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 dwned by the Company only the approval and acceptance of the Company is necessary. 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. 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 and regress to and from this location at any time without any expense or charges from the Customer. The Customer's service line extending from the outlet of the meter shall be installed and maintained by the Customer at his expense. The Customer shall notify the Company promptly of any leaks in the transmission line or equipment, also, of any hazards or damages to same. Customers may be required to send in monthly readings to the Company on suitable forms provided by the Company. Service to mobile homes. An applicant requesting service to a trailer may be required to pay all costs of connecting service incidental to the installation of service except for the meter and regulator. In addition to this, a deposit of 2/12 estimated annual bill is required to secure payment. All fees to be paid in advance. If service is provided 12 months at the same location, any installation fees in excess of the deposit will be refunded. PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE AUG 01 2001 PURSUANT TO BO7 KAR 5:011. 2001 YEAR DATE EFFECTIVE August 1, 30010N9(1) d of issues MONTH 19 DATI BY: Stephand Bul SECRETARY OF THE COMMISSION ISSUED BY a NAME OF OFFICER ADDRESS

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Curtailment_Order:

In case 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 due to any cause whatsoever the curtailment shall be as follows:

1. Industrial and Commercial Customers, except schools.

- 2. Schools
- 3. Residential Customers

Distribution Main Extensions

All extensions of the Company's system to serve new Customers or to increase vice to an existing Customer shall be made under the Rules and Regulations of the Fublic Service Commission governing such extensions.

Budget Billing

The purpose of this plan is to permit any customer, on an optional basis, the opportunity to equalize payments of natural gas bills rendered during the year.

This plan is available to any dustomer after satisfying the following conditions:

- 1. A budget customer shall make application and sign payment agreement acknowledging monthly budget payment amount and average usage.
 - a. The average usage shall be determined by dividing the twelve (12) months usage ending June by 10. The average usage shall be billed at current rates. This shall be the monthly Budget payment. This amount shall be first billed on or about September 1, of each year.

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Name of Issuing Corporation

RULES AND REGULATIONS

PURCHASED GAS COST ADJUSTMENT CLAUSE

Determination of GCRR

Peoples Gas

The Company shall file a quarterly report with the Commission which shall contain an updated Gas Cost Recovery Rate (GCRR), as calculated in accordance with the provisions set forth in the Definitions Section hereinafter, and which shall be filed at least 30 days prior to the beginning of each calendar quarter. The GCRR shall become effective for billing for service rendered on or after the first day of each calendar quarter.

Billing

Gas Cost Recovery Rate to be applied to bills of customers shall equal the defined the following components:

GCRR = EGCA + ACA + RA.

The GCRR will be added to or subtracted from the base 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 purposes of this tariff:

- a. The "Gas Cost Recovery Rate" (GCRR) represents the adjustment calculated quarterly at a time 30 days prior to the beginning of the next calendar quarter and which is to be used for all gas sales during the next calendar quarter. It is the sum of the Expected Gas Cost Component plus the Actual Cost Adjustment plus the Supplier Refund Adjustment as defined and calculated as follows in (b) - (e) hereinafter; i.e., GCRR = EGCA + ACA + RA.
- b. The "Expected Gas Control Control of KENTICKY Mode basis, represents the systeme expected cost of purchased gas for

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Peoples Gas Name of Issuing Corporation

RULES AND REGULATIONS

PURCHASED GAS COST ADJUSTMENT CLAUSE (Continued)

the next calendar quarter based on 12 months of actual usage. The 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 12-month period, divided by the corresponding sales volume. In the event that line loss exceeds 5 percent, purchased volumes for the 12-month period shall be calculated as: sales volumes \div .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 adjustment of this type shall be described in the quarterly Gas Cost Recovery Rate application.

- c. The "Actual Cost Adjustment" (ACA) on a dollar-per-Mcf basis compensates for differences between previous quarters' expected gas cost and the actual cost of gas. The ACA shall equal the sum of the ACA for the reporting period and for the 3 preceding calendar quarters. This may also be used to compensate for any over- or under-recoveries remaining from previous actual or refund adjustments after a 12-month period.
- d. The "Supplier Refund Adjustment" (RA) on a dollar-per-Mcf basis 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 12-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.
- e. "Calendar Quarter(s)" means each of the four 3-month service of May, June and July; (2) Augusta Sector ber and October; Of Kentley ember, December and January (41. Sector ary, march and April. EFFECTIVE

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Peoples Gas Name of Issuing Corporation

RULES AND REGULATIONS

PURCHASED GAS COST ADJUSTMENT CLAUSE (Continued)

- f. "Reporting Period" means the 3-month accounting period that ended approximately 60 days prior to the filing date of the updated GCRR for the calendar quarters ended January 31, April 30, July 31 and October 31 of each year./
- g. "Next Calendar Quarter" means the calendar quarter beginning approximately 30 days from the required filing date of the updated GCRR.

Interim Gas Cost Adjustments

Public Service Commission for an interim purchased gas cost adjustment in addition to the regular quarterly Purchased Gas Cost Adjustment Clause filings.

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE))

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PURSUANT TO 807 KAR 5.011, SECTION 9 (1) BY: Stephan() Bus SECRETARY OF THE COMMISSION

DATE OF ISSUE August MARE FECTIVE August 1,2001 2001 Deerations Mins UED BY-TITLE OFFICER NAME OF





Budget Billing Plan

Customer Application and Agreement

My usage for the past year divided by 10 was _____MCF per month and at present rates the Budget payment amount would be\$_____

I agree to pay this amount each month for the next year with adjustments in July and August to render a balance due at September next year of Zero dollars.

I understand that failure to make these monthly payments, this agreement will be canceled and I will revert to regular customer status.

I further understand that the budget payment may be adjusted if the wholesale cost of gas is increased.

day of

Dated this

Accepted____

To:

Customers name

address

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE

Account number AUG 01 2001

PURSUANT TO 807 KAR 5011, SECTION 9 (1) BY: Stephand Bud SECRETARY OF THE COMMISSION Auxier Road Gas Company, Inc.

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AUXIE	R ROAD GAS COMPANY, INC.
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PR	LESTONSBURG, KENTUCKY
Rates, Rules an	d Regulations for Furnishing
	NATURAL GAS
	' AT
Cliff, Av	uxier and Vicinity
Floyd Cou	unty
Filed with PIIRI.	IC SERVICE COMMISSION OF
	KENTUCKY
SUED January 10, 19.72	EFFECTIVE 1712-30, 19.71
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	ISSUED BY <u>AUXIER ROAD GAS COMPANY</u> , INC. (Name of Utility)
	By Word www Brankom Pres

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Form For Filing Rate Schedules

For	Entire	Avea	Served
	Community	Town or City	

Community, Town or City

P. S. C. NO._____

______ SHEET NO. ______ CANCELLING P. S. C. NO._____

_____ SHEET NO._____

AUXIER ROAD Gas Co Name of Issuing Corporation

CLASSIFICATION OF SERVICE	
	RATE PER UNIT
RATE SCHEDULE: Applicable in all territory served by Company.	
AVAILABILITY OF SERVICE: For all residential and commercial purposes	
FIRST 1 MCF	
MINIMUM BILL 6.36 2.8	0781,9 075
PUBLI	KENTUCKY IC SERVICE COMMISSION JEFF R. DEROUEN
	EXECUTIVE DIRECTOR
DATE OF ISSUE JUNE 4, 2012 DATE EFFECTIVE JU	Bunt Kistley 12
ISSUED BY Kurblick R. Cusp TITLE Accountant	EFFECTIVE 6/1/2012
Issued by authority of an Order of the Public Service Commissioned Case No. 2012 - 00162 Dated May 30	NEEneurcher in 11 SECTION 9 (1)

· · · ·	FOR Entire Area Served
	P.S.C. Ky. No.]
	Original Sheet No. 1
Auxier Road Gas Company, Inc.	Cancelling P.S.CKy. No. 1
	4th Revised Sheet No. 2

APPLICATION FOR SERVICE:

All customers shall make application for service at the office of the company, giving name of applicant, mailing address, location to be served, and any other information required by the company to insure adequate service and payment of bills.

Commercial or other large use customers shall give kind of T. business, size of space to be heated and other use of gas in premises. Type of heating equipment, MCF recommended by manufacturer for same, pressure needed, for all purposed use. Size of piping to inside of building.

Large commercial or other use customers using more than 1,000 MCF per month or 100,000 MCF per year shall guarantee a minimum monthly bill, equal to twenty-five (25) per cent of the maximum monthly use in the preceeding twelve (12) months times the then effective minimum bill for all eustomers.

(1) The customer's meter shall be installed at the nearest point to the company's main or service line and will be designated by the company.

(2) The company will furnish and install the meter, regulator, stop and fittings from its! main to the property line of the customer.

(3) The customer shall install a service line not less than 1" of approved pipe to inside appliances, without reduction in size except same may be reduced at floor level to size opening of appliance. A stop cock shall be installed for each appliance.

(4) All gas appliances shall be installed UBLIC SERVICE TO THE ADDITION OF KENTUCKY EFFECTIVE

(5) The customer shall not adjust or attempt to adjust regulators, meters, or facilities of the company, and shall be responsible for any damage to meter and regulator, unless same is rendered by unknown persons. in which event same shall be immediately reported to 500 mpany. PURSUANT 10 500 mpany.

SECTION 9 (1) PUBLIC SERVICE COMMISSION MANAGER

N

DATE EFFECTIVE OF ISSUE Month edent Prestor ISSUED BY

P.S.C. Ky No._____

Sheet No.

Cancelling P.S.C. Ky No.

Auxier Road Gas Company, Inc.

Sheet No.

RULES AND REGULATIONS

SPECIAL NONRECURRING CHARGES

(6) Each customer shall be installed a separate meter and no building having more than one tenant shall be served by a single meter,

(7) Meter reading will be taken between 22-29th of each month and mailed on or before the 1st day of each month.

(8) Accounts not paid 10 days after mailing date shall be subject to a 10% penalty on the total bill due.

(9) A reconnection charge of \$100.00 shall be paid before service is restored following disconnection for non-payment of bill.

(10) A reconnection charge for customers who request discontinuance of service and subsequently re-establishes service at the same premises within 12 months is \$100.00.

(11) A transfer or service charge for customers moving from one location to another is \$20.00.

(12) A service charge of \$25.00 will be made to collect a delinquent bill after written notice has been mailed to the customer stating that the bill is delinquent. Failure to pay the account at this time will result in termination of service.

(13) A service charge of \$15.00 will be made to any customer whose check is returned from the bank for insufficient funds. The account shall be considered in arrears and subject to termination under 807KARS:006 Sect 11

(14) Mobile trailers shall be considered temporary service and subject to a connection charge of \$75.00. If service line, meter loop etc., are in place the charge shall be \$25.00.

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ISSUED BY Jallye Branham President Name of Officer Title	By W Different Prestonsburg Executive Director 41	, K 653

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Auxier Road Gas Company, Inc.	Cancelling P.S.C. Ky. No.	
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RULES AND REGU	ILATIONS	

(15) <u>Discontinuance of Service</u>

The utility shall 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 or applicants premises, when a customer or applicant refuses or neglects to provide reasonable access to the premises for fradulent or illegal use of service, or for nonpayment of bill.

If discontinuance is for nonpayment of bills, the customer shall be given at least ten (10) days written notice, separate from the original bill, and cut-off shall be effected not less than twenty-seven (27) days after the mailing date of the original bill unless, prior to dis contin nuance, 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 than thirty (30) days 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 assistance.

(16) For each meter a customer has, a deposit may be required but not an amount in excess of 2/12 of the estimated annual bill.

> PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE

> > OCT 1 8 1987

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BY: <u>Charge</u> Stand. PUBLIC SERVICE COMMISSION MANAGER

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ISSUED BY Estill B. Branham Pre	rident Po Box 785 Prestoushing/19
Name of Officer	1110 Address 4/453

For Entire Area Served

P.S.C. Ky No.____

Sheet No.____

Cancelling P.S.C. Ky No._____

Sheet No.____

RULES AND REGULATIONS

GAS COST ADJUSTMENT CLAUSE

Determination of GCR

The Company whall file a gas cost recovery rate (GCR) with the Commission at least 30 days prior to the first date of each calendar month. The GCR shall become effective for billing for service rendered on and after the first day of each calendar month.

The gas cost recovery rate is comprised of:

- 1. The expected gas cost (EGC) on a dollar-per-mcf basis, which represents the average expected cost of purchased gas based on 12 months of actual usage.
- 2. The actual adjustment (AA), on a dollar-per-mcf gasis, which compensates for differences between previous months expected gas cost and the actual cost of gas. The AA shall equal the sum of the AA for the reporting period. This will be filed on a monthly bases.
- 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 even of any large or unusual refund, the company may apply to the Commission for the right to depart from the refund procedures set forth herein.
- 4. The balance adjustment (BA) on a dollar-per-mcf basis, which compensates for any remaining under or over-collections which have occurred as a result of prior actual refund and balance adjustments.

Billing

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

	PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE 4/2/2009 PURSUANT TO 807 KAR 5:011
Date of Issue April 17, 2009 Dat	e Effection An SEGTION 92009
Month Day Year Issued By <u>Jaleys Brankon</u> Preside Name Title	nt BY A Prever X 41653

GCR = EGC + AA + RA + BA

Auxier Road Gas Company, Inc.

For Entire Area Served

P.S.C. Ky No._____

Sheet No.____

Cancelling P.S.C. Ky No._____

Sheet No.

The GCR will be added to or subtracted from the latest base tariff rates prescribed by Commission Order in the tariff rates stated each applicable rate sheet within this tariff.

RULES AND REGULATIONS

Definitions

For purposes of this tariff:

- 1. "Average Expected Cost" is the cost of purchased gas which results from the application of supplier rates currently in effect, or reasonable expected to be in effect during the calendar month, on purchased volumes for the most corresponding sales volume. In the event that line loss exceeds 5 percent, purchased volumes for the twelve-month shall be calulated 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 adjustment of this type shall be described in the monthly GCR application.
- 2. The "GCR" is the total of the expected gas cost and all adjustment.
- 3. The "Calendar Months" are: January through December.
- 4. "Reporting Period" means the monthly accounting period that ended approximately 30 days prior to the filing date of the updated gas cost recovery rates, i.e., the calendar months ending: January 31 through December 31.

DATE OF ISSUE April 14, 2009 DATE	EFFECTIV	OF KENTUCKY E April 2, E2009TIVE
RECEIVED BY <u>Lalye Brankan</u> Name of Officer	, Preside	4/2/2009 PURSUANT PO 80/78 AR 5:011 pt Prestonshurg, KY 41653
Name of Officer	Title	Dull Dans
		By H Executive Director

Auxier Road Gas Company, Inc.

Form for filing Rate Schedules

For <u>Entire Service Area</u> Community, Town or City

P.S.C. NO.____1____

Original SHEET NO. 1

<u>Auxier Road Gas Company</u> Name of Issuing Corporation CANCELLING P.S.C. NO._____

SHEET NO

CLASSIFICATION OF SERVICE

GENERAL TRANSPORTATION TARIFF

1. APPLICABILITY

Entire service area of the Company.

2. AVAILABILITY OF SERVICE

All transportation service will be provided by Special Contract to any commercial or industrial customer with purchases of 500 MCF or more per month, which requests such service. The contracts will be filed pursuant to PSC regulations and subject to PSC approval.

3. RATE, TERMS, AND SPECIAL PROVISIONS

All terms of service shall be subject to negotiation between the Company and the customer, subject to PSC approval.

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE

MAY 9 1991

PURSUANT TO 807 KAR 5:011. SECTION 9 (1) BY: <u>Under Sector</u> PUBLIC SERVICE COMMISSION MANAGER

PUBLIC SERVICE COMMISSION MANAGEN

DATE OF ISSUE APRIL 9, 1991

DATE EFFECTIVE MAY 9, 1991

ISSUED BY ESTILL BRANHAM Name of Officer

۰.

TITLE PRESIDENT

FOR Entire Service Area

P.S.C. No. 1

ORIGINAL SHEET 1

CANCELLING SHEET AUXIER ROAD GAS COMPANY

RULES AND REGULATIONS

USAGE MONITORING

1) Each customers usage shall be monitored at least once annually in accordance with 807 KAR 5:006(10)(3):

a. Annual usage for the most recent 12 months will be compared to the preceding 12 months usage;

b. If annual usage for the two periods is substantially the same or if the difference is known to be attributable to circumstances common to all customers, such as weather, no further review will be made;

c. If the annual usage differs by more than 15% and cannot be attributed to a common cause, a comparison of the monthly records for the 12 month period will be made with the

monthly records of the preceding year; d. If the cause of the usage difference cannot be determined from a review of the records, contact will be made with the customer to determine changes that may affect usage such as appliances, number in household, etc.;

e. If no explanation can be made, the meter will be tested to determine if it has an error rate of greater than 2% fast or slow;

f. The customer will be notified of of the findings and will be refunded or billed for the difference according to 807 KAR 5:006(10)(4) and 807 KAR 5:006(10)(5);

g. If any usage deviation is discovered during a meter reading, billing process or customer inquiry, an investigation will be made immediately.

DATE OF	ISSUE 06/17/02 D	ATE EFFECTIVE	07/17/02	ì	-
ISSUED	BY ESTILIARA				PRESIDENT
	NAME OF OFFICER	TITLE		4	
		· -			

SHEET NO.

FOR Entire Service Area

P.S.C. KY. NO. ____1

ORIGINAL SHEET NO. 1

CANCELLING P.S.C. KY. NO.

SHEET NO.

RULES AND REGULATIONS

CUSTOMER DEPOSITS

1. All residential and commercial customers shall pay a deposit at the time of application for service.

a. The deposit shall be \$125.00 per residential or commercial customer in accordance with the requirements of 807 KAR 5:006(7)(1)(b). b. The deposit may be waived upon showing of a satisfactory credit and payment history with the Company.

c. The deposit shall be retained for twelve months. At the end of the initial twelve month period, the deposit shall be refunded, unless an additional deposit may be required as provided by 307 KAR 5:006(7)(3).

d. Interest of 6% per year shall be calculated beginning on the date of deposit and shall be refunded to the customer at the end of the first twelve months of service or upon termination of service, whichever occurs first. If the customer is delinquent in his bill on this date, the interest shall be applied to the delinquent amount.

e. If a customer fails to maintain a satisfactory credit standing after the refund of the deposit, an additional deposit may be required as specified in (1) a,b,c and d above.

TEMPORARY SERVICE

Any customer requesting service for one year or less will be classified as a temporary service and will be charged a \$25.00 temporary service fee.

DATE OF ISSUE 06/17/02 DATE EFFECTIVE 07/17/02 MONTH DAY YEAR MONTH DAY YEAR

STILL BRANNAM

NAME OF OFFICER

__PRESIDENT_____TITLE

AUXIER ROAD GAS CO.

SSUED BY

	FOREntire Service Area
•	Community, Town or City
	P.S.C. KY. NO1
	OriginalSHEET NO. 13
Auxier Road Gas Company, Inc.	CANCELLING P.S.C. KY. NO.
(Name of Utility)	SHEET NO
	CONTENTS

BUDGET PAYMENT PLAN REQUIRED BY 807 KAR 5:006(13)2)

A budget plan is available for the convenience of its customers. In lieu of monthly billings for actual usage a customer may elect by notifying the company to be billed based on a budget amount. The budget amount will be calculated by the company under normal circumstances on a minimum if one twelfth of the customer's estimated annual usage, subject to review and adjustment throughout the year. The normal budget year is the twelve months from August to July, with July as the settlement month.

The customer's account may be adjusted periodically if changes in usage or rates indicate that the account will not be current upon payment of the last budget amount.

To be accepted as a budget customer, the account balance must be paid in total before the customer is put on the budget payment. It is understood that this budget payment plan will continue until the customer notifies the Company in writing or by telephone to discontinue the plan or the customer defaults in payment of such plan. The company may revoke the plan and restore the customer to monthly billing and require immediate payment of any deficiency.

Failure to receive a bill does not exempt a customer from these terms.

PARTIAL PAYMENT PLAN

Residential and Commercial customers may negotiate a partial payment plan in accordance with 807 KAR 5:006(13)2).

WINTER HARDSHIP RECONNECTION

Qualifying customers may have service reconnected pursuant to 807 KAR 5:006(15)

Free Gas Service Pursuant to KRS 278.170(2):

The company may provide free gas service to its officers, agents, or employees as allowed by KRS 278.170(2).

DATE OF ISSUE 6/01/04 Month / Date / Year	
DATE EFFECTIVE 6/01/04 Month/ Date / Year ISSUED BY Estill Branham 5.5/200 Butter	PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE 6/1/2004
TITLE_President	PURSUANT TO 807 KAR 5:011 SECTION 9 (1)
BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION IN CASE NO. 2004-0074 Dated June 1, 2004	By <u>Executive Director</u>

B.T.U. Gas Company, Inc.

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P.S.C. Ky. Adoption Notice No.

ADOPTION NOTICE

	The undersigned	B.T.U. Gas Company, Inc.
		(Name of Utility) System
of	Salyersville, KY	hereby adopts, ratifies, and makes its own, in
every	respect as if the same	had been originally filed and posted by it, all tariffs and
••	•	ules and regulations for furnishing <u>natural</u>
(Natu	gas re of Service)	service at <u>Salversville, Magoffin County, and Royalton</u>
in the	Commonwealth of Kentu	cky, filed with the Public Service Commission of Kentucky
by	B.T.U. Pipeli	ne, Inc.
		(Name of Predecessor)
of	Salversville, KY	, and in effect on the $_{6th}$ day of $_{July}$
		, the date on which the public service business of the said
		R.T.II. Pipeline, Inc. (Name of Predecessor)
was ta	aken over by it.	
	This notice is issued on	the day of,, in conformity
with 8	07 KAR 5:011, Section 1	I, of the Regulations for the filing of Tariffs of Public Utilities
with t	he Public Service Comm	ission of Kentucky.

Gas Company, Inc. Williams By, PUBLIC SERVICE COMMISSION

OF KENTUCKY EFFECTIVE

SEP 23 2000

Authorized by K.P.S.C. Order No.

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PURSUANT TO 807 KAR 5:011, SECTION 9 (1) BY Stephano Bud COSEDARY GETHE SO CORPORT

P.S.C. KY NO._____ CANCELS P.S.C. KY NO._____

B.T.U. GAS COMPANY, INC.

RATES, RULES AND REGULATIONS FOR FURNISHING

NATURAL GAS AT

OUTSKIRTS OF SALYERSVILLE, MAGOFFIN COUNTY

AND

ROYALTON, KENTUCKY

FUELIC BETWICE CONMICS/D., - JF KENTRICKY EFFECTIVE

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FILED WITH PUBLIC SERVICE COMMISSION

OF KENTUCKY

PUTSUANT TO SOFT A SOLL PTODESTOP (1) BY STOP (2010) BY STOP (2010)

SEP 23 2000

Issued:

Effective:

Issued By: B.T.U. Gas Company, Inc. By: Ham Williams

FOR ENTIRE AREA SERVED Community, Town or City

P.S.C. KY. NO.

____SHEET NO.

BTU Gas Company, Inc. (Name of Utility)

CANCELING P.S. KY.NO.

_SHEET NO.___

RATES AND CHARGES

APPLICABLE:

Entire area served

AVAILABILITY OF SERVICE:

Domestic and commercial use in applicable areas.

A. MONTHLY RATES:

 Base Rate
 GCRR
 Total

 FIRST (1) MCF (MINIMUM BILL)
 \$ 3.9000
 4.2999
 8.1999

 OVER 1 MCF
 \$ 2.9700
 4.2999
 7.2699

B. DEPOSITS:

DATE OF ISSUE	September 27, 2011					
DATE EFFECTIVE	November 1, 2011					
ISSUED BY	Buttel					
	(Signature of Officer)					
TITLE	Member					
BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMINSSION IN CASE NO DOIL-00405 DATED DUL						

KENTUCKY PUBLIC SERVICE COMMISSION					
JEFF R. DEROUEN EXECUTIVE DIRECTOR					
TARIFF BRANCH					
Bunt Kirtley					
EFFECTIVE					
11/2/2011 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)					

	Outskirts	of Sa	alyersvi	lle,	Magoffin
FOR	County,	and R	oyalton	Kent	cucky
-			DR COUNTY)		

						farmers and and
B.T.U.	Gas	Company,	Inc.	P.S.C.	KY.	NO.

(NAME OF UTILITY)

Original SHEET NO. 1

CANCELING P.S.C. KY. NO.____

SHEET NO.

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Total rate \$4.50

CLASSIFICATION OF SERVICE

RATES

Rates: (Formerly Old Inland Line)

First (1) MCF \$4.50

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All over 1 MCF \$4.50

 Hates:
 (B.T.U. GAS CO.)

 First (1) MCF
 \$7.00

 All over 1 MCF
 \$5.07

Cancelled November 2, 2011 Kentucky PSC

> PORTO SERVICE COMMISSION OF KENTUCKY EFFECTIVE

SEP 23 2000

PURSUANT TO 807 K/ H 5.011, SECTION 9 (1) BY Strohand R.(1) STOREMAY OF THE UK (1995)

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DATE	OF	ISSUE		DATE	EFFECT	rive			
ISSUE	ED H		MONTH DAY YEAR MULULIAMS	Presic	lent	ADDRESS	DAY NIL	ĸy	41465

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

FOR County, and Royalton Kentucky (COMMUNITY OR COUNTY)

(NAME OF UTILITY)

B.T.U. Gas Company, Inc.

P.S.C. KY. NO.

Original SHEET NO. 2

Outskirts of Salversville, Magoffin

CANCELING P.S.C. KY. NO.

SHEET NO.

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RULES AND REGULATIONS

SPECIAL CHARGES

Late Payment Penalty: Bills for service are due on the 10th of each month. A late payment penalty of ten percent (10%) will be assesses on all bills not paid by the due date. When a penalty is assessed, any payment received will first be applied to the bill for services rendered. Additional penalty charges on subsequent bills will not be assessed on unpaid penalty charges.

Deposits: Each customer shall put up a equal deposit of \$100.00, after which gas service will be turned on.

Interest on Deposits: Interest in the amount of 6% will be earned annually on customer deposits. This will be refunded to the customer providing all bills and late penaltties are current.

Tap Fee Charge: This charge is a non-refundable one time charge. This charge covers tap, riser, service line and all necessary materials to make the new customer connection. The tap stays on the homeowner property.

Reconnection Charge: A reconnection charge of \$25.00 shall be paid before service is restored following disconnection for non-payment of bills. A reconnection charge of \$25.00 shall be paid when a customer requests discontinuance of service and subsequently re-establish service at the same premises within a 12 month period.

Returned Check Charge: A service charge of \$20.00 will be made to any customer whose check is returned from the bank for insufficient funds. The account will be considered in arrears and subject to termination under 807 KAR 5:006 Section 11.

Service Charge: A service charge of \$25.00 to collect a

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				(1Y <u>- 2000 marin</u>	A State of the Art of A	

	Outskirts	of	Salyersvi	lle,	Magoffin
FOR	County,	and	Royalton	Kent	tucky
-	(CC	DMMUNIT	Y OR COUNTY)		

B.T.U. Gas Company, Inc.

(NAME OF UTILITY)

Original SHEET NO. 3

CANCELING P.S.C. KY. NO.

SHEET NO.

RULES AND REGULATIONS

P.S.C. KY. NO.

delinquent bill will be charged if a utility representative actually terminates service or in course of the visit the custome pays the bill or if a satisfactory payment arrangement is made.

Discontinuance of Service - 807 KAR 5:006 (14): The utility may refuse or discontinue service to an applicant or customer after proper notice for failure to comply with its rules and regulation or state and municipal rules and regulations, when a dangerous condition is found to exist on the customers or applicants premises or if a customer or applicant refuses or neglects to provide reasonable access to the premises for fraudulent or illegal use of service or for non payment of bill.

If discontinuance is for non-payment of bill, the customer shall be given at least 10 days written notice, separate from the original bill, and cut off shall be effected not less than twentyseven (27) days after the mailing date of the original bill, unless prior to discontinuance, signed by a physician, registered nurse, or public health officer, that such discontinuance will aggravate an existing illness or infirmity on the thirty (30) days 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.

Deposits: The Company requires a set deposit amount for each customer to secure payment of bills. Service may be refused or discontinued for failure to pay the requested deposit.

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

FUELIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE (

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

	Outskirts of Salyersville, Magoffin FOR County, and Royalton Kentucky
B.T.U. Gas Company, Inc.	P.S.C. KY, NO.
(NAME OF UTILITY)	Original SHEET NO. 4
	CANCELING P.S.C. KY. NO
	SHEET NO
RULES	AND REGULATIONS

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.

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, or in the event two classes of service are necessary at one location to the same customer the Company may require separate applications.

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

Owner's Consent to Occupy: In case the Customer is not the owner of the premises it shall be the Customer's responsibility to obtain from the property owner the necessary consent to install and maintain all piping and other equipment as are required for supplying gas service to the Customer. However, the Utility shall not require a prospective customer to obtain easements on property not owned by either the prospective customer or the customer's landlord.

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, or for determining any violation of either the rules and regulations of the Company, or other regulatory body or agency relating to the use of natural gas.

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Outskirts of Salyersville, Magoffin FOR County, and Royalton Kentucky (COMMUNITY OR COUNTY)

B.T.U. Gas Company, Inc.

(NAME OF UTILITY)

P.S.C. KY. NO.

Original SHEET NO. 5

CANCELING P.S.C. KY. NO.

SHEET NO.

(________

RULES AND REGULATIONS

MONITORING OF CUSTOMER USAGE

The Company will monitor the usage of each customer according to the following procedures:

If the annual usage for 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.

If the usages differ and cannot be attributed to a readily identified common cause, the Company will compare the customer's monthly usage records for the two (2) month period with the monthly usage for the same months of the preceding year.

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.

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

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

In addition to the routine 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.

DATE OF ISSUE	DATE EF	FECTIVE <u>PUBLIC SETVICE CONVESS SA</u>
ISSUED BY AM THILLIAN	s fresident	
SIGNATURE OF OFFICER	TITLE	ADDRESS SEP 23 2000
Issued by authority of an Kentucky in Case No.	Order of the dated	Public Service Commission of PURSUANT TO 607 KAR 5911, SECTION 9 (1)
		BY: <u>Stephano</u> Buse atometrum of the contraction

Outskirts of Salyersville, Magoffin FOR County, and Royalton Kentucky

(COMMUNITY OR COUNTY)

B.T.U. Gas Company, Inc.

(NAME OF UTILITY)

P.S.C. KY. NO._____

Original SHEET NO. 6

CANCELING P.S.C. KY. NO.

SHEET NO.

RULES AND REGULATIONS

Metering: The gas consumed shall be measured by a meter or meters to be installed by the Company upon the Customer's premises. 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 the bills.

<u>Continuous or Uniform Service</u>: The Company will endeavor to supply gas continuously and without interruption, however the gas company shall not be responsible for damages or otherwise any failure to supply gas or for any interruptions of the supply when such failure is without willful fault or neglect on its part.

The Company cannot and does not guarantee either a sufficient supply or an adequate or uniform pressure of the gas supplied, except as mandated by the Public Service Commission, 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 willful fault or neglect on its part.

Monthly Bills: Bills for gas service are rendered monthly unless otherwise specified. The term month for billing purposes shall mean the period between any two consecutive readings of the meter by the Company, such readings to be taken as near as possible every 30 days.

Bills are due upon rendition and shall be due and payable by the 10th day of each month.

Service shall be subject to disconnection if bills are not paid or arrangements made through our office. The customer will be sent a delinquent notice not less than19 days before termination.

If the Company is unable to read a meter due to weather or other conditions, the Customer will receive an estimated bill. The bill will be clearly marked as estimated.

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

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Outskirts of Salyersville, Magoffin FOR County, and Royalton Kentucky (COMMUNITY OR COUNTY)

B.T.U. Gas Company, Inc.

(NAME OF UTILITY)

P.S.C. KY. NO._____

Original SHEET NO. 7

CANCELING P.S.C. KY. NO.____

SHEET NO.

RULES AND REGULATIONS

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.

Standard heating value: The standard heating value for the gas provided shall be 1100 b.t.u.

Standard Pressure: The standard service pressure will be 30 - 70 lbs with 6 oz. pressure at the customer's meter outlet.

> CALLIC BERVICY COMMOSIDA OF KENTRICKY EFFECTIVE

SEP 23 2000

FURSUANT TO 807 IC 11 5011, BECTION 9 (1) BY: States () But 1 December 05 PECTION 9 (2)

DATE OF ISSU	F.	
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DATE EFFECTIVE

ISSUED	BY MONTH DAY YEAR SIGNATURE OF OFFICER	President	Jalifroville, Kiz 4146	5-
			0 //	

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

Outskirts of Salyersville, Magoffin FOR County, and Royalton Kentucky (COMMUNITY OR COUNTY)

B.T.U. Gas Company, Inc.

(NAME OF UTILITY)

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P.S.C. KY. NO._____

Original SHEET NO. 8

CANCELING P.S.C. KY. NO.____

SHEET NO.

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RULES AND REGULATIONS

BUDGET PAYMENT PLAN

The Company has a budget 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 billings for actual usage. The monthly budget payment will be determined by the Company based, under normal circumstances, on a minimum of onetwelfth of the estimated annual usage, subject to review and adjustment during the budget year. The normal budget year for all residential customers is the twelve months from April to May with May being the settlement month.

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 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 preceding monthly bills and the billing adjusted when the meter is read. Customer's bill will be due within 10 days from date of bill.

	PUBLIC BERVICE COMMISSION OF KENTUCKY EFFECTIVE
DATE OF ISSUE	DATE EFFECTIVE SEP 23 2000
ISSUED BY TOM WONTH DAY YEAR	President Saluerovicella ky
SIGNATURE OF OFFICER	ADDRESS Dechard Bright
Issued by authority of an Oro Kentucky in Case No.	ler of the Public Service Commission of dated
FOR <u>Outskirts of Salversville, Magoffin Co and</u> Royalton

Community, Town or City

P.S.C. KY. NO. 1_____

_____SHEET NO._____9

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

SHEET NO._____

CONTENTS

GAS COST RECOVERY ADJUSTMENT CLAUSE

Determination of GCR

B.T.U.Gas Company, Inc.

(Name of Utility)

The Company shall file a <u>quarterly</u> 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 <u>calendar quarter</u>. The GCR shall become effective for billing for service rendered on or after the first day of each <u>calendar quarter</u>.

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 <u>three (3) preceding calendar quarters</u>. 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.

DATE OF ISSUE November 1, 201	Month / Date / Year	·
DATE EFFECTIVE November 1, 20	11	KENTUCKY PUBLIC SERVICE COMMISSION
ISSUED BY Robert Oxford	Month / Date / Year	JEFF R. DEROUEN EXECUTIVE DIRECTOR
	(Signature of Officer)	TARIFF BRANCH
TITLE Court Appointed Operator TNW August 11, 2011	US Bankruptcy Court Order 10-70767	- Bunt Kirthey
BY AUTHORITY OF ORDER OF 1	HE PUBLIC SERVICE COMMISSION	EFFECTIVE
IN CASE NO2011-00374	DATED October <u>31, 2011</u>	10/31/2011 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

FOR Outskirts Salyersville, Magoffin Co. and Royalton_____

Community, Town or City

P.S.C. KY. NO. _____

_____SHEET NO.____10_____

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

B.T.U .Gas Company, Inc (Name of Utility)

____SHEET NO._____

RULES AND REGULATIONS

GAS COST RECOVERY 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 or last legally effective rate 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 <u>calendar quarter</u>, 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 <u>quarterly</u> Gas Cost Recovery Report.

••••••
KENTUCKY PUBLIC SERVICE COMMISSION
JEFF R. DEROUEN
EXECUTIVE DIRECTOR
TARIFF BRANCH
Bunt Kirtley
EFFECTIVE
10/31/2011 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

FOR Outskirts Salyersville, Magoffin Co. and Royalton

Community, Town or City

P.S.C. KY. NO.

_____SHEET NO.____10_____

CANCELLING P.S.C. KY. NO.

B.T.U .Gas Company, Inc (Name of Utility)

__SHEET NO._____

RULES AND REGULATIONS

GAS COST RECOVERY ADJUSTMENT CLAUSE

(Continued)

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

d. "Reporting Period" means the <u>three-month</u> accounting period that ended approximately sixty (60) days prior to the filing date of the updated gas cost recovery rates, i.e., the <u>calendar quarters</u> 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 GCA in addition to the quarterly GCA should any significant change in supplier rates occur

DATE OF ISSUE November 1, 2011		
	Month / Date / Year	
DATE EFFECTIVE November 1, 201	11	
	Month / Date / Year	PUBLIC SERVICE COMMISSION
ISSUED BY Robert Oxford	Kindle It Olystat	JEFF R. DEROUEN EXECUTIVE DIRECTOR
	(Signature of Officer)	TARIFF BRANCH
TITLE Court Appointed Operator TNW August 11. 2011	US Bankruptey Court Order 10-70767	- Bunt Kirtley
BY AUTHORITY OF ORDER OF T	HE PUBLIC SERVICE COMMISSION	EFFECTIVE
IN CASE NO	DATED October <u>31. 2011</u>	10/31/2011 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

BUDGET BILLING PLAN CUSTOMER APPLICATION AND AGREEMENT B.T.U. GAS CO., INC.

To:_______(Company Name) The undersigned _______hereby makes application for the budget billing plan beginning ________and continuing through ______ and annually thereafter unless cancelled by either party.

My usage for the past year divided by ____ MCF per month and at present rates the Budget payment would be \$_____.

I agree to pay this smount each month for the next year with adjustments in _____ and _____ to render a balance due at _____ next year of Zero dollars.

I understand that failure to make these monthly payments, this agreement will be cancelled and I will revert to regular customer status.

I further understand that the budget payment may be adjusted if the wholesale cost of gas is increased.

Dated this _____ day of _____, 199_.

	Customer name	PUBLIC SERVICE COMMISSION OF KENTUCKY
•	Address	SEP 23 2000
		BUSING CONTRACTOR

884-2000 B.T.U. GAS CO., Inc. P.O. Box 707 Phone 344-1046 Phone 344-1047 Selversville, KY 41465 OFFICE HOURS 9.00-4.00 Monday thru Friday PREVIOUS PRESENT CONSUMED 500 ACCOUNT NO. TOTAL AMOUNT **RETURN THIS STUB WITH PAYMENT** OUE UPON RECEIPT + 10% PENALTY (10 DAYS AFTER BELING) THIS BELL Rates Available Upon Request - RETAIN THIS PORTION FOR YOUR RECORDS BTU GAS CO., NC. P.O. BOX,707 SALYERSVILLE, KY 41465 STATEMENT IS DUE AND PAYABLE UPON RECEIPT MAKE CHECKS PAYABLE TO: B.T.U. GAS CO., INC. ACCOUNT NOT PAID 10 DAYS AFTER BILLING DATE SHALL BE SUBJECT TO A TEN PERCENT (10%) PENALTY. MAIL PAYMENTS TO: LATE PAYMENTS MAY NOT BE REFLECTED ON B.T.U. GAS CO., INC. THIS BILLING. P.O. BOX 707 FAILURE TO RECEIVE A BILL DOES NOT AVOID SALYERSVILLE, KY 41465 PAYMENT. STATE SALES TAX AND/OR SCHOOL TAX INCLUDED WHEN APPLICABLE **OFFICE HOURS** PAST DUE BILLS ARE SUBJECT TO COLLECTION OR DISCONNECT WITH COLLECTION AND/OR SERVICE CHARGES PAID IN FULL BEFORE MONDAY-FRIDAY SERVICE IS RESTORED. . 9:00-4:00 A SERVICE CHARGE OF \$15.00 WILL BE CHARGED TO ANY CUSTOMER WHOSE CHECK IS RETURNED 5206-488 PHONE: 349-1096 FROM THE BANK FOR INSUFFICIENT FUNDS. -349-1097 (24 hour number) RATES AVAILABLE UPON REQUEST: PUELIC GERVICE CONMERSION OF KENTUCKY EFFECTIVE SEP 23 2000

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PURSUANT TO 807 KC2 5011, SECTION 9 (1) BY Stan() BLU a kan in kana kana kana

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Cow Creek Gas, Inc.

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FOR ENTIRE AREA SERVED

Community, Town or City

SHEET NO.

P.S.C. KY. NO. _____

<u>lst</u>_____SHEET NO._2_____

CANCELLING P.S.C. KY. NO.

COW CREEK GAS, INC. (Name of Utility)

RULES AND REGULATIONS

(1) Gas Cost Adjustment Clause

The rates authorized herein are based upon the wholesale cost of gas to Cow Creek Gas, Inc. (Cow Creek) as computed using rates of its wholesale supplier currently in effect. In the event there is an increase or decrease in wholesale gas cost, Cow Creek shall file with this Commission the following information within 30 days:

1. A copy of the contract or wholesale supplier notification effecting the change in rate and a statement relative to the effective date of such proposed change.

2. A statement setting out gas sales for the most recent 12 months.

3. A statement setting out details of gas purchased for the most recent 12 months showing billing from the supplier(s) under the most recent rate(s) and under the proposed supplier rate. The difference between the amounts so determined shall be divided by Cow Creek's sales for the most recent 12 months, provided Cow Creek's line loss for the same 12 month period does not exceed 5%. If line loss exceeds 5%, the difference shall be divided by allowable sales calculated as (purchases x .95).

4. A signed and dated tariff sheet showing Cow Creek's proposed rates for service based on the change in supplier rate. An increase in rates shall not be effective with less than 30 days notice unless a waiver is requested and granted.

5. Such other information as this Commission may request for a proper determination of the purchased gas adjustment.

DATE OF ISSUE June 14, 2006	
Month / Date / Year	
DATE EFFECTIVE July 1, 2006 6/8/06	
Month / Date / Year	PUBLIC SERVICE COMMISSION
$\mathbf{O}_{\mathbf{i}}$	OF KENTUCKY
ISSUED BY June a Jamely	EFFECTIVE
(Signature of Officer)	6/8/2006
TITLE President	PURSUANT TO 807 KAR 5:011
	SECTION 9 (1)
BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION	
IN CASE NO. 2006-00171 DATED June 8, 2006	
IN CASE NO DATED JUNE 0, 2000	- Sali
	By
	Executive Director

FOR	ENTIRE	AREA	SERVED)	
		Comm	nunity, To	wn or City	y
P.S.C	. KY. NO.	1			
<u>ls</u>	t	SHEET	NO. <u>3</u>		
CAN	CELLING	P.S.C. I	KY. NO		
		SHEE	T NO.		

In the event that Cow Creek receives from its supplier a refund, bill adjustment or credit of amounts paid to such supplier in respect of a prior period, Cow Creek will apply to the Commission within 30 days for authority to make adjustments on the rates charged to its customers under this provision as follows:

1. The "refundable amount" shall be the amount received by Cow Creek as a refund. Such refundable amount shall be divided by the Mcfs of gas that Cow Creek estimates it will sell to its customers during the four-month period commencing with the first day of the month following receipt of the refunds, thus determining a "refund factor".

2. Upon Commission approval, Cow Creek will reduce by the refund factor any purchased gas adjustment that would otherwise be applicable during such period.

3. In the event of any large or unusual refunds, Cow Creek may apply to the Commission for the right to depart from the refund procedure herein set forth.

Upon receipt of the required information, the Commission shall review the proposed increase, reduction or refund and, within 30 days from receipt of the information required, issue its order setting out the proper revised rates or otherwise acting to investigate or suspend the proposed rates.

DATE OF ISSUE June 14, 2006 Month / Date / Year	
DATE EFFECTIVE July 1, 2006 6/8/06 Month / Date / Year ISSUED BY Month / Date / Year	PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE
() (Signature of Officer) TITLEPresident	6/8/2006 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)
BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION IN CASE NO. 2006-00171DATED_June 8, 2006	By Executive Director

COW CREEK GAS, INC. (Name of Utility)

FOR	ENTIRE AREA SERVED
	Community, Town or City
P.S.C	2. KY. NO
<u>2nc</u>	SHEET NO. 1
CAN	CELLING P.S.C. KY. NO. 1
lst	SHEET NO 1

RATES AND CHARGES

RATE SCHEDULE: Applicable in all Territory Served by Company AVAILABILITY OF SERVICE: For all Residential and Commercial Purposes RATE MONTHLY: First 1 Mcf \$13.177 Over 1 Mcf \$13.177

Minimum Bill \$13.177

COW CREEK GAS, INC. (Name of Utility)

DATE OF ISSUE June 14, 2006 Month / Date / Year	
DATE EFFECTIVE July 1, 2006 6/8/06 ISSUED BY	PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE 6/8/2006
TITLEPresident	PURSUANT TO 807 KAR 5:011 SECTION 9 (1)
BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION	
IN CASE NO. 2006-00171DATEDA	By Executive Director

P.S.C. Ky. Adoption Notice No.

ADOPTION NOTICE

The undersigned Cow Creek Gas, Inc (Name of Utility) System Pikeville, Kentucky hereby adopts, ratifies, and makes its of own, in every respect as if the same had been originally filed and posted by it, all tariffs rules and regulations for furnishing and supplements containing rates, natural gas service at Johnson, Floyd, and Magoffin Counties (Nature of Service) in the Commonwealth of Kentucky, filed with the Public Service Commission of Kentucky by Sigma Gas Corporation of Prestonsburg, Kentucky (Name of Predecessor) and in effect on the 12th day of January , 2008, the date on which the public service business of the said Sigma Gas Corporation (Name of Predecessor) will be taken over by it.

This notice is issued on the <u>14th</u> day of <u>January</u>, <u>2008</u>, in conformity with 807 KAR 5:011, Section 11, of the Regulations for the filing of Tariffs of Public Utilities with the Public Service Commission of Kentucky.

	Ву	and alla
		PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE
Authorized by Ky.P.S.C. Order No.	2007-00419	1/12/2008
		PURSUANT TO 807 KAR 5:011
		RECEIVED
		By 5 1 6 2008
		Executive BileetogERVICE COMMISSION

P.S.C. Ky. Adoption Notice No.

ADOPTION NOTICE

The undersigned Sigma Gas Corporation (Name of Utility) System of Prestonsburg, Kentucky hereby adopts, ratifies, and makes its own, in every respect as if the same had been originally filed and posted by it, all tariffs and supplements containing rates, rules and regulations for furnishing _____ service at ______Salyersville, Kentucky natural gas (Nature of Service) in the Commonwealth of Kentucky, filed with the Public Service Commission of Kentucky by <u>Salyersville Gas Company</u> (Name of Predecessor) of <u>Salyersville</u>, Kentucky , and in effect on the <u>Z</u>-) day of , 1993 , the date on which the public September service business of the said Salyersville Gas Company (Name of Predecessor)

was taken over by it.

Ima.

This notice is issued on the 21/ day of <u>September</u>, 1993, in conformity with 807 KAR 5:011, Section 11, of the Regulations for the filing of Tariffs of Public Utilities with the Public Service Commission of Kentucky.

Estill B. Bran

President By,

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE

JUN 1 6 1994

Authorized by K.P.S.C. Order No.

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

	FOR ENTIRE AREA SERVED
Q	Community, Town or City
	P.S.C. KY. NO1
	Original SHEET NO. 1
<u>Cow Creek Gas, Inc. (Sigma)</u> (Name of Utility)	CANCELING P.S. KY.NO.
	SHEET NO
	RATES AND CHARGES
APPLICABLE:	Entire area served
AVAILABILITY OF SERVICE:	Domestic and commercial use in applicable areas.
A. <u>MONTHLY RATES</u>	Base Rate GCRR Total
FIRST (1) MCF (MININ OVER 1 MCF	AUM BILL) \$ 6.2500 2.8353 9.0853 \$ 4.5522 2.8353 7.3875
B. Minimum Bill:	9.0853 March 1, 2012 Month/Date/Year
DATE EFFECTIVE	April 1, 2012
ISSUED BY	Rohrf Alford
	(Signature of Officer)
TITLE	Member
BY AUTHORITY OF ORDER OF THE IN CASE NO. <u>2012 - 000</u>	
	KENTUCKY
	PUBLIC SERVICE COMMISSION JEFF R. DEROUEN
	EXECUTIVE DIRECTOR TARIFF BRANCH
	Bunt Kutley
	EFFECTIVE 4/1/2012

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

· .		FOR All Service	Areas
	•	P.S.C. Ky. No.	1
			No. 2
Salyersville Cas Company		Cancelling P.S.C.	Ky. No
		Sheet	No
Ri	JLES AND REGUL	ATIONS	

2. MONTHLY CUSTOMER CHARGE:

- (1) The monthly minimum charge shall be rendered against every meter in place unless service is discontinued.
- (2) A full monthly customer charge will be rendered whenever service has been used for more than fifteen (15) days of a billing month, even if consumption of the customer is zero (0).
- (3) If service is used less than fifteen (15) days in a given billing month and any consumption is recorded, the normal billing procedure shall apply.
- (4) If service is used less than fifteen (15) days in a given billing month and no consumption is recorded, the customer will not be charged for the month.
- 3. CUSTOMER CLASSIFICATIONS:
 - <u>Residential</u>: Service to customers which consists of direct natural gas usage in a residential dwelling for space heating, air conditioning, cooking, water heating and other residential uses.
 - <u>Commercial</u>: Service to customers engaged primarily in the sale of goods or services including institutions and local and federal government agencies for uses other than those involving manufacturing or electric power generation.

(a) Small Commercial - Usage of Jun to 50 MCF per day. OF KENTUCKY
(b) Large Commercial - Usage of 50 MCF EFFECTIVE per day. NOV 05 1982

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

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Salyersville	Gas	Company			Cancelling	P.S.C.	Кy.	No,	
						Sheet	No.		
		RULES	AND	REGUL	ATIONS				

Industrial: Service to customers engaged primarily in a process which creates or changes raw or unfinished materials into another form or product including the generation of electric power.

<u>Contract Rate</u>: Rate available to any customer having a special contract with the company, and with the approval of the Public Service Commission.

4. 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 the piping, appliances and equipment used in connection therewith 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.

> PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE

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

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ISSUED	BY Grony	Conley	President	Salyersv	
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	FOR All Service Areas
	P.S.C. Ky. No. 1
	Original Sheet No. 4
Salyersville Gas Company	Cancelling P.S.C. Ky. No.
	Sheat No

5. MOVING CUSTOMERS:

When a customer moves within the service area of the Company, he shall be billed out at his original location and billed in at his new location. Therefore, he may receive two bills for the month in which the move occurs.

6. REFUSAL OF BERVICE:

-

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 requirements without adversely affecting the service to customers already connected and being served.

7. 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 equiptment 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.

8. TURNING OFF GAS SERVICE AND, RESTORING SAME:

The gas service may be turned off at the meter KENELC SERVICE COMMISSION by the customer or his agent or any constituted authorited by the customer or his agent of the gas Company or having permission person, unless in the employ of the gas company or having permission from the gas Company, shall turn the gas on or restance version

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	FOR All Service Areas
	P.S.C. Ky. No. 1
	Original Sheet No. 5
Salyersville Gas Company	Cancelling P.S.C. Ky. No,
	Sheet No.
RULES AND R	EGULATIONS

9. RENEWAL OF CONTRACT:

If, upon the expiration of any service agreement or service contract for a specified term, the customer continues to use the service, the service agreement or service contract (unless otherwise provided therein) will be automatically renewed and extended for successive periods of one year each, subject to termination at the end of any year upon written notice by either party in advance of the expiration date in accordance with the terms set forth in the service agreement or service contract.

10. ASSIGMENT OF CONTRACT:

The benefits and obligations of any service application or contract shall begin when the Company commences to Suservice commences and shall inure to and be binding upon the successors of MENJUCKyns, survivors and executors or administrators, as the case EFFECTIVE, of the original parties thereto, respectively, for the full term thereof, provided however, that no application, agreement or dout 105 1982 or service may be assigned or transferred without the written consent or approval of the Company.

11. MONTHLY BILLS:

1 SECTION 9 (1) Camp See

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- (1) Bills for gas service will be rendered monthly unless otherwise specified. The term "month" for billing purposes shall mean the period between any two consective readings of the meter by the Company, such readings to be taken as near as practicable every thirty (30) days.
- (2) Bills are due upon rendition and shall be due and payable within a period not exceeding ten (10) days after the date of mailing.
- (3) Service shall be subject to being discontinued upon proper notification by the Company if bills are not paid in full.
- (4) Failure to receive a bill does not exempt a customer from these provisions.

(5) When the meter fails to operate, an on-the-spot

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	FOR All Service Areas
	P.S.C. Ky. No. 2
	200 Revised Sheet No. X6
Salversville Gas Company	Cancelling P.S.C. Ky. No
	Original Sheet No. X6
RULES ANI	D REGULATIONS

settlement will be attempted, if impractical the customer will be billed on an estimated basis at the average of three (3) similar months of utilization, and the billing adjusted as necessary.

- 12. SPECIAL CHARGES:
 - Collection Charge: A charge of \$15.00 will be levied (1)when a trip is made to collect a deliquent bill. A collection trip may be made only after written notice has been sent to the customer stating that if the bill is not paid by a certain date, the service will be disconnected.
 - (2) Reconnection Charge: A reconnection charge of \$20.00 to be made by the Company and paid by the customers before or at the time the service is reconnected, shall be assessed as approved by the Public Service Commission when:
 - The customer's service has been disconnected (a)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 service to be reconfidencesERVICE COMMISSION OF KENTUCKY
 - (b) The customer's service has been distorted at the customer's request and at any time subsequently within twelve (12) months 53983 reconnected at the same premise. PURSUANT TO 807 KAR 5:011,

13. CONTINUOUS OF UNIFORM SERVICE:

SECTION 9(1) BY: Caup All The Company shall supply gas continuously and without

interruption and adopts and shall maintain, subject to the Commission's regulations, a standard pressure of _ 6" as measured at the outlet side of the customer meters.

The above paragraph notwithstanding, 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.

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	Salyersville Gas Company			Cancolling			
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	RULES	AND	REGUL	ATIONS			

14. PROTECTION OF COMPANY'S PROPERTY:

All meters, piping, and equipment furnished by and at the expense of the Company, which may at any time be in or on the 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 egent of the Company shall be permitted to remove such property or to tamper with or damage same.

15. EXCLOSIVE SERVICE:

Except in cases 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.

PUBLIC SERVICE COMMISSION

The customer shall not sell the gas purchased from **FKENTUCKY** 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 on the premises not owned of en1982 trolled by the customer.

PURSUANT TO 807 KAR 5:011. 9 SECTION 9 (1) £ 6

16. COMPANY'S EQUIPMENT AND INSTALLATION:

The Company shall furnish, install, and maintain at its expense the necessary service connection. 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, meter stand (including meter riser), regulator(s), and connections which will be located at or near the main service connection, property line or near the building, at the discretion of 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, meter stand, including meter riser, 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.

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17. 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 incorchangeable mixture of vaporized liquified petroleum gas and air, or a combination of some with natural gas.

18. MEASUREMENT BASE:

The Company, utilizes the following measurement base in all service areas. 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 fourtenths (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 reserved the right to correct as necessary the actual temperatures to a sixty (60) degree Fahrenheit basis in the cases of large volume customers.

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

19. 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 metulation of the customer's nearest the delivery main of the Company. OF KENTUCKY EFFECTIVE

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	PURSUANT TO 807 KAR 5:011, SECTION 9(1) BY:
DATE OF ISSUE 1 3 1983 DATE DATE DATE DATE DATE DATE DATE DATE	EFFECTLVE 11 <u>5 1982</u> Month Day Year
ISSUED BY Fracty Ornley President Nace of Fricer Title	Balyersville, Ky Address

	FOR All Service Areas
	P.S.C. Ky. No. 1
	Original Sheet No. 9
Salyersville Gas Company	Caucelling P.S.C. Ky. No.
	Sheet No.
RULES AND	REGULATIONS

20. Metering:

Unless otherwise specified, a domestic, commercial or industrial consumer shall be interpreted to mean a customer served through an individual meter.

A multiple unit dwelling shall be interpreted to mean two or more consumers or dwelling units, such as opertments, trailers or mobile homes within a trailer park.

A master meter shall be interpreted to mean one meter servicing a trailer or mobile home park or a multiple unit dwelling; the Company reserves the right to charge a minimum monthly rate per mobile home or trailer or individual consumer within a multiple unit dwelling served through a master meter.

Anytime a master meter is used for rendering service, the Company shall require the execution of a service agreement in writing, which agreement, among other things, shall specify the number of customers served through such master meter.

21. 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 respublic SERVICE COMMISSION obtain from the property owner or owners the necessary Consentucky to install and maintain in, on or over said premises all Sterrive piping and other equipment as are required or necessary for supplying gas service to the customer whether the piping NAM 05,1992ment be the property of the customer or the Company.

22. DISTRIBUTION MAIN EXTENSIONS:

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

The Company will make extension to nobile homes from its existing distribution mains in its service area as follows:

In the case of mobile homes (house trailers) such extensions shall be seventy-five (75) feet or less, and in the case of residential structures other than mobile homes such extensions shall be one hundred fifty (150) feet or less.

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		FOR All Service Areas
		P.S.C. Ky. No. 1
<u>_</u>		Original Sheet No. 10 [°]
	Salyersville Gas Company	Caucolling P.S.C. Ky. No,
		Sheet No.
	RULES AN	ID REGULATIONS

All extensions will be made dependent on the economic feasibility of the extension. Title to all extensions covered by agreements shall be and remain 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 judgment so dictate, provided like extentions are made for other customers or subscribers under similar conditions.

23. 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 to the meter riser at the inlet side of the meter at 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 and method of connecting the joints of pipe. All service line owned by the customer shall have a minimum cover whenever practical of twelve (12) inches of soil and be of new material meeting the Company's specifications. Where this requirement cannot be fulfilled due to existing substructure, etc., less cover may be permitted if permission is obtained from the Company's inspector. The customer's service line shall be properly supported on undisturbed or well compacted soil, so that the pipe will not be subject to excessive external loading by the backfill. The location shallsion be the point of easiest acess to the Company fropubly Start fores and the Company shall be consulted and its approval object whether the the installation is made.

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PURSUANT TO 807 KAR 5:01 SECTION 9 (1) L * M 1982 DATE EFFECTIVE 11 DATE OF ISSUE 1983Month way Yaar Year Lion ... Day President Salyersville, Ky. ISSUED BY Address STIIC31 TILLO

	FOR All Service Areas
	P.S.C. Ky. No. 1
	Original Sheet No. 11
Salyersville Gas Company	Cancelling P.S.C. Ky. No.
	Sheet No.

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 irregularity or defect. The customer shall not make any change in or interfere with his service line without the written consent of the Company.

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 inches (6") 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 EQUIPMENT" as compiled and approved by the American National Standards Institute, the National Board of Fire Underwriters, the American Gas Association and other similar bodies, which is now contained in the National Fuel Gas Code (ANSI Z 223.1-1980) 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 houly input of 50,000 BTU or higher; pressure regulators shall also be installed on all appliances with lowerson inputs where provided or recommended by the incustor of the company, to provide of the company, to provide of the safer gas utilization and service.

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	FOR All Service Areas
	P.S.C. Ky. No. 1
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	Sheet No.

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 an periodic inspection of the customer's service line, which, connections or appliances, or for the customer's failure to property and safely install, operate, and maintain same.

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE

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

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Form for filing Rate Schedules	For <u>Entire Service Area</u> Community, Town or City P.S.C. NO1		
	Original SHEET NO. 13		
Sigma Gas Corporation- Salversville Gas Company	CANCELLING P.S.C. NO. 13		
Name of Issuing Corporation	1st revisedSHEET NO. 13		

PURCHASED GAS COST ADJUSTMENT CLAUSE

Determination of GCR

The Company shall file a <u>quarterly</u> 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 <u>calendar quarter</u>. The GCR shall become effective for billing for service rendered on or after the first day of each <u>calendar</u> <u>quarter</u>.

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 <u>three (3) preceding</u> <u>calendar quarters</u>. 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. PUBLIC SERVICE COMMISSION

OF KENTUCKY DATE OF ISSUE Z 2 DAFFECTIVE 6 DAY YEAR MONTH MONTH DAY YEAR MAR 06 1995 <u>Manager</u> TITLE ISSUED BY Estill Branham Estell Branham NAME OF OFFICER PURSUANT TO 807 KAR 5:011. SECTION 9(1) Jordan C. Meel BY:_ FOR THE PUBLIC SERVICE COMMISSION

FOR <u>Entire Service Area</u>

P.S.C. KY. NO.____1____

ORIGINAL SHEET NO._14___

CANCELLING P.S.C. KY. NO._14_

1st Revised_ SHEET NO. __14

RULES AND REGULATIONS

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE

PURCHASED GAS COST ADJUSTMENT CLAUSE (Continued)

MAR 0 6 1995

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

The gas cost recovery rate to be applied to bills of BY. (Structure Canada and Components:

GCR = EGC + RA + ACA

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

Definitions

For the purposes of this tariff:

"Average Expected Cost" is the cost of purchased gas which a. 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 Any adjustments of this type shall be its calculations. described in the guarterly Gas Cost Recovery Report.

- ATE OF ISSUE 2/2/95	DATE EFFECTIVE 3/6/95
MONTH DAY YEAR	MONTH DAY YEAR
ISSUED BYEstill Branham	Manager Estil Brancham
NAME OF OFFICER	TITLE

<u>Sigma Gas Co.</u>

Billing

FOR <u>Entire Service Area</u>

P.S.C. KY. NO.___1____

ORIGINAL SHEET NO._15____

CANCELLING P.S.C. KY. NO._15_

1st Revised_ SHEET NO. _15_

RULES AND REGULATIONS

PURCHASED GAS COST ADJUSTMENT CLAUSE (Continued)

b. "GCR" means the <u>quarterly</u> 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. <u>"Calendar Quarters" means each of the four three-month periods</u> 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 <u>three-month</u> accounting period that ended approximately sixty (60) days prior to the filing date of the updated gas cost recovery rates, i.e., the <u>calendar quarters ended March</u> 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

MAR 06 1995

PURSUANT TO 807 KAR 5.011, SECTION 9 (1) BY: Quiden C. Meel

FOR THE PUBLIC SERVICE COMMISSION

DATE OF	' ISSUI	E 2/2 MONTH	195 DAY	YEAR	DATE	EFFECTIVE	3/6/95 DAY	YEAR
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<u>Sigma Gas Co.</u>

FOR __Entire Service Area____

P.S.C. NO.____1____

ORIGINAL SHEET NO.____16___

SIGMA GAS CORPORATION

CANCELLING P.S.C. KY. NO.____

RULES AND REGULATIONS

12) SPECIAL CHARGES:

1) Collection Charge: A charge of \$25.00 will be levied when a trip is made and the bill is collected or service terminated or a payment plan is established. A collection trip may be made only after written notice has been sent to the customer stating that if the bill is not paid by a certain date, the service will be disconnected.

2) Reconnection Charge: A reconnection charge of \$65.00 to be made by the Company and paid by the customer before or at the time the service is reconnected, (except Winter Hardship Reconnections) shall be assessed as approved by the Public Service Commission when:

a) The customer's service has been disconnected for nonpayment of bills or for violation of the Commission's or Company's Rules and Regulations, and the customer has qualified for and requested service to be reconnected or;

b) The customer's service has been disconnected at the customer's request and at any time subsequently within twelve months is reconnected at the same premise.

3) Returned Check Fee: \$10.00 will be charged for any dishonored check.

4) Late Payment Fee: 15% will be added to untimely paid bills. Additional penalty charges will not be assessed on unpaid penalties pursuant to 807 KAR 5:006(8)(3)(h).

5) Temporary Service Fee: \$65.00 will be charged to connect service to a temporary location or for temporary service (less than six months).

DATE OF ISSUE04/30/99	DATE EFFECTIVE		
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MONTH BASE FOR A STANDARD	<u>President</u>		
NAME OF OFFICER	TITLE	PIRHO SERVICE OF	54 25 1 L
NAME OF OFFICER Issued pursuant to Case No. 98-6	517; Order of Apr	il 30, 1999 (网络密封运车
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·	FOR All Service Areas
	P.S.C. Ky. No. 1
	Original Sheet No. 16
Solyersville Gas Company	Cancelling P.S.C. Ky. No.
	Sheet No.

BUDGET PAYMENT PLAN

A subject clan is available for the conventence of its unstruct the circle is designed to help equilibre eagened for gas any iteration a period of souths, normally May through April. On the lack the their the tract payment period top the superiors angusteents made is bad in table to any definition to acts. Any can be even total payments of index of the action atomics, any contents total payments of index of the April bill of future of total payments of index. Any resultant underpayment shall appear on the April bill and be due with the payment of such bill. The customer's accounts will be reviewed pariod cally and the montaly payment anount may be adjusted during the bedget period. The Coupary shall designate the budget payment amount.

To be seconded as a bidget customer, the account balance must be only in total before the customer is put on the budget payment. It is understood that this budget payment plan will continue until the customer notifies the Company in writing or by telephone to discontinue the plan or the customer defaults in payment of such plan.

After twelve (12) months of service ending in April, all customers may be placed on the budget plan.

> PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE

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PURSUANT TO 807 KAR 5,011, SECTION P(1) and BY:

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Name of Stricer	Mitle Address

FOR__Entire Service Area___

P.S.C. KY. NO.____1____ ORIGINAL SHEET NO.___17___ CANCELLING P.S.C. KY. NO._____ SHEET NO. _____

SIGMA GAS CORPORATION

RULES AND REGULATIONS

CUSTOMER DEPOSITS

1. All residential and commercial customers shall pay a deposit at the time of application for service.

a. The deposit shall be 100.00, which is 2/12ths of the average annual bill of customers in the residential and commercial classes. The actual calculation of the deposit for each customer shall be in accordance with the requirements of 807 KAR 5:006(7)(1)(a).

b. The deposit may be waived upon showing of a satisfactory credit and payment history with the Company.

c. The deposit shall be retained for twelve months. At the end of the initial twelve month period, the deposit shall be refunded, unless an additional deposit may be required as provided by 807 KAR 5:006(7)(2).

d. Interest of 6% per year shall be calculated beginning on the date of deposit and shall be refunded to the customer at the end of the first twelve months of service or upon termination of service, whichever occurs first. If the customer is delinquent in his bill on this date, the interest shall be applied to the delinquent amount.

e. If a customer fails to maintain a satisfactory credit standing after the refund of the deposit, an additional deposit may be required as specified in (1) a,b,c and d above.

DATE C	F ISSUE	_04/30/99		DAFECTIVE	04/3	O PUBLIC SERVICE COMMISSION
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Issued			No. 98-617;	Order of	April	30,1999
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•	FOR All Service Areas	
	P.S.C. Ky. No. 1	
	Original Sheet No. 17	
Salyersville Gas Company	Cancelling P.S.C. Ky. No,	
	Sheet No.	
RULES AND	REGULATIONS	

LOCAL FRANCHISE FEE OR TAX

There shall be added to the customer's bill, as a separate item, an amount equal to the proportionate part of any license, occupation, franchise, or other similar fee or tax now or hereafter agreed to or imposed upon the Company by local taxing authorities, whether imposed by ordinance, franchise or otherwise, and which fee or tax is based upor a percentage of the gross receipts, net receipts, or revenues of the Company. Such amount shall be added exclusively to bills of customers receiving service within the territorial limits of the authority imposing the fee or tax. Where more than one such fee or tax is imposed, each of the charges or taxes applicable to each customer shall be added to the customer's bill as separately identified items.

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE

NOV 05 1982

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

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issv	ED	BY	Jund	y Con	les Pr	resident	Salyersvi	lle, Ky.	

FOR ENTIRE AREA SERVED Community, Town or City

P.S.C. KY. NO.

SHEET NO.	
SHEET NO.	

CANCELLING P.S.C. KY. NO.____

SIGMA GAS CORPORATION

(Name of Utility)

SHEET NO.

RULES AND REGULATIONS



MAKE CHECKS PAYABLE TO:

SIGMA GAS CORPORATION

MAIL PAYMENTS TO:

SIGMA GAS CORPORATION P.O. BOX 22 SALYERSVILLE, KY 41465

OFFICE HOURS

MONDAY - FRIDAY

8:30 - 4:30

PHONE: 349-1505 886-7075 886-1437

- . STATEMENT IS DUE AND PAYABLE UPON RECEIPT
- ACCOUNT NOT PAID 10 DAYS AFTER BILLING DATE SHALL BE SUBJECT TO A FIFTEEN PERCENT (15%) PENALTY.
- . LATE PAYMENTS MAY NOT BE REFLECTED ON THIS BILLING.
- FAILURE TO RECEIVE A BILL DOES NOT AVOID PAYMENT
- STATE SALES TAX AND/OR SCHOOL TAX INCLUDED WHEN APPLICABLE.

1

- PAST DUE BILLS ARE SUBJECT TO COLLECTION OR DISCONNECT WITH COLLECTION AND/OR SERVICE CHARGES PAID IN FULL BEFORE SERVICE IS RESTORED.
- A SERVICE CHARGE OF \$10.00 WILL BE CHARGED TO ANY CUSTOMER WHOSE CHECK IS RETURNED FROM THE BANK FOR INSUFFICIENT FUNDS.
- RATES AVAILABLE UPON REQUEST.

DATE OF ISSUE_		
	Month / Date / Year	PUBLIC SERVICE COMMISSION
DATE EFFECTIVE		OF KENTUCKY
	Month / Date / Year	EFFECTIVE
ISSUED BY	Estill Branha	9/3/2004
	(Signature of Officer)	PURSUANT TO 807 KAR 5:011
TITLE	PRESIDENT	SECTION 9 (1)
BY AUTHORITY OF OR	DER OF THE PUBLIC SERVICE COMMISSION	- 500
IN CASE NO.	DATED	By
		Executive Director

Dema Gas Company, Inc.

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FOR ____Entire Area Served

Community, Town or City

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P.S.C. KY. NO. _____

17th SHEET NO. 1

CANCELLING P.S.C. KY. NO. 1

DEMA GAS COMPANY, INC. (Name of Utility)

<u>16th</u>SHEET NO. 1

RATES AND CHARGES

RATE SCHEDULE: Applicable in all territory served by Company

AVAILABILITY OF SERVICE: For all residential and commercial purposes

RETAIL RATES:

	<u>Base Rate</u>	<u>Gas Cost</u>	Total Rate
First Mcf	\$7.4648	\$10.00	\$17.4648
Over 1 Mcf	\$6.2648	\$10.00	\$16.2648

DATE OF ISSUE May 25, 2006	
Month / Date / Year	
DATE EFFECTIVE June 1, 2006	PUBLIC SERVICE COMMISSION
Month / Date / Year ISSUED BY(Signature of Officer) TITLEPresident	OF KENTUCKY EFFECTIVE 6/1/2006 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)
BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION IN CASE NO. 2006-00168 DATED May 19, 2006	By Executive Director

FOR	ENTI	RE AREA	SERVED	
P.S.C.	KY.	NO	1	
	lst	SHEET	NO.	1
**************************************		P.S.C.		
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APPLICATION FOR SERVICE:

DEMA GAS COMPANY, INC.

All customers shall make application for service at the office of the Company giving name of applicant, mailing address, location to be served, and any other information required by the Company to insure adequate service and payment of bills.

Commercial customers shall give kind of business, size of space to be heated and other use of gas in premises. Type of heating equipment, MCF recommended by manufacturer for same, pressure needed, for all purpose use. Size of piping to inside of building.

(1) The customer's meter shall be installed at the nearest point to the company's main or service line and will be designated by the Company.

(2) The Company will furnish and install the meter, regulator, stop and fitting to customers down side at metering point.

(3) The customer shall install a service line not less than 1" of approved pipe to inside appliances, without reduction in size except same may be reduced at floor level to size opening of appliance. A stop cock shall be installed for each appliance.

(4) All gas appliances shall be installed in conformity with adopted county, state and federal codes.

(5) The customer shall not adjust or attempt to adjust regulators, meters, or facilities of the Company, and shall be responsible for any damage to meter and regulator, unless same is rendered by unknown persons, in which event same shall be immediately reported to Company.

(6) Each customer shall be installed a separate meter, and no building having more than one tenant shall be served by a single meter.

(7) Meter reading will be taken between the 20th - 31st of each month and mailed on or before the 3rd day of each month PUBLIC SERVICE COMMISSION

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DATE O	F ISSUE <u>January 16</u>	, 1992		DATE	EFFECTIV	EJanuary	Q Q 5, 1992	2
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(8) Accounts not paid 10 days after mailing date shall be subject to a 10% penalty on the current balance only.

(9) A re-connection charge of \$35.00 shall be paid before service is restored following disconnection for non-payment of bill.

(10) A reconnection charge for customers who request discontinuance of service and subsequently re-establish service at the same premises within twelve (12) months is \$50.00

(11) A transfer of service charge for customers moving from one location to another is \$25.00.

(12) A service charge of \$15.00 will be made to collect a delinquent bill after written notice has been mailed to the customer stating that the bill is delinquent. Failure to pay the account at this time will result in ~termination of service.

(13) A service charge of \$20.00 will be made to any customer whose check is returned from the bank for insufficient funds. The account shall be considered in arrears and subject to termination under 807 KAR 5:006 Section 11.

(14) Mobile trailers shall be considered temporary service and subject to a connection charge of \$75.00. If service line, meter loop, etc. are in place, the charge shall be \$25.00.

(15) Discontuance of Service - Per 807 KAR 5:006 Section 11

The utility may refuse or discontinue service to an applicant or customer after proper notice for failure to comply with its rules and regulation or state and municipal rules and regulations, when a dangerous condition is found to exist on the customers or applicants 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 bill.

	PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE									
DATE OF	ISSUE <u>February</u> MONTH	26, 1992 DAY	YEAR	date zefig	<u> \$7</u> IVE <u>I</u>	February MONTH		<u>1992</u> DAY	2 YEAR	
ISSUED	BY R. (NAME OF OFFI		PURS <u>Manager</u> TITLE BY:	SUANT TO 807 K	AB 5:01	Prestons	burg	<u>, KY</u>	41653	
				LIC SERVICE COMMISSI	ON MANAGEI	R				

DEMA GAS COMPANY, INC.

	FOR ENTIRE AREA SERVED
	P.S.C. KY. NO. 1
	2ND SHEET NO. 3
DEMA GAS COMPANY, INC.	Canceling P.S.C. KY NO. 1
	<u> </u>

If discontinuance is for nonpayment of bills, the customer shall be given at least 48 hours written notice, separate from the original bill, and cut-off shall be effected not less than twenty (20) days after the mailing date of the original bill, unless, prior to discontinuance, a residential customer presents to the utility a written certificate, signed by a health that such registered nurse, public officer, physician, or discontinuance will aggravate an existing illness or infirmity on the affected premises, in which case discontinuance may be effected not less than thirty (30) days 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.

(16) Budget Payment Plan

The Company has a budget 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 for all residential customers is the 12 months from April to May with May being the settlement month.

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 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 or bimonthly bills and the billing adjusted when the meter is read.

Customer's bill will be due within 10 days from dateport commission

		OF KENTUCKY
		EFFECTIVE
-DATE OF ISSUESeptember 21, 19	93	DATE EFFECTIVESeptember 30, 1993
MONTH DAY	YEAR	MONTH OCT 2 3 1993 YEAR
ISSUED BY THE ALL	Manager	P. O. Box 820 Prestonsburg, KY 41653
NAME OF OFFICER	TITLE	ADDRESS PURSUANT TO 807 KAR 5.011.
		SECTION 9 (1)
		BY: <u>Concertelle</u> PUBLIC SERVICE COMMISSION MANAGER
	FOR ENTIRE AREA SERVED	
------------------------	---------------------------	
	P.S.C. KY. NO1	
	2ND SHEET NO. 4	
DEMA GAS COMPANY, INC.	Canceling P.S.C. KY NO. 1	
	1ST SHEET NO. 4	

RULES AND REGULATIONS

(17) Deposits

The Company requires a minimum cash deposit to secure payment of bills. Service may be refused or discontinued for failure to pay the requested deposit. Interest, as prescribed by KRS 74.050, 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 service to MMSSION red deposit. OF KENTUCKY

EFFECTIVE

				OCT 2 3 1993
DATE O	F ISSUESeptemb	er 21, 199	3	DATE EFFECTIVE BURGLUANDE TO 8000 KAB 55031.
	MONTH	DAY	YEAR	
ISSUED	BY	Ree	Manager	P. O. Box 820 PERSEMANA HAM SON WAVAGE 53
	NAME OF OFF	ICER	TITLE	ADDRESS

	FORENTIRE AREA SERVED
	P.S.C. KY. NO1
	2ND SHEET NO. 5
DEMA GAS COMPANY, INC.	Canceling P.S.C. KY NO1
	<u>1ST</u> SHEET NO. 5

RULES AND REGULATIONS

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. 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.

Residential customers will pay equal deposits in the amount of \$100.00. This amount does not exceed the average bill of residential customers served by the Company and is equal to 2/12 of the average annual bill.

(18) Standard pressure 6 ounces per 807KAR 5:021 Section 16 (2)

(19) Average heating value is same as wholesale supplier Kentucky West Virginia Gas Company.

20. Monitoring 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 50 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 precedence of KENTUCKY OF KENTUCKY

FFFECTIVE

OCT 23 1993

DATE OF	ISSUE <u>September</u>	21, 199	93	DATE	EFFECTIVE	September	14NT370 8076164	15:011.
	MONTH	DAY	YEAR			MONTH	SEC BAY STI	YEAR
ISSUED	BY STOR QU	20	Manager	P. O.	Box 820	Prestons	SEC DAY TH	1653
	NAME OF OFFICE	ER	TITLE		ADDRES			

	FOR ENTIRE AREA SERVED
	P.S.C. KY. NO1
	2ND SHEET NO. 6
GAS COMPANY, INC.	Canceling P.S.C. KY NO1
	1ST SHEET NO. 6

- RULES AND REGULATIONS
- 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 back billing 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.

(21) Gas Cost Adjustment Clause

DEMA

The rates authorized herein are based upon the wholesale cost of gas to Dema as computed using rates of its wholesale suppliers currently in effect. In the event there is an increase or decrease in wholesale gas cost, Dema shall file with this Commission the following information within 30 days:

1. A copy of the contract or wholesale supplier notification effecting the change in rate and a statement relative to the effective date of such proposed change.

2. A statement setting out gas sales for the most recent 12 months.

3. A statement setting out the details of gas purchased for the most recent 12 months showing billing from the supplier(s) under the most recent rate(s) and under the proposed supplier rate. The difference between the amounts so determined shall be divided by Dema's sales for the most recent 12 months, provided Dema's line loss for the same 12 month Correct Correct Not exceed 5%. If line loss exceeds 5%, the difference shall be to by allowable sales calculated as (purchases x .95).

←DATE OF ISSUESeptember 21, 199	3	OCT 23 1993 DATE EFFECTIVESeptember 30, 1993
MONTH DAY	YEAR	PURSUANT TO SOPRAR 5:01YEAR
ISSUED BY	Manager	P. O. Box 820 Prestonsburg, AX, 41653
NAME OF OFFICER	TITLE	ADDRESS BY:

	FOR ENTIRE AREA SERVED
	P.S.C. KY. NO1
	SHEET NO7
DEMA GAS COMPANY, INC.	Canceling P.S.C. KY NO. 1
	<u> </u>
	RULES AND REGULATIONS

4. A signed and dated tariff sheet showing Dema's proposed rates for service based on the change in supplier rate. An increase in rates shall not be effective with less than 30 days notice unless a waiver is requested and granted.

5. Such other information as this Commission may request for a proper determination of the purchased gas adjustment.

In the event that Dema receives from its supplier a refund, bill adjustment or credit of amounts paid to such supplier in respect of a prior period, Dema will apply to the Commission within 30 days for authority to make adjustments on the rates charged to its customers under this provision as follows:

1. The "refundable amount" shall be the amount received by Dema as a refund. Such refundable amount shall be divided by the Mcfs of gas that Dema estimates it will sell to its customers during the four-month period commencing with the first day of the month following receipt of the refunds, thus determining a "refund factor."

2. Upon Commission approval, Dema will reduce by the refund factor any purchased gas adjustment that would otherwise be applicable during such period.

3. In the event of any large or unusual refunds, Dema may apply to the Commission for the right to depart from the refund procedure herein set forth.

Upon receipt of the required information, the Commission shall review the proposed increase, reduction, or refund and, within 30 days from receipt of the information required, issue its Order setting out the proper revised rates or otherwise acting to investigate or suspend the proposed rates.

> PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE

> > OCT 2 3 1993

							PURSUANT TO 807 KAR 5:011,
DATE	OF ISSUESeptem	ber 21, 19	93	DATE	EFFE	CTIVI	ESeptembleCTION,9 (4993
	MONTH	DAY	YEAR				MONTH CLASSIC YEAR
	D BY	Con			_		PUBLIC SERVICE COMMISSION MANAGER Prestonsburg, KY 41653
ISSUE	D BY THE	all	Manager	<u>P. 0</u>	<u>. Box</u>	820	Prestonsburg, KY 41653
	NAME OF OF	FICER	TITLE		A	DDRES	SS

FOR	ENTI	RE A	REA	SERVED	
P.S.C.	KY.	NO.		1	
				NO	
				KY NO	
	-				
		0,	م ار البارينية.		

RULES AND REGULATIONS

COMPANY NAME

QUARTERLY REPORT OF GAS COST RECOVERY RATE CALCULATION

Date Filed:

Date Rates to be Effective:

DEMA GAS COMPANY, INC.

	PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE
	JAN 1 5 1992
Reporting Period is Calendar Quarter Ended:	PURSUANT TO 807 KAR 5:011, SECTION 9 (1) BY:
DATE OF ISSUEJanuary 16, 1992 DATE E	EFFECTIVEJanuary 15, 1992
MONTH DAY YEAR	MONTH DAY YEAR
ISSUED BY Stock all Manager P. O.	Box 820 Prestonsburg, KY 41653
NAME OF OFFICER TITLE	ADDRESS

FOR	ENTI	RE AR	EA S	ERVED	
P.S.C.	KY.	NO		1	
	1ST	SHI	ETT 1	NO	7
Cancel	ling	P.S.C	2. K	Y NO	<u></u>
		SHI	EET 1	NO	

DEMA GAS COMPANY, INC.

RULES AND REGULATIONS

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	Unit	Amount
Expected Gas Cost (EGC) + Refund Adjustment (RA) + Actual Adjustment (AA) <u>+ Balance Adjustment (BA)</u> = Gas Cost Recovery Rate (GCR)	\$/Mcf \$/Mcf \$/Mcf \$/Mcf \$/Mcf	
GCR to be effective for service rendered from	_ to	
A. <u>EXPECTED GAS COST CALCULATION</u> Total Expected Gas Cost (Schedule II) <u>+ Sales for the 12 months ended</u> = Expected Gas Cost (EGC)	<u>Unit</u> \$ Mcf \$/Mcf	<u>Amount</u>
B. REFUND ADJUSTMENT CALCULATION	<u>Unit</u>	Amount
Supplier Refund Adjustment for Reporting Period (Sch. III) + Previous Quarter Supplier Refund Adjustment + Second Previous Quarter Supplier Refund Adjustment <u>+ Third Previous Quarter Supplier Refund Adjustment</u> = Refund Adjustment (RA)	\$/Mcf \$/Mcf \$/Mcf \$/Mcf \$/Mcf	
C. ACTUAL ADJUSTMENT CALCULATION	Unit	Amount
Actual Adjustment for the Reporting Period (Schedule IV) + Previous Quarter Reported Actual Adjustment + Second Previous Quarter Reported Actual Adjustment <u>+ Third Previous Quarter Reported Actual Adjustment</u> = Actual Adjustment (AA) PUBLIC SERVICE COMM	\$/Mcf \$/Mcf \$/Mcf \$/Mcf \$/Mcf	
OF KENTUCKY EFFECTIVE		
DATE OF ISSUEJanuary 16, 1992 MONTH DAY YEAR JAN MON 1992 JAN MON 1992	DAY	YEAR
ISSUED BY K Ull Manager P. O. Box 820 Prest PR NAME OF OFFICER TITLE PUBLIC SECTION 9 (1)	FBOTA KY	41653
BY:	la_	

	FOR ENTIRE AREA SERVED
	P.S.C. KY. NO
	1ST SHEET NO. 8
DEMA GAS COMPANY, INC.	Cancelling P.S.C. KY NO
	SHEET NO
	RULES AND REGULATIONS

BA	LANCE ADJUSTMENT CALCULATION	Unit Amount
+ + +	Balance Adjustment for the Reporting Period (Schedule V) Previous Quarter Reported Balance Adjustment Second Previous Quarter Reported Balance Adjustment Third Previous Quarter Reported Balance Adjustment Balance Adjustment (BA)	\$/Mcf \$/Mcf \$/Mcf \$/Mcf \$/Mcf

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE

JAN 1 5 1992

PURSUANT TO 807 KAR 5:011. SECTION 9 (1) BY: <u>Constantialle</u> PUBLIC SERVICE COMMISSION MANAGER

DATE OI	F ISSUEJanuary 16, 1993	2	DATE EFFECTIVEJanuary 15, 1992	
	MONTH DAY	YEAR	MONTH DAY	YEAR
SSUED	BY Stor Rall	Manager	P. O. Box 820 Prestonsburg, KY	41653
	NAME OF OFFICER	TITLE	ADDRESS	

	FOR ENTIRE AREA SERVED
	P.S.C. KY. NO. 1
	<u> </u>
DEMA GAS COMPANY, INC.	Cancelling P.S.C. KY NO
	SHEET NO.

/

RULES AND REGULATIONS

			-			
		SCHEDULE II				
		EXPECTED GAS CO	ST			
Actual * Mcf Pu	rchases f	or 12 months ended _				
(1)	(2)	(3) Btu	(4)	(5)**		(6) x (5)
Supplier	Dth	Conversion Factor	Mcf	Rate		Cost
`						
Totals						
Line loss for l	2 months sales of	ended Mcf.	_ is	t based on	purcha	ses of
					<u>Unit</u>	Amount
Total Expecte + Mcf Purchases		Purchases (6)			\$ Mcf	
		Per Mcf Purchased s (must not exceed M	af color	. 05)	\$/Mcf Mcf	
		t (to Schedule IA.)		<u>+ .90]</u>	\$	
*Or adjusted p	ursuant t	o Gas Cost Adjustmer	t Clause	and expla	ined he	rein.

**Supplier's tariff sheets or notices are attached.

C		PUBLIC SERVICE COMMISSION
DATE OF ISSUEJanuary 16, 1992		DATE EFFECTIVE SEALING 15, 1992
MONTH DAY	YEAR	month day year 1 an 1 5 1992
	Manager	P. O. Box 820 Prestonsburg, KY 41653
NAME OF OFFICER	TITLE	ADDRESS PURSUANT TO 807 KAR 5:011. SECTION 9 (1) BY:

FOR ENTIRE AREA SERVED
P.S.C. KY. NO. 1
<u>IST</u> SHEET NO. 10
Cancelling P.S.C. KY NO
SHEET NO

RULES AND REGULATIONS

DEMA GAS COMPANY, INC.

SCHEDULE III

SUPPLIER REFUND ADJUSTMENT

Details for the 3 months ended(reporting period		
Particulars	Unit	Amount
Total supplier refunds received	\$	
+ Interest	\$	
= Refund Adjustment including interest	\$	
+ Sales for 12 months ended	Mcf	
= Supplier Refund Adjustment for the Reporting Period (to Schedule IB)	\$/Mcf	• <u>·</u>

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE

JAN 1 5 1992

		PURSUANT TO 807 KAR 5:011. SECTION 9 (1) BY: Under Commission Manager
DATE OF ISSUEJanuary 16, 1992		DATE EFFECTIVEJanuary 15, 1992
MONTH DAY	YEAR	MONTH DAY YEAR
SSUED BY Stock all	Manager	P. O. Box 820 Prestonsburg, KY 41653
NAME OF OFFICER	TITLE	ADDRESS

_	DEMA GAS COMPANY, INC.		P.S.	1ST elling	NO. SI P.S	HEET .C. K	1 NO. XY N	ED 11 D	
		HEDULE		মান্য					
	For the 3 month period ended				od)				
	Particulars	Unit		Month (1	Mont		Month	
	Total Supply Volumes Purchased	Mcf							
	Total Cost of Volumes Purchased	\$							
	+ Total Sales (may not be less than 95% of supply volumes)	Mcf							
	= Unit Cost of Gas	\$/Mcf	:						
	- EGC in effect for month	\$/Mcf	-			<u> </u>			
	= Difference	\$/Mcf	2						
	[(Over-)/Under-Recovery] <u>x Actual sales during month</u>	Mcf							
	= Monthly cost difference	\$							
	Total cost difference (month 1 + + Sales for 12 months ended = Actual Adjustment for the Report	_						<u>Unit</u> \$ Mcf	<u>Amount</u>
	(to Schedule IC.)	.ing Pe	\$ L TOO	PUBLIC	OFKE	ce com NTUCKY Ective	MISSIC	N _{\$/Mcf}	
				· · · · · · · · · · · · · · · · · · ·	JAN	<u>1 5 19</u>	92		<u></u>
	DATE OF ISSUE <u>January 16, 1992</u> MONTH DAY Y	EAR I	DATE	ef irsu	ANVE DO	2 80ZY MON Pr	AR 5:	011. 5, 1992 DAY	2 YEAR

~	MONTH	DAY YEAR		SECMONTRY, DAI		ICAR
		\sim		Of my faller		
ISSUED	BY Stat (LlL_Manager	P. O.	BOX OF THE STONE STONE THE	КY	41653
	NAME OF OFFICER			ADDRESS		

FOR ENTIRE AREA SERVED

P.S.C. KY. NO. 1

1ST SHEET NO. 12

Cancelling P.S.C. KY NO.____

SHEET NO.

RULES AND REGULATIONS

SCHEDULE V

BALANCE ADJUSTMENT

For the 3 month period ended <u>(reporting period)</u>

(1) Total Cost Difference used to compute AA of the GCR \$ effective four quarters prior to the effective date of the currently effective GCR. Less: Dollar amount resulting from the AA of \$\$/Mcf as used to compute the GCR in effect four quarters prior to the effective date of the currently effective GCR times the sales of Mcf during the 12-month period the AA was in effect. Equals: Balance Adjustment for the AA. \$\$/C1 as used to compute the GCR effective four quarters prior to the effective four quarters prior to the effective four quarters prior to the effective date of the currently effective GCR. Less: Dollar amount resulting from the RA of\$ \$\$/Mcf as used to compute the GCR in effect four quarters prior to the effective date of the currently effective GCR. Less: Dollar amount resulting from the RA of\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	Particulars	<u>Unit</u>	Amount
Less: Dollar amount resulting from the AA of \$\$/Mcf as used to compute the GCR in effect four quarters prior to the effective date of the currently effective GCR times the sales of Mcf during the 12-month period the AA was in effect. Equals: Balance Adjustment for the AA. (2) Total Supplier Refund Adjustment including interest used to compute RA of the GCR effective four quarters prior to the effective date of the currently effective GCR. Less: Dollar amount resulting from the RA of\$ \$ //Mcf as used to compute the GCR in effect four quarters prior to the effective date of the currently effective GCR times the sales ofMcf during the 12-month period the RA was in effect.	effective four quarters prior to the effective date	\$	
Equals: Balance Adjustment for the AA. \$ (2) Total Supplier Refund Adjustment including interest used to compute RA of the GCR effective four quarters prior to the effective date of the currently effective GCR. \$ Less: Dollar amount resulting from the RA of\$ \$ \$/Mcf as used to compute the GCR in effect four quarters prior to the effective date of the currently effective GCR times the sales of Mcf during the 12-month period the RA was in effect. \$	Less: Dollar amount resulting from the AA of \$/Mcf as used to compute the GCR in effect four quarters prior to the effective date of the currently effective GCR times the sales of Mcf during the 12-month period the AA	\$	
<pre>used to compute RA of the GCR effective four quarters prior to the effective date of the currently effective GCR. Less: Dollar amount resulting from the RA of \$ \$/Mcf as used to compute the GCR in effect four quarters prior to the effective date of the currently effective GCR times the sales of Mcf during the 12-month period the RA was in effect.</pre>		\$	
\$/Mcf as used to compute the GCR in effect four quarters prior to the effective date of the currently effective GCR times the sales of Mcf during the 12-month period the RA was in effect.	used to compute RA of the GCR effective four quarters prior to the effective date of the currently effective	\$	
	Less: Dollar amount resulting from the RA of \$/Mcf as used to compute the GCR in effect four quarters prior to the effective date of the currently effective GCR times the sales of Mcf during	\$	
		\$	

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE

	IAN 1 5 1992
DATE OF ISSUEJanuary 16, 1992	DATE EFFECTIVE Janiara Ston 1992
MONTH DAY YEAR	SECTIONS (1) DAY YEAR
SSUED BY Stork Oll Manage	all faller and a second
NAME OF OFFICER TITLE	P. O. HOK BULLETISCONFICTUTE, KY 41653

DEMA GAS COMPANY, INC.

	FOR ENTIRE AREA SERVED
	P.S.C. KY. NO1
	<u>1ST</u> SHEET NO. 13
DEMA GAS COMPANY, INC.	Cancelling P.S.C. KY NO
	SHEET NO.

RULES AND REGULATIONS

(3) Total Balance Adjustment Amount used to compute BA of the GCR effective four quarters prior to the effective	\$	
date of the currently effective GCR. Less: Dollar amount resulting from the BA of \$/Mcf as used to compute the GCR in effect four quarters prior to the effective date of the currently effective GCR times the sales of Mcf during the 12-month period the BA was in effect.	\$	
Equals: Balance Adjustment for the BA.	\$	
Total Balance Adjustment Amount (1) + (2) + (3) + Sales for 12 months ended	\$ Mcf	
= Balance Adjustment for the Reporting Period (to Schedule ID.)	\$/Mcf	

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE

JAN 1 5 1992

	PURSUANT TO 807 KAR 5:011. SECTION 9 (1) BY:	
DATE OF ISSUEJanuary 16, 1992		DATE EFFECTIVEJanuary 15, 1992
MONTH DAY	YEAR	MONTH DAY YEAR
SSUED BY The K (101 NAME OF OFFICER	<u>Manager</u> TITLE	P. O. Box 820 Prestonsburg, KY 41653 ADDRESS

PROPOSED TARIFFS

Type of Ch	arge: <u>Returned Check</u>	
1. Field Ex	pense:	
Α.	Materials (Itemize)	
		\$
В.	Labor (Time and Wage)	
	Total Field Expense	\$
2. Clerical	and Office Expense	
A.	Supplies	\$
В.	Labor: \$20.75/hr x 0.50 hrs \$18.85/hr x 1.00 hrs	<u>\$10.38</u> \$18.85
	Total Clerical and Office Expense	\$29.23
3. Miscell	aneous Expense	
A.	Transportation	\$
В.	Other (Itemize)	
	Bank Fees	
	Total Miscellaneous Expense	\$
Tot	tal Nonrecurring Charge Expense	\$ <u>29.23 + Bank Fee</u>

Type of Charge: <u>Reconnection Fee (within 12 months or non-payment)</u>

1. Field Expense:

A.	Materials (Itemize)	
		\$
В.	Labor (Time and Wage)	
	\$35/hr x 2 hrs	\$ 70.00
	Total Field Expense	\$ <u>70.00</u>
2. Cleric	al and Office Expense	
A.	Supplies	\$
В.	Labor: \$20.75/hr x 0.50 hrs \$18.85/hr x 1.00 hrs	<u>\$10.38</u> \$18.85
	Total Clerical and Office Expense	\$29.23
3. Misce	llaneous Expense	
A.	Transportation	\$
В.	Other (Itemize)	
	Total Miscellaneous Expense	\$
Т	otal Nonrecurring Charge Expense	\$ <u>99.23</u>

Type of Charge: Move Customer Service to a Differenct Location			
1. Field Ex	pense:		
A.	Materials (Itemize)		
	Material cost + 15% +tax	\$	
В.	Labor (Time and Wage)		
	\$35/hr_x 4 hrs	\$140.00	
	Total Field Expense	\$140.00	
2. Clerical	and Office Expense		
A.	Supplies	\$	
В.	Labor: \$20.75/hr x 0.50 hrs \$18.85/hr x 1.00 hrs	<u>\$10.38</u> <u>\$18.85</u>	
	Total Clerical and Office Expense	\$29.23	
3. Miscella	neous Expense		
A.	Transportation	\$	
В.	Other (Itemize)		
	Excavator @ \$47/hr x 2 hrs	\$94.00	
	Total Miscellaneous Expense	\$94.00	
Tota	I Nonrecurring Charge Expense	\$ <u>263.23</u>	

Type of Cha	rge: Special Meter Reading Charge	
1. Field Exp	ense:	
Α.	Materials (Itemize)	
		\$
В.	Labor (Time and Wage)	
	<u>\$35/hr x 2 hrs</u>	\$ 70.00
	Total Field Expense	\$70.00
2. Clerical a	nd Office Expense	
A.	Supplies	\$
В.	Labor: \$20.75/hr x 0.50 hrs \$18.85/hr x 1.00 hrs	<u>\$10.38</u> <u>\$18.85</u>
	Total Clerical and Office Expense	\$29.23
3. Miscellan	eous Expense	
Α.	Transportation	\$
В.	Other (Itemize)	
	Total Miscellaneous Expense	\$
Total	Nonrecurring Charge Expense	\$ <u>99.23</u>

Type of Cha	arge: <u>Meter Test Charge</u>	
1. Field Ex	pense:	
A.	Materials (Itemize)	
		\$
В.	Labor (Time and Wage)	
	\$35/hr x 5 hrs	\$ 175.00
	Total Field Expense	\$175.00
2. Clerical	and Office Expense	
A.	Supplies	\$
В.	Labor: \$20.75/hr x 0.50 hrs \$18.85/hr x 1.00 hrs	<u>\$10.38</u> \$18.85
	Total Clerical and Office Expense	\$29.23
3. Miscella	neous Expense	
Α.	Transportation 200 miles @ \$0.555/mi	\$111.00
В.	Other (Itemize) Meter shop testing fee	\$18.00
	Total Miscellaneous Expense	\$129.00
Tota	I Nonrecurring Charge Expense	\$ <u> 333.23 </u>

Type of Ch	arge: <u>Turn on Fee (seasonal or temporary tu</u>	rn on)
1. Field Ex	pense:	
A.	Materials (Itemize)	
		\$
В.	Labor (Time and Wage)	
	\$35/hr x 2 hrs	<u>\$ 70.00</u>
	Total Field Expense	\$
2. Clerical	and Office Expense	
А.	Supplies	\$
В.	Labor: \$20.75/hr x 0.50 hrs \$18.85/hr x 1.00 hrs	<u>\$10.38</u> \$18.85
	Total Clerical and Office Expense	\$
3. Miscella	aneous Expense	
A.	Transportation	\$
В.	Other (Itemize)	
	Total Miscellaneous Expense	\$
Tota	al Nonrecurring Charge Expense	\$ <u>99.23</u>

Type of Charge: Service Charge (for any special trip made to collect dilinguent bills)

1. Field Expense:

	Α.	Materials (Itemize)	
			\$
	D		
	В.	Labor (Time and Wage)	
		\$35/hr x 2 hrs	\$ 70.00
		Total Field Expense	\$ <u>70.00</u>
2.	Clerical	and Office Expense	
	Α.	Supplies	\$
	В.	Labor: \$20.75/hr x 0.50 hrs \$18.85/hr x 1.00 hrs	<u>\$10.38</u> <u>\$18.85</u>
		Total Clerical and Office Expense	\$29.23
3.	Miscella	neous Expense	
	A.	Transportation	\$
	В.	Other (Itemize)	
		Total Miscellaneous Expense	\$
	Tota	I Nonrecurring Charge Expense	\$ <u>99.23</u>

Type of Charge: Change Tenants (Change meter billing to new customer)

1. Field E	xpense:	
A.	Materials (Itemize)	
		\$
B.	Labor (Time and Wage)	
	Total Field Expense	\$
2. Clerica	l and Office Expense	
A.	Supplies	\$
В.	Labor: \$20.75/hr x 0.50 hrs \$18.85/hr x 1.00 hrs	<u>\$10.38</u> \$18.85
	Total Clerical and Office Expense	\$29.23
3. Miscel	aneous Expense	
A.	Transportation	\$
В.	Other (Itemize)	
	Total Miscellaneous Expense	\$
То	tal Nonrecurring Charge Expense	\$ <u>29.23</u>

Type of Cha	rge: <u>Meter Resetting Charge</u>	
1. Field Exp	ense:	
A.	Materials (Itemize)	
		\$
В.	Labor (Time and Wage)	
	\$35/hr x 2 hrs	\$ 70.00
	Total Field Expense	\$ <u>70.00</u>
2. Clerical a	and Office Expense	
A.	Supplies	\$
В.	Labor: \$20.75/hr x 0.50 hrs \$18.85/hr x 1.00 hrs	<u>\$10.38</u> \$18.85
	Total Clerical and Office Expense	\$29.23
3. Miscellan	eous Expense	
A.	Transportation 40 miles @ \$0.555/mi	\$22.20
В.	Other (Itemize)	
	Total Miscellaneous Expense	\$22.20
Total	Nonrecurring Charge Expense	\$ <u>121.43</u>

uan.	FOR All Service areas	
	Community, Town or Ci	ty
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Kentucky Frontier Gas LLC	CANCELLING P.S.C. KY, NO.	
(Name of Utility)		
	SHEET NO	
	CONTENITS	

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Kentucky Frontier Gas, LLC has consolidated the operations of several natural gas utilities and farm tap suppliers in Kentucky. This tariff details the conditions of service for all Customers served by Kentucky Frontier Gas operations.

Text changes and additions - highlighted

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 - B. Application for Gas Service
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TITLE Managing partner
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FOR All Service areas_____

Community, Town or City

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P.S.C. KY. NO. 1_____

Kentucky Frontier Gas LLC

(Name of Utility)

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

_____SHEET NO._____

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Kentucky Frontier Gas LLC

(Name of Utility)

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RATES AND CHARGES

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D. Interim Gas Cost Adjustments

VI. FARM TAP GAS COST ADJUSTMENT VII. PIPELINE REPLACEMENT PROGRAM

I. RATES AND CHARGES

A. MONTHLY CHARGES & COMMODITY RATES - FARM TAP CUSTOMERS T

APPLICABILITY: For all classes of customers in all counties served by farm taps along pipelines formerly operated by Alert Oil & Gas Company, Inc., Hueysville Gas, KLC Enterprises, B.T.U. Gas, Quality Natural Gas, Interstate Natural Gas and whose rate schedule is not otherwise governed by a producer contract.

MONTHLY RATES:

Base RateGCRR Gas CostTotalAll MCF\$4.00\$3.60\$7.60Monthly Customer Charge\$10.00

SPECIAL CHARGES: FARM TAP

All special charges applicable to general rate customers shall apply to farm tap customers, unless otherwise noted.

B. MONTHLY CHARGES & COMMODITY RATES – GENERAL RATES T APPLICABILITY: For all non-farm tap Residential and Commercial customers in all areas served by KY Frontier Gas, LLC, including the community of Belfry, Blaine, Floyd County including the

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communities of Cliff, Auxier, Wayland, Estill, Lackey, Garrett, Hueysville, Allen, Dwale, Melvin, Bypro, Weeksbury, Langley, Goble Roberts, Salyersville, Magoffin County, Johnson, Knott, Letcher, Martin, Perry and Pike counties and surrounding areas.

MONTHLY RATES:

All MCF Monthly Customer charge	<u>Base Rate</u> \$4.18 \$10.00	GCRR Gas Cost	Total	<u> </u>
Industrial Rate:	\$3.35			
Monthly Customer charge	\$50.00			
C. OTHER CHARGES Pipeline Replacement Progra Turn on fee	m rate: \$1.50 j	-	n (excludes Farm Tap) on for seasonal/temporary turr	C

Reconnection Fee	\$120.00 to restore service within 12 months of disconnection/termination
	for non-payment;
Relocate meter	\$35.00 hr, plus costs – move meter at customer request.
Transfer Service Fee	\$30.00 to change tenants (change to new customer).
Returned Check Charge	\$30.00 for a check returned for insufficient funds, plus any fees assessed
	by the bank.
Late Payment Charge	12% of the current monthly charges.
Service (trip) Charge	\$120.00 for any special trip made to collect delinquent bills/terminate
	service.
Farm Tap Fee	\$200 to initiate a farm tap off a high-pressure pipeline.
Special meter reading charge	ge\$120.00 for reread
Meter test fee	\$35.00/hr. plus costs

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R	ATES AND CHARGES	

Deposit

2/12ths annual average residential bill

AMR surcharge \$1.00 per customer per month

D. DEPOSITS

T (ALL HIGHLIGHTED)

Residential Customer (includes farm tap customers) A deposit equal to two-twelfths of the estimated annual bill shall be required of all new customers that do not have an acceptable credit rating. The deposit shall be refunded after the first 12 months of service if the customer has no more than two late payments within that period.

Seasonal Customer Any customer requesting seasonal service, that is service for only a portion of a calendar year, shall be charged a deposit equal to one-half of the estimated annual bill of a similar full time residential or commercial customer.

Commercial Customer \$100.00, or two twelfths annual estimated bill, whichever is greater.

Interest will accrue on all deposits at the rate prescribed by law beginning on the date of the deposit. Interest accrued will be refunded to the customer or credited to the customer's bill on an annual basis. If interest is paid or credited to the customer's bill prior to twelve (12) months from the date of deposit or the last interest payment date, the payment or credit shall be on a prorated basis.

II. RULES AND REGULATIONS – ALL CUSTOMERS

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Kentucky Frontier Gas LLC	CANCELLING P.S.C. KY. NO.
(Name of Utility)	SHEET NO

Kentucky Frontier Gas, LLC has consolidated the operations of several natural gas utilities and farm tap suppliers in Kentucky. This tariff details the conditions of service for all Customers served by Kentucky Frontier Gas operations.

The following Rules and Regulations are filed with the Public Service Commission of Kentucky, referred to as "PSC" or "Commission", as part of the natural gas tariff of the gas utility operations of Kentucky Frontier Gas, LLC, hereinafter "Company" or "the utility". These Rules and Regulations set forth the terms and conditions under which natural gas service is supplied and govern all classes of service in all systems and territories served by the utility. Service furnished by the Company is also subject to the Rules of the PSC. Copies of this tariff are available for any Customer's inspection at the offices of the Company. They are subject to termination, change, or modification, in whole or in part, at any time. Any waiver at any time of the Company's rights or privileges under these Rules & Regulations will not be deemed a waiver as to any later breach of these rules.

<u>1. COMMISSION'S RULES AND REGULATIONS</u>

All gas service rendered by the Company shall be in accordance with the Administrative Regulations by which gas utilities are governed 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 Public Service Commission, al] gas service rendered shall also be in accordance with the Rules and Regulations adopted by the Company.

3. REFUSAL OF SERVICE

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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 requirements without adversely affecting the service to customers already connected and being served.

B APPLICATION FOR GAS SERVICE

Application for natural gas service may be made at the office of the Company. The Company may refuse service to any Customer who fails to comply with these Rules & Regulations. The Company will not furnish service to any applicant who owes the Company any past due amount for service at any location, until all such indebtedness is paid in full.

The Company may require any applicant to sign a Service Contract before service is supplied. The use of natural gas service constitutes an agreement under which the Customer receives natural gas service, agrees to pay the Company therefore in accordance with the applicable Tariff rate schedule, and agrees to comply with the Rules and Regulations of the utility. The benefits and obligations of the agreement for service may not be assigned without written consent of the Company. A separate agreement will be made for each class of service at each separate location.

A Customer is defined as any individual, enterprise or legal entity classified as either a Residential or Commercial purchasing natural gas from the Company at each point of delivery, under each rate classification, contract or schedule.

C CHOICE OF RATES

A schedule of rates is available at the office of the Company. When two or more rate schedules apply to a customer's service requirements, the Company will assist in selecting the most suitable rate. Applicant is responsible for the final selection of said rate, and Company assumes no liability for that selection.

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D TEMPORARY OR INTERMITTENT SERVICE

If service to Customer is to be temporary or intermittent in usage, service will be supplied in accordance with the applicable rate schedule. Service to mobile homes and trailers may be considered by the Company as temporary. All costs of main or service construction will be paid in advance by the Customer. If service is provided for more than 24 months the Company will refund any construction costs in excess of those allowed under the Service Extension Policy.

E DEPOSITS

The Company requires each Customer to make a minimum cash deposit to initiate or re-establish gas service, or if there is a substantial increase in usage. Such deposit is not an advance payment or partial payment of any bill for service, but is security for payment of bills for service to be applied against unpaid bills only in event service is discontinued.

Interest on such deposits will be calculated at a rate prescribed by the PSC for the period elapsed from date of deposit to date refunded, provided that such period is not less than six months, and provided further that such deposits will not draw interest after the date on which Company notifies Customer that deposit will be refunded or after service is discontinued. Interest will be paid upon refund of deposit.

Deposits shall be refunded after a one year period if the Customer has had no delinquency resulting in the issuance of a written Notification of Discontinuance of Service or no more than two late payments within any calendar year.

Deposits will be refunded when service is discontinued, or at the end of the one year deposit holding period, upon proof that person claiming deposit is legally entitled to same. On discontinuance of service, the Company reserves the right to apply the Customer's deposit and any interest accrued thereon against unpaid bills for service, and only the remaining balance of the deposit, if any, will be refunded.

In cases where the Applicant for new service is in default of payment of bills for any service previously rendered to Applicant, a settlement of the old account, or arrangement satisfactory to the Company for its settlement, will be required before the new service is rendered.

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R	ATES AND CHARGES

The Company may waive the deposit upon a Customer's showing of satisfactory credit and payment histories with Company and others, established income or local property ownership and no recent bankruptcy, or a suitable co-signor.

F MONTHLY BILLS

Bills for service will be rendered monthly. The term "month" for billing purposes means the period between any two consecutive regular readings by the Company of the meters at the Customer's premises, such readings to be taken as nearly as may be practicable every thirty days. The timing of the meter cycle is selected by the Company.

If an initial or final bill is for a period less than the monthly billing period described above, the billing will include the monthly minimum charge plus actual gas usage from the prior meter reading.

If the Company is unable to read a meter after reasonable effort, the Customer will be billed on an estimated usage based on the best available information. When Company for any reason submits a bill to a Customer for utility service which contains an estimated reading or a no-charge, Company will include on such bill a notice informing Customer that the bill contains an estimate or no-charge.

All bills for service, including any excise tax, sales tax, franchise fee or the like imposed by governmental authority, are due and payable at the office of the Company, or to an authorized agent of the Company, not later than the due date shown on the bill. All bills are due upon presentation.

The bill will be considered as received by the Customer when mailed to, or left at, the location where service is used or at some other location that has been mutually agreed upon. If the Customer fails to receive a bill, the Company, upon request, will issue a duplicate. However, failure to receive a bill in no way exempts the Customer from payment, before delinquent date, for service rendered.

Customer usage is monitored during the billing process and any significant deviation from normal usage pattern will be assessed. Company will re-read or test meters and review billing calculations as part of its investigation. Company will inform Customer if any significant billing adjustment is needed.

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	ATES AND CHARGES	

If a Customer gives notice at the Company's office prior to the time that payment is due that the correctness of the bill is disputed, stating reasons, the Company will investigate the complaint. However, such notice disputing correctness of a bill shall not be sufficient reason for withholding payment. If the bill is found to be incorrect, the Company will refund the amount of overpayment or credit the amount of overpayment to the next bill rendered.

G. BUDGET BILLING PLAN

Customers may elect at their option to pay monthly bills for service on a Budget Billing Plan. This option is available to Residential customers at the option of the Company, which customers have a suitable 12-month payment history and all accounts are paid in full. Customer shall make an application and sign a payment agreement for Budget Billing, acknowledging average usage and the calculated monthly payment.

The monthly amount to be paid under Budget Billing is calculated from the past twelve months' gas usage at the current gas rates rate, divided by 11 and rounded to the nearest dollar. Said monthly payment shall be made for eleven successive months beginning with the July billing month. The twelfth month's payment is a settlement amount equal to the difference between the total of the prior eleven months' payments and the actual billings for the twelve month period.

If the settlement amount is a credit balance the Company will issue a check to the Customer in the amount of the credit balance, or the Customer may elect to have the credit applied to future billings. If the settlement amount is a debit balance owed by the Customer, the total balance will be due and payable on the due date shown on the bill for the settlement month, except that in the event the debit balance exceeds \$100, the Customer may elect to pay the debit over a two month period with at least one half of the total debit balance payable in the settlement month. The Customer may continue on the Budget Billing Plan for succeeding years, in which case the settlement month for each year will occur in twelve month cycles starting with the beginning month.

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If a Customer electing Budget Billing Plan fails to pay the budget billing obligation in any month, normal collection procedures shall be applicable for the outstanding budget billing amount. Upon termination of service of a Customer on the Budget Billing Plan, the entire balance amount of the account for actual usage shall be due and payable by Customer to Company if a debit balance exists or shall be refunded by Company to Customer if a credit balance exists.

The monthly budget billing amount will be adjusted for changes in the Company's base rates and for unusual changes in Purchased Gas Cost Adjustment due to major purchase gas cost changes from the Company's gas suppliers. No adjustment in monthly budget billing amounts will be made for normal Gas Cost Adjustment changes. Changes in Gas Cost Adjustment levels shall be considered unusual when such changes would result in a 10% or more increase or decrease in Customer's anticipated annual billing for gas service.

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RUI	LES AND REGULATIONS

H. PARTIAL PAYMENT PLAN

Qualifying customers may enter into a partial payment plan in accordance with 807 KAR 5:006(13) (2)

I. WINTER HARDSHIP RECONNECTION

Qualifying customers may have service reconnected pursuant to 807 KAR 5:006 (14) and (15) if conditions of the regulation are met.

J. MEASUREMENT OF GAS SERVICE

The Company will install, own and maintain suitable metering equipment necessary for measuring the natural gas supplied. The Point of Delivery to the Customer is the outlet of the Company's meter.

Each class of natural gas service supplied will be metered and billed separately. All service to a Customer under one applicable rate schedule will be measured by a single meter installation and meter readings of one meter installation shall not be combined with meter readings of another meter installation for billing purposes, unless specifically allowed under the applicable tariff. Adjoining properties may be combined on a single meter installation at the Customer's expense, and served as a single Customer where such properties are controlled, occupied, and used for commercial purposes by a single enterprise engaged in the pursuit of a single business.

Service to the same Customer at different premises will be considered as service to separate Customers.

Standard delivery pressure and temperature of natural gas supplied by the Company is four (4) ounces per square inch above average atmospheric pressure, which is assumed to be 14.40 psia in the Company service area and sixty (60) degrees Fahrenheit. All meters shall be temperature-compensated. Where necessary, the volume of gas as registered on the service meter shall be adjusted to the foregoing conditions for billing purposes.

Customer shall not bypass, adjust, alter or tamper with Company meters or regulators for any reason, such actions being cause for immediate discontinuance of service. Customer shall not construct any addition or structure over utility-owned mains, service lines, or meters, and shall not enclose exposed

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portion of gas service facilities with any unventilated enclosure. Customer shall immediately notify Company of any leak or defect observed in Company's facilities.

K DISCONTINUANCE OF SERVICE AT CUSTOMER'S REQUEST

A Customer wishing to discontinue or transfer service should give at least three days' notice to Company to that effect, unless otherwise specified in the rate or contract applicable, in order to allow time for final meter reading and disconnection of service. Where such notice is not received by the Company, the Customer will be liable for service until final reading of the meter. Notice to discontinue service will not relieve a Customer from any minimum or guaranteed payment under any contract or applicable rate.

L DISCONTINUANCE OF SERVICE BY COMPANY

Company may discontinue service upon not less than seven days' written notice to Customer, and to any Customer designated third party, of Company's intention to discontinue service:

1) If Customer fails to pay, or make arrangements for payment of, bills for service rendered as provided in these rules.

2) If Customer fails to comply with Company's Rules and Regulations after due notice of such failure is given by Company and reasonable time is allowed for compliance.

3) If Customer's use of service is detrimental to the natural gas service being furnished by Company to other Customers in the immediate vicinity or supplied from the same distribution system.

If discontinuance is for nonpayment of bills, the customer shall be given at least 10 days written notice, separate from the original bill, and cut-off shall be effected not less than twenty seven (27) days after the mailing date of the original bill, unless, prior to discontinuance, a residential customer presents to the utility a written certificate, signed by a physician, registered nurse, or public health officer, that such discontinuance will aggravate an existing illness or infirmity on the affected premises, in which case

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discontinuance may be effected not less than thirty (30) days 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.

Discontinuance of service under (1) will not occur if: Customer makes full payment of outstanding bill, such payment to be made by cash or bona fide check to a Company representative or field employee unless Customer has twice previously tendered payment with check which was returned to the Company by the banking institution unpaid, and the second such check was returned within the most recent twelve month period, in which cases payment by cash or certified check is required to avoid termination.

Discontinuance of service shall only occur between 8:00 am and 4:00 pm, Monday through Thursday. Service may not be terminated on the day prior to, or the day of, a legal holiday.

Company may discontinue service at any time without notice:

1) If a condition or installation of any part of the Customers' gas piping or any appliance is found to be dangerous to life, health, or safety of any person. Company does not assume responsibility for, and will not be held liable for, ascertaining such condition.

2) Upon the receipt of a lawful request or order of the properly constituted authority applicable to Customer's gas service.

3) If service is found to have been restored by someone other than Company and the original cause for the discontinuance has not been cured. The Company does not assume responsibility and will not be held responsible for ascertaining such condition.

4) If Company metering and regulating equipment has been bypassed, adjusted, altered or tampered with.

M RESTORATION OF SERVICE

Service which has been terminated due to failure to pay or make arrangements for payment of bills for service rendered will be restored if Customer pays all applicable collection and/or reconnection charges as stated in Charges for Rendering Service.

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Where service has been discontinued as set forth in these rules, Company shall restore such service within 24 hours after elimination by Customer of the cause for discontinuance, unless extenuating circumstances prevent restoration. Extenuating circumstances includes, but is not limited to, the requirement that the Customer or a responsible individual designated by the Customer be at the premises at the time of restoration of service.

N. SERVICE FEES

1. Reconnection: The Company shall charge the Customer a Reconnection Fee for the following services:

a) Reconnection of gas service to a Customer who has requested discontinuance of service at the same premises within the past twelve months; and
b) Reconnection of gas service to a Customer whose service has been discontinued by the Company for any reason stated herein within the past twelve months.

2. Special meter charge: For any trip to read a meter at customer's request.

3. Meter test charge: For test of accuracy of meter at customer's request.

4. Turn on fee: Seasonal or temporary turn at customer's request.

5. Service charge: Any special trip made to collect delinquent bill.

6. Meter reset fee: Relocating meter at customer's request

O. METER TRANSFER FEE/ CHANGE TENANT FEE

The Company shall charge a Meter Transfer Fee as set forth herein:

For transfer of service at the same premises from one tenant to another, when the gas service is not otherwise changed or interrupted. Such Fee will be charged to the new Customer.
 For transfer of service to a Customer from one premises to another.

P. RETURNED CHECK CHARGE

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The Company shall charge a Returned Check Charge as set forth herein for each check that is returned to the Company as uncollectable by its bank, up to the maximum amount allowed under the statutes of the Commonwealth of Kentucky and any charges assessed by the bank.

Q. LATE PAYMENT CHARGE

The Company shall charge a Late Payment Charge on all bills not paid within 15 days of the billing date. Penalties are assessed only once on a past due amount.

R. DIVERSION OF NATURAL GAS

The existence of natural gas consuming devices installed ahead of the meter or any tampering or interfering with pipes, regulators or equipment connected to Company's distribution system or the damage to, alteration, or obstruction of any meter (including the breaking of meter seals and increasing regulator pressure) which will permit or make possible the use of natural gas without its proper registration on Company's meter shall constitute prima facie evidence of diversion of natural gas by the Customer in whose name service is being rendered, or by the person benefiting from the use of such diverted natural gas. In the event that a Company check meter registers more natural gas in the same interval of time than does the meter installed at Customer's premises after such meters have been tested and found to be registering within the limits of accuracy prescribed by the PSC, such fact shall also constitute prima facie evidence of diversion of natural gas.

In such instances, Company will, in any reasonable manner, compute the amount of diverted natural gas and shall have the right to enter Customer's premises and make an actual count of all natural gas consuming devices to aid in such computation. Where Company is unable to make such count, the computation will be based on any other available information, or estimated. Such computation will be made for the period beginning with the date on which Customer began using natural gas at the location where the diversion occurred, unless evidence proves the diversion commenced a later date, and ending with the date on which said diversion ceases. Bills for natural gas diverted, based upon the aforesaid computation, under the applicable rate effective during the period of diversion, plus the cost of

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investigating and confirming such diversion and disconnecting service, shall be due and payable upon presentation.

If service has been discontinued for diversion of natural gas, Company will not render service to Customer, or to any other person for Customer's use, at the same or any other location until:

- 1) Customer has paid all bills as set forth preceding, and
- 2) Customer has paid to Company or others the installation cost of such entrance and service equipment as is necessary to prevent further diversion of natural gas.

The foregoing rules pertaining to diversion of natural gas are not in any way intended to affect or modify any action or prosecution under the statutes of the Commonwealth of Kentucky.

S. EASEMENTS

Receipt of natural gas service by Customer shall be construed as an agreement with the property owner, granting to Company an easement for gas mains, services, meters, and other equipment of Company necessary to render service to Customer. If requested by Company and before or after service is connected, Customer will execute Company's standard form of right-of-way agreement, granting to Company, at no expense therefore, satisfactory easements for suitable location of Company's mains, services, meters and metering equipment, and other appurtenances on or across lands owned or controlled by Customer, and will furnish space and shelter satisfactory to Company for all apparatus of Company located on Customer's premises. In the event that Customer shall divide premises by sale in such manner that one parcel shall be isolated from streets where Company's gas mains are accessible, Customer shall grant or reserve an easement for gas service over parcel having access to gas mains for the benefit of the isolated parcel.

T. ACCESS FOR COMPANY'S EMPLOYEES AND AGENTS

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Customer will provide access to its premises at all reasonable times for authorized employees and agents of the Company for any proper purpose incidental to the supplying of natural gas service.

U. REALLOCATION OR RESALE OF NATURAL GAS

Natural gas service supplied by the Company is for the exclusive use of the customer. The customer is expressly forbidden to re-allocate or resell gas for any purpose.

V. CUSTOMER'S 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 main or property line to the meter riser at the inlet side of the meter 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 PSC and the Company's specifications covering location, installation, kind and size of pipe, type of pipe coating and method of connecting the joints of pipe.

The Customer, before purchasing equipment or beginning construction of a proposed installation, shall confer with the Company to determine if the type of service, capacity, and pressure desired by Customer is available, to determine if extensions of, or additions to, Company's facilities will be required; and to secure definite location of the Company's meter and point of delivery. The Company must also be notified in advance before any additions to or alterations of existing installations which will materially affect the existing gas consumption.

If required, any Customer-installed buried line shall be at least 1-inch diameter pipe (only API-rated coated steel or PE) from the meter to all appliances, without reduction in size except it may be reduced at the entrance to the room to the same size as the appliance connection. A stopcock shall be installed at the building wall if applicable, and at each appliance.

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All gas piping and other natural gas appliances and equipment on the Customer's side of the point of delivery will be furnished, installed and maintained at all times by the Customer in conformity with good practice, the requirements of any public body having jurisdiction or appropriate gas piping codes, and in accordance with the Company's Rules and Regulations. However, Company accepts no liability for injury or damage caused by defects in Customer's piping or equipment.

No equipment or apparatus will be connected to Company's distribution system, the operation of which may cause such an abnormal pressure variation in said system as to impair or endanger the natural gas service supplied to other customers on said system or to adversely affect operation of Company's metering or pressure regulating equipment. In the event that equipment having a high instantaneous demand such as a gas engine is to be connected, Customer shall provide adequate pulsation or surge tank, shut off valves and other protective devices as may be required by Company. Customer shall, in every case, confer with Company before any equipment or apparatus requiring extremely close regulation of pressure or quality of gas is connected to Company's distribution systems.

When the Company is required by order of proper authorities to move or alter its existing distribution system, thereby necessitating a change in the location of the service line and the point of delivery, the Company will designate a new point of delivery to which the Customer, at its expense, will bring the customer-owned piping.

Service will be delivered to the Customer for each premise at one point of delivery to be designated by the Company. For the mutual protection of the Customer and the Company, only authorized employees of the Company are permitted to make connections between the Company's facilities and the Customer's gas service piping.

The Company reserves the right to require the Customer to reimburse the Company for any cost due to a change in meters or other apparatus or in their locations made at the request of the Customer. Meters and other Company equipment will be removed or relocated only by Company employees.

W. COMPANY FURNISHED EQUIPMENT:

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The Company shall furnish, install and maintain at its expense the necessary service connection. 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, meter stand (including meter riser), regulators, and connections which will be located at or near the main service connection, property line or near 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 sites or location for the meter, meter stand, including meter riser, 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

X. PROTECTION OF SUB-SURFACE FACILITIES

Customer shall consult Company regarding necessity of changing location of gas service before building any improvement, addition, or structure over the gas service pipe. Customer shall notify Company or the appropriate One-Call center before operating or permitting the operation of any power excavating or ditching equipment in the proximity of Company's underground gas service on Customer's premises.

Y. SHORTAGE OF NATURAL GAS SUPPLY

In case of emergency causing a shortage of supply, Company shall have the right to grant preference to that service, which, in its sole opinion, is most essential to the public welfare. In general, the curtailment sequence would normally be:

- 1) Industrial and Commercial customers, except schools.
- 2) Schools.
- 3) Residential Customers.

Z. LIABILITY

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All mains, services, apparatus, instruments, meters, regulators, and materials supplied by Company at its expense or under its standard policies will be and remain the property of the Company. Company's property shall not be worked upon or interfered with by Customer or other unauthorized person.

The Customer shall be responsible for any damage to or loss of Company's property located on Customer's premises, caused by or arising out of the acts, omissions or negligence of Customer or others, or the misuse or unauthorized use of Company's property by Customer or others. The cost of making good such loss and/or repairing such damage shall be paid by the Customer. Customer shall be held responsible for injury to Company's employees if caused by Customer's act, omissions or negligence.

The Customer shall be responsible for any injury to persons or damage to property occasioned or caused by the acts, omissions or negligence of the Customer or any of its agents, employees, or licensees, in installing, maintaining, operating, or using any of the Customer's piping, equipment, machinery, or apparatus and for injury and damage caused by defects in same.

Company shall not be liable for injury to persons, damage to property, monetary loss, or loss of business caused by accidents, acts of God, fires, floods, strikes, wars, authority or orders of government, or any other causes and contingencies beyond its control.

AA. INDEMNITY TO COMPANY

Customer shall hold the Company harmless and indemnify it against all claims and liability for injury to persons or damage to property when such damage or injury results from the facilities located on Customer's side of the point of delivery, unless caused by the negligence or wrongful acts of Company's agents or employees.

BB INSIDE GAS SERVICES RENDERED BY COMPANY

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The Company will not perform installation or maintenance services on customer facilities downstream of the meter. Some health- and safety-related services are provided by Company free of charge to its customers. Such services are limited to the following:

- 1) Response to gas leak complaints regardless of cause.
- 2) Response to fires regardless of cause.
- 3) Restore service when outage is caused by Company.

4) Bill investigations, meter and meter reading investigations, and routine maintenance of Company facilities.

CC COMPLAINTS

The Company will investigate promptly all complaints made by its Customers and will keep a record of all written complaints which record will include: name and address of complainant, date, nature of complaint, and adjustment or disposition made. This record will be kept at least three years after the date of the complaint.

III. RESIDENTIAL SERVICE

A. DEFINITION OF RESIDENTIAL SERVICE

Residential Service is the furnishing of natural gas for the exclusive use of the individual customer for domestic purposes: for cooking, water heating, space heating, clothes drying, and incineration, in a private home or individual living unit where only one household is served through a single meter. Service to buildings adjacent to the residence including garages, barns, and other minor buildings for use of the residents may also be served through the residential meter. Each family dwelling place or housekeeping unit shall be considered as a separate living unit if separately metered.

Where two or more separate living units in a private residence or apartment building are offered for rent and the entire building is supplied through one meter, such building shall be classified as a commercial establishment and shall not be entitled to a residential schedule.

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Except as specifically provided herein, Residential Service rates are not applicable to service for commercial enterprises.

COMMERCIAL SERVICE

B. DEFINITION OF COMMERCIAL SERVICE

Commercial Service is the furnishing of natural gas for the exclusive use of the individual customer for cooking, water heating, space heating, heat applications, and miscellaneous purposes to commercial establishments, regardless of volumetric gas usage.

Any entity engaged in the operation of an enterprise, whether or not for profit, shall be considered a Commercial customer. Such enterprises will include but not be limited to retail and wholesale merchants, professional services, offices, restaurants, clubs, lodges, hotels and motels; apartment buildings, rooming houses, assisted living and multi-unit dwellings where more than one living unit is served through one meter; schools, government, churches and charitable institutions; mobile home parks, camp grounds, greenhouses, dairies, manufacturing, agriculture, livestock production, mining, oil and gas extraction, construction, communication, transportation, natural gas engine service, gas-fired power back-up service, and other uses. These enterprises may also be supplied under an industrial or large commercial rate if such exists.

Where the total load of a customer served at one point of delivery cannot be combined under one classification for billing purposes due to restrictions in the applicable schedule, customer shall so arrange the piping so that each class of service can be separately metered and billed under the applicable schedule.

C. FARM TAP SERVICE

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Farm Tap Service is the furnishing of natural gas to Residential and Commercial customers not from a typical distribution system operated at 60 psig or lower, but from a direct connection to a high-pressure transmission or gathering pipeline operated by Company or others. In addition to the Rules & Regulations which apply to all customers, these rules and regulations apply specifically to Farm Tap customers:

1) All service connections to a high-pressure pipeline shall be subject to the special requirements, consent and approval of the Owner of the pipeline, and of the Company if not the pipeline Owner.

2) Prior to initiating service, an application and service agreement specific to the owner of the pipeline shall be executed by Customer and approved by owner and Company. Customer shall pay Farm Tap Fee and deposit as required. The Company shall provide service to gathering line customers pursuant to 807 KAR 5:026. Customers requesting service from a gathering line shall complete a form provided by the Company - "Application for Service on Gathering System", which shall include a written easement for Company use of and access to the property. Prospective gathering line customers shall be advised (1) of the possibility of service interruptions due to the unprocessed nature of the gas, and (2) that upon the discontinuance of the gathering of gas through the gathering line or low flowing pressures resulting from the depletion of the wells feeding that gathering line or other reasons affecting pressure and volumes of gas, service is subject to interruption or discontinuation.

3) The pipeline Owner shall make the tap on the pipeline. The service connection or tap shall be installed on the customer's premises at or as near the transmission line as is practicable.

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4) The Company will install regulators, meter, equipment and connections as necessary to provide service to Customer, which equipment shall be installed on Customer's premises at or as near the pipeline as is practical. Customer shall provide suitable meter location at no cost to Company or pipeline Owner, who each shall have the right of ingress, egress and regress to and from this location at any time without charges from Customer. An easement for the facilities and access by the company shall be provided by the property owner.

5) Customer shall install and maintain any service line and facilities extending from the outlet of the meter at his expense.

6) Customer shall promptly notify Company of any leaks in the pipeline or tap facility.

7) If the farm tap Customer's gas rate schedule is not otherwise governed by an existing producer or right-of-way contract, then the Customer shall pay the rates in this tariff applicable to service off the pipeline supplying gas.

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

9) The following sections of 807 KAR 5:022 shall not apply to natural gas service to the Company's customers being served pursuant to KRS 278.485 or other retail customers being provided natural gas service directly from transmission or gathering lines:

Section 9, subsections (16) and (17); Section 13, subsections (14). (15) and (16); Section 14, subsection (22); Section 15; and Section 16.

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10) The Company shall make all reasonable efforts to prevent interruptions of service and if interruptions occur shall endeavor to reestablish service with the shortest possible delay consistent with the safety of its consumers and the general public. Planned interruptions shall always be preceded by adequate notice to all affected customers.

D. TRANSPORTATION SERVICE: RESERVED

E. LARGE COMMERCIAL – Large Commercial Natural Gas Service is the furnishing of natural gas for the exclusive use of the individual customer for cooking, water heating, space heating, heat applications, and miscellaneous purposes to large commercial establishments.

Any entity engaged in the operation of an enterprise, whether or not for profit, shall be considered a Commercial customer, with examples given herein. A Large Commercial customer is defined as a Commercial entity which has historically used, or could reasonably be expected to use, more than 10,000 MCF of gas per year.

The total load of a customer served to a building or group of contiguous and related buildings may be combined under this classification for billing purposes. Such building groups will include but not be limited to a school campus, a courthouse or correctional complex and a medical or long-term care facility.

F. SPECIAL CONTRACTS – Commercial or industrial customers using 500 MCF per month or more may have service provided by special contract specifying all terms and conditions for service and rates, subject to approval by the PSC. Any Commercial or industrial customer without a special contract shall be charged the applicable tariff rate.

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IV. STANDARDS OF SERVICE

A UTILITY SYSTEM OPERATION & MAINTENANCE

The Company will construct, operate, and maintain its natural gas delivery systems in such manner as to furnish safe, adequate, and continuous natural gas service in accordance with the Rules & Regulations and the Operations & Maintenance Plan of the Company.

The Company will exercise reasonable diligence and care to furnish and deliver a continuous and sufficient supply of natural gas and to avoid any shortage or interruption. However, the Company shall not be liable for interruption, shortage, or insufficiency in the supply of natural gas, or for any injury, loss, or damage caused thereby, if same is due to causes beyond the control of the Company. These causes include but are not limited to accidents, breakdown of equipment, operations of supply pipelines and gas production facilities, storms and acts of God, civil disorders and authority and orders of government.

The Company will have the right to temporarily suspend the delivery of natural gas whenever necessary for the purpose of making repairs or improvements to its system. Whenever possible, the utility shall plan its work to minimize the disruption of service.

Interruptions of service will not relieve Customer from any charges for service actually provided by Company, nor will accidents to or failures of Customer's equipment or facilities not due to fault of Company, relieve Customer of payment of minimum charges under the rate or contract applicable.

B. TESTING EQUIPMENT

Meters will be tested using a certified bell prover. Pressure gauges used for gas measurement will be verified annually. The reference instruments used in calibrating the bell prover, pressure gauges, and other equipment shall have a higher degree of accuracy than the equipment being tested, which accuracy shall be traceable to the National Bureau of Standards.

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for more than six months. The Company will refund to Customer the difference between the amount paid by the Customer and the adjusted bills.

If any meter so tested is found to be more than 2% slow, the Company will similarly adjust the natural gas used for one-half the untested period up to six months, and may collect from the Customer the difference between the amount paid by the Customer and the adjusted bills.

If any meter is found not to register any gas usage for any period, the Company may collect for the natural gas estimated to be used but not registered on the meter. Estimated use shall be calculated by averaging the amounts used under similar weather or operating conditions during the period immediately preceding or subsequent to the period of non-registration, or over a corresponding period in a previous year. The period of time for which collection for non-registered gas service may be made shall be limited only by the date on which the meter is determined to have become defective.

F BILLING

The Company will exercise all reasonable means to assure accurate computation of all bills for natural gas service. If billing errors occur, Company shall refund to Customer the amount of any overcharge and shall have the right to collect from Customer the amount of any undercharge prior to the date of such billing error.

G. DEFINITION OF A CUBIC FOOT OF GAS

1) For purpose of testing natural gas, a standard cubic foot of gas shall be taken to be that amount of gas which occupies a volume of one cubic foot, dry, at a temperature of 60 degrees Fahrenheit and under an absolute pressure of 14.73 pounds per square inch.

2) For the purpose of volumetric measurement of gas to a Customer, a cubic foot of gas shall be taken to be the amount of gas which occupies a volume of 1 cubic foot under the conditions existing in such Customer's meter as and where installed. When gas is metered at a pressure in excess of 4 ounces above average local atmospheric pressure, a suitable correction factor shall be applied to

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provide for measurement of gas as if delivered and metered at a pressure of 4 ounces above average local atmospheric pressure.

H. HEATING VALUE

The Company will endeavor to maintain a consistent average heating value of natural gas sold by the Company. Each individual system has different sources of supply which range in heating value from 1,000 to 1,200 BTU per standard cubic foot. If necessary to supplement the supply of natural gas, the Company may, at its sole discretion, supply a mixture of liquefied natural gas, liquefied petroleum gases and air to deliver a mixture compatible with the gas-using equipment in each system.

I. THERM BILLING

J DELIVERY PRESSURE

The Company will maintain the gas pressure at the outlet of the meter with as little variation as practicable. For most customers, gas will be delivered at a pressure as close as practicable to 4 ounces per square inch above the average local atmospheric pressure.

Gas may be delivered at higher pressure at Customer's request or where operating conditions are such that the Company deems a higher pressure is necessary. Each Customer shall install and maintain at its expense any such additional pressure or flow-regulating equipment. Company reserves the right to specify the pressure at the delivery meter.

K. SERVICE EXTENSION POLICY

All extensions of Company systems to serve new Customers or to increase gas deliveries to existing Customers shall be made under the Rules and Regulations of the PSC.

The Company will make extensions from its existing distribution mains in all of its service areas in accordance with 807 KAR 5:022, Section 9. All extensions will be made dependent on the economic

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TITLE Managing partner	ſ	
BY AUTHORITY OF ORDER OF T	THE PUBLIC SERVICE COMMISSION	
IN CASE NO.	DATED	

[Reserved]

	FOR
	Community, Town or City
	P.S.C. KY. NO
	SHEET NO.
Kentucky Frontier Gas LLC	CANCELLING P.S.C. KY. NO.
(Name of Utility)	SHEET NO.

feasibility of the extension. Title to all extensions shall be and remain with the Company. In the event a deposit is placed with the Company, the amount of the refund shall not exceed the original deposit. Nothing 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 prescribed, should its judgment so dictate, provided like extensions are made for other customers or subscribers under similar conditions.

L. LOCAL FRANCHISE TAX

There shall be added to the customer's bill as a separate item an amount equal to the proportionate part of any license, occupation, franchise or other similar fee or tax now or hereafter agreed to or imposed upon the Company by local taxing authorities, whether imposed by ordinance, franchise or otherwise, and which fee or tax is based upon a percentage of the gross receipts, net receipts, or revenues of the Company. Such amount shall be added exclusively to bills of customers receiving service within the territorial limits of the authority imposing the fee or tax. Where more than one such fee or tax is imposed, each of the charges or taxes applicable to each customer shall be added to the customer's bill as separately identified items.

V. PURCHASED GAS COST ADJUSTMENT (Non-farm tap rates)

A. PROCEDURE

The Company shall file a quarterly report with the Commission which shall contain an updated Gas Cost Recovery Rate (GCRR), as calculated in accordance with the provisions set forth in the Definitions section hereinafter, and which shall be filed at least 30 days prior to the beginning of each calendar quarter. The GCRR shall become effective for billing for service rendered on or after the first day of each calendar quarter.

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IN CASE NO.		DATED

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CANCELLING P.S.C. KY. NO
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B. BILLING

The Gas Cost Recovery Rate GCRR to be applied to bills of customers shall equal the sum of the following components:

GCRR = EGCA + ACA + RA

The GCRR will be added to or subtracted from the Base 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.

C. **DEFINITIONS**

For purposes of this tariff:

a. The "Gas Cost Recovery Rate" (GCRR) represents the adjustment calculated quarterly at a time 30 days prior to the beginning of the next calendar quarter and which is to be used for all gas sales during the next calendar quarter. It is the sum of the Expected Gas Cost Component plus the Actual Cost Adjustment plus the Supplier Refund Adjustment as defined and calculated as follows in (b) - (e) hereinafter; i.e., GCRR = EGCA + ACA + RA.

b. The "Expected Gas Cost Component" (EGCA), on a dollar-per-Mcf basis, represents the average expected cost of purchased gas for the next calendar quarter based on 12 months of actual usage. The 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 12-month period, divided by the corresponding sales volume.

In the event that line loss exceeds 5 percent, purchased volumes for the 12-month period shall be calculated as: sales volumes $\div 0.95$.

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

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BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION		
IN CASE NO.		DATED

	FORCommunity, Town or City
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	SHEET NO
Kentucky Frontier Gas LLC	CANCELLING P.S.C. KY. NO
(Name of Utility)	SHEET NO

substantially, the Company may make appropriate adjustments to its calculations. Any adjustment of this type shall be described in the quarterly Gas Cost Recovery Rate application.

c. The "Actual Cost Adjustment" (ACA) on a dollar-per-Mcf basis compensates for differences between previous quarters' expected gas cost and the actual cost of gas. The ACA shall equal the sum of the ACA for the reporting period and for the 3 preceding calendar quarters. This may also be used to compensate for any over- or under-recoveries remaining from previous actual or refund adjustments after a 12-month period.

d. The "Supplier Refund Adjustment" (RA) on a dollar-per-Mcf basis 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 12-month period. In the event of any large or unusual refunds, the Company may apply to the Commission for the right to depart from the refund procedure herein set forth.

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

f. "Reporting Period" means the 3-month accounting period that ended approximately 60 days prior to the filing date of the updated GCRR for the calendar quarters ended January 31, April 30, July 31 and October 31 of each year.

g. "Next Calendar Quarter" means the calendar quarter beginning approximately 30 days from the required filing date of the updated GCRR.

D. INTERIM GAS COST ADJUSTMENTS

Should any significant change in supplier rate occur between the regularly-scheduled quarterly adjustments, the Company may apply to the Commission for an interim purchased gas cost adjustment.

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RUI	LES AND REGULATIONS

VI. FARM TAP GAS COST ADJUSTMENT

Farm tap gas costs shall be adjusted pursuant to the method approved in Case No. 2011-00513.

Gas Cost Adjustment Clause - Farm Tap

The rates for farm tap service are based on the wholesale cost of gas to Kentucky Frontier Gas LLC as computed using rates of its wholesale supplier currently in effect. In the event there is an increase or decrease in wholesale gas cost, Kentucky Frontier shall file with this Commission the following information within 30 days:

1. A copy of the contract or wholesale supplier notification effecting the change in rate and a statement relative to the effective date of such proposed change.

2. A statement setting out gas sales for the most recent 12 months.

3. A statement setting out the details of gas purchased for the most recent 12 months showing billing from the supplier under the most recent rate and under the proposed supplier rate.

The difference between the amounts so determined shall be divided by Kentucky Frontier's sales for the most recent 12 months, provided Kentucky Frontier's line loss for the same 12 month period does not exceed five percent. If line loss exceeds five percent, the difference shall be divided by allowable sales calculated as (purchases x .95).

The unit charge or credit so determined, expressed in dollars per thousand cubic feet (Mcf), shall be the Gas Cost Adjustment and used for the establishment of a new base supplier gas cost rate.

In the event that the Company receives from its supplier a refund, bill adjustment, or credit of amount paid to such supplier in respect of a prior period, Kentucky Frontier will apply to the Commission within

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30 days for authority to make adjustments to the rates charged to its farm tap customers under this provision as follows:

1. The "refundable amount" shall be the amount received by Kentucky Frontier as a refund. Such refundable amount shall be divided by the Mcf volume of gas that Kentucky Frontier estimates it will sell to its customers during the four-month period commencing with the first day of the month following receipt of the refunds, thus determining a "refund factor".

2. Upon Commission approval, Kentucky Frontier will reduce by the refund factor any Gas Cost Adjustment that would otherwise be applicable during such period.

3. In the event of any large or unusual refunds, Kentucky Frontier may apply to the Commission for the right to depart from the refund procedure set forth herein.

Upon receipt of the required information, the Commission shall review the proposed increase, reduction, or refund and, within 30 days from receipt of the information required, issue its Order setting out the proper revised farm tap rates or otherwise acting to investigate or suspend the proposed rates.

VII. PIPELINE REPLACEMENT PROGRAM (PRP)

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APPLICABILITY: Applicable to all customers receiving service under the Company's Rate Schedules, except Farm Tap customers.

A. CALCULATION OF PIPELINE REPLACEMENT RIDER REVENUE REQUIREMENT:

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The PRP Rider Revenue Requirement includes the following:

a. PRP related Plant In-Service not included in base gas rates minus the associated PRP related accumulated depreciation

and accumulated deferred income taxes;

b. Retirement and removal of plant related to PRP construction;

c. The weighted average cost of capital on the net rate base is

the overall rate of return on capital authorized in the

Company's latest base gas rate case, grossed up for federal

and state income taxes and PSC assessment;

d. Depreciation expense on the PRP is equal to related Plant In-Service

less retirement and removals.

B. PIPELINE REPLACEMENT PROGRAM FACTORS

All customers receiving service under Frontier's Rate Schedules, except farm tap customers, shall be assessed a monthly charge in addition to the Customer Charge component of their applicable rate schedule that will enable the Company to complete the pipeline replacement program.

The PRP Rider will be updated annually, in order to reflect the impact on the Company's revenue requirements of net plant additions. Such adjustment to the Rider will become effective with meter readings on and after the first billing cycle of May, and will reflect the allocation of the required revenue increase based on the revenue distribution approved by the Commission.

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TITLE	Managing partner	
BY AUTHORITY	OF ORDER OF TH	IE PUBLIC SERVICE COMMISSION
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EXHIBIT 7

KENTUCKY FRONTIER GAS, LLC NOTICE TO CUSTOMERS GAS RATE ADJUSTMENT NON-RECURRING FEE CHANGES TARIFF CHANGES

Pursuant to the regulations of the Public Service Commission (Commission), Kentucky Frontier Gas, LLC gives notice that it intends to adopt an increase in its natural gas rates. The rates are proposed to become effective September 15, 2012, or when approved by the Commission. The rates proposed will consolidate the existing rates of Auxier Road Gas Company. BTU Gas Company, Belfry Gas Company, Cow Creek Gas Company, Cow Creek/Sigma, Dema Gas Company, East Kentucky Utilities, People's Gas, city of Blaine and Mike Little Gas Company into Kentucky Frontier Gas. Farm tap charges and tariffs will also be consolidated into one tariff of Kentucky Frontier Gas, LLC. The affected farm tap companies are: Alert, Hueysville, KLC Enterprises, Quality Gas and Interstate Gas. Farm tap rates are not being adjusted in this case. One rate schedule and tariff will apply to all customers, who will become customers of Kentucky Frontier Gas, LLC. The average monthly customer bill will change depending on the current company rate being charged. The average change in the monthly bill and the percentage change in the monthly bill are listed in the rate schedule below. Changes to current fees (non-recurring charges) are also being proposed for distribution and farm tap customers. Those changes are listed in the schedule below. A Pipeline Replacement Program (PRP) recovery fee and mechanism and an Automated Meter Reading Recovery (AMR) surcharge are proposed. A new monthly customer charge is proposed. A new Large Commercial rate and customer charge is proposed. Changes in existing tariffs to consolidate and make uniform all service regulations are also being proposed. Those tariff changes can be reviewed in the application at the addresses listed below.

Further information may be obtained from the Commission or Kentucky Frontier Gas, LLC. The rates contained in this notice are the rates proposed by Kentucky Frontier Gas, LLC. However, the Public Service Commission may order rates to be charged that differ from these proposed rates. Such action may result in rates for consumers other than the rates in this notice. Such action by the Commission may result in the rates being higher or lower than those proposed by Kentucky Frontier Gas, LLC.

Any corporation, association, body politic or person may by timely motion, within 30 days of this Notice, request intervention in this case. Intervention beyond the 30 day period may be granted for good cause shown. The Motion must be submitted to the Public Service Commission, 211 Sower Blvd., Box 615, Frankfort, Ky. 40602 and should state the grounds for the request, including the interest and status of the party. Intervenors may obtain copies of the Application and any testimony filed by contacting Kentucky Frontier Gas, LLC at the address below. A copy of the Application is available for public review at the office of Kentucky Frontier Gas, LLC and at the Public Service Commission, 211 Sower Blvd., Frankfort, Ky. 40601, (502) 564-3940.

Larry Rich Kentucky Frontier Gas, LLC P. O. Box 408 Prestonsburg , KY 41653 Phone (606) 886-2431

CURRENT RATES: minimum bill

Auxier Road	<u>\$6.36 1st mcf</u>
Belfry Gas	\$4.27 1 st mcf
Blaine	\$14.181 st mcf
BTU Gas	<u>\$3.90 1st mcf</u>
Cow Creek/Sigma	\$6.25 1 st mcf
Cow Creek	\$3.18 1 st mcf
Dema Gas	\$7.47 1 st mcf
East KY Utilities	<u>\$10.001st mcf</u>
Mike Little Gas	\$5.50 1 st mcf
People's Gas	\$4.40 1 st mcf

Proposed Rate: \$10.00 Customer Charge, plus \$4.18 per mcf per month

PROPOSED RATES/Average monthly bill comparison/%change

Company:

	<u>Now \$/Yr</u>	Now \$/Mo	<u>+\$/mo</u>
	Prop \$/Yr	Prop \$/Mo	% increase
	\$10.00	Mo Chrg	
		MCF \$5.25 gas	cost mcf
Auxier	\$634.42	\$52.87	\$4.28
	\$685.80	\$57.15	8.1%
Belfry	\$496.80	\$41.40	\$15.75
	\$685.80	\$57.15	38.0%
Blaine	\$675.00	\$56.25	\$0.90
	\$685.80	\$57.15	1.6%
BTU	\$504.36	\$42.03	\$15.12
	\$685.80	\$57.15	36.0%
Cow Creek/Sigma	\$608.40	\$50.70	\$6.45
	\$685.80	\$57.15	12.7%
Cow Creek	\$505.62	\$42.14	\$15.02
	\$685.80	\$57.15	35.6%
Dema	\$705.30	\$58.78	\$(1.63)
	\$685.80	\$57.15	-2.8%
East KY utilities	\$687.48	\$57.29	\$(0.14)
	\$685.80	\$57.15	-0.2%

Mike Little	\$588.84	\$49.07	\$8.08
	\$685.80	\$57.15	16.5%
Peoples	\$500.76	\$41.73	\$15.42
	\$685.80	\$57.15	37.0%
Large Commercial:	\$3.35 per mcf		New rate classification

Proposed Customer charge: \$10.00 per month per residential customer New charge \$50.00 per customer Large Commercial ____New charge

Proposed Pipeline Replacement fee:	\$1.50 per month per customer	New charge
Proposed AMR surcharge:	\$1.00 per month per customer	New charge

Non-Recurring Fees: Current Rates

<u>Auxier:</u> Reconnection charge: \$100.00; transfer of service charge: \$20.00; service charge – late payment: \$25.00; returned check fee: \$15.00; Mobile trailer connection fee: \$75.00.

<u>Belfry:</u> Reconnection charge: \$50.00; reconnection fee – re-establishment of service: \$35.00; transfer of service charge: \$25.00; trip charge – late payment: \$15.00; late payment charge 10%; returned check fee: \$25.00; transfer charge: \$20.00; Connection charge: \$35.00; meter relocation fee: \$35.00.

<u>BTU</u>: Reconnection charge: \$25.00; transfer of service charge: \$20.00; service charge – late payment: \$25.00; returned check fee: \$20.00; tap fee: actual cost.

<u>Cow Creek</u>: Reconnection charge: \$65.00; transfer of service charge: \$20.00; service charge – late payment: 15%; returned check fee: \$10.00; Collection charge: \$25.00; temporary service charge: \$65.00.

<u>Dema:</u> Reconnection charge: \$50.00; reconnection fee – re-establishment of service: \$25.00; transfer of service charge: \$25.00; service charge – late payment: \$15.00; returned check fee: \$20.00; Mobile trailer connection fee: \$75.00.

<u>East KY Utilities:</u> Reconnection charge: \$50.00; reconnection fee – re-establishment of service: \$35.00; transfer of service charge: \$25.00; trip charge – late payment: \$25.00; late payment charge 10%; returned check fee: \$20.00; transfer charge: \$25.00; Connection charge: \$75.00.

<u>Mike Little</u>: Reconnection charge: \$50.00; late payment charge: 10%; returned check fee: \$12.50; trip charge: \$35.00; Connection charge: \$65.00

<u>People's Gas</u>: Late Payment fee: 10%; Reconnect fee: \$45.00; Connect fee: \$45.00; Service fee: \$15.00.

<u>Alert, Hueysville, KLC Enterprises, Interstate Gas, Quality Gas</u>: New service tap: \$150.00; Reconnection charge: \$50.00; reconnection charge – late payment: \$40.00; late payment charge: 10%; returned check fee: \$25.00; trip charge: \$15.00.

PROPOSED CONSOLIDATED NON-RECURRING FEES – ALL CUSTOMERS

Turn on fee	\$100.00 to initiate service at a location for seasonal/temporary turn on.	
Reconnection Fee	\$100.00 to restore service within 12 months of disconnection/termination for non-payment;	
Relocate meter	\$35.00 hr. plus costs – move meter at customer request.	
Transfer Service Fee	\$30.00 to change tenants (change to new customer).	
Returned Check Charge	\$30.00 for a check returned for insufficient funds, plus any fees assessed by the bank.	
Late Payment Charge	12% of the current monthly charges.	
Service (trip) Charge	\$100.00 for any special trip made to collect delinquent bills/terminate service.	
Farm Tap Fee	\$200 to initiate a farm tap off a high-pressure pipeline.	
Special meter reading charge\$100.00 for reread		
Meter test fee	\$35.00/hr. plus costs	
Deposit	2/12ths annual average residential bill	

EXHIBIT 8

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COMMONWEAL TH OF KENTUCKY BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

The Application of Kentucky Frontier Gas, LLC)	
for Approval of Consolidation of and Adjustment)	
of Rates, Approval of AMR Equipment and)	Case No.
a Certificate of Convenience and Necessity)	2011-00443
for Installation of AMR, Pipeline Replacement)	
Program, Revision of Non-recurring Fees and)	
Revision of Tariffs)	

PREFILED TESTIMONY OF ROBERT OXFORD

Q.1 State your name and address.

A. My name is Robert Oxford of Wheat Ridge, Colorado.

Q.2 What is your position with Kentucky Frontier Gas, LLC?

A. I am Managing Partner.

Q. 3 Briefly, what is your professional experience and background?

A. A copy of my experience is attached.

Q. 4 Generally describe Kentucky Frontier's operations.

A. Frontier began in 2008 with the acquisition of Floyd County Gas Company, Belfry Gas Company and Mike Little Gas Company. Since that time, the company has acquired Auxier Road Gas Company, Cow Creek Gas Company, Peoples Gas Company, Dema Gas Company, Blaine municipal gas system and the farm tap customers of Kinzer Gas Company and Alert Gas Company. We have recently received approval for the acquisition of B.T.U. Gas Company. The Frontier has invested approximately \$4.4 million in the acquisition of these companies. We have 12 employees to serve approximately 3330 retail and 630 farm tap customers.

Q.5 What is the purpose of this application?

A. The purpose is to adjust retail rates to reflect current operations, unify the rates for all customers, unify the tariffs, implement an AMR and meter replacement program, obtain approval of the financing of these proposals and implement a pipeline replacement program. Each of these issues is explained in Mr. Shute's testimony.

Q. 6 What improvements to the gas systems that Frontier has acquired have you made over the last few years?

A. We have improved the plant facilities with a systematic review and repair of leaks, replacement of inoperable meters, implemented GPS locations of customers and facilities, and obtained a secure, low cost gas supply. We have improved regulatory compliance with a professional staff that is familiar with Commission filing requirements. Our field staff has been expanded to allow for improved operations and safety of the gas system. We have also improved the financial condition of the company. When we acquired most of these companies, they were marginally solvent at best. Now, we have a good relationship with the local bank, have a solid track record of meeting our financial obligations and can provide reliable service to our customers. We have improved customer relations by providing reliable service, a professional staff to assist with questions or other matters related to service, and by responding in a timely manner to requests for service or emergency situations.

Q. 7 Why is this rate case needed?

A. We need rates that reflect current operations for the consolidated company. The rates now in effect have not been changed for many years and were based on the stand alone operations of each former company. Frontier has proposed rates that are based on actual costs of operating the unified gas system. By adjusting and consolidating the rates, the company will be assured of recovering its expenses of providing gas service and the customers will be assured of paying for the service they receive. The proposed rates are fairer to all customers because they are based on known costs and recover only the actual costs of providing gas service.

Q.8 What has Frontier done to reduce operating costs as a result of consolidation of these companies?

A. We have eliminated several offices by consolidating all operations into the former Auxier Road Gas Company office. We have reduced administrative staff and the related costs of duplicative employees. We have improved gas cost recovery with timely filing of Gas Cost Recovery applications. We have reduced line loss and thus avoided unrecoverable expenses for unsold gas. We have obtained the lowest possible gas supply and improved the reliability of that supply. We have reduced lost gas an eliminated several sources of gas metering problems and theft.

Q.9 Are the rates proposed reasonable for the company and the customers?A. Yes. The rates are justified based on current, actual costs and revenues. It is essential for Frontier to adjust the rates to recover its costs to improve its financial stability. The long

term success of the company is dependent on fair rates. The customers benefit from these proposed rates because they are now paying rates based on out dated conditions. By replacing the existing rates with ones based on the cost of providing current service, customers will be receiving service in exchange for rates justified by that service.

Q. Does this conclude your testimony?

A. Yes.

AFFIDAVIT

County of Jefferson

State of Colorado

Affiant, Robert Oxford, after being sworn, states that he is a Managing Partner of Kentucky Frontier Gas, LLC and that the information contained in this testimony is true and correct to the best of his knowledge.

Rahafford

Robert Oxford

Sworn and subscribed before me by Robert Oxford on the ______ day of _______, 2012.

<u>Yamella (h. Off</u>or Notary Public

My commission expires: 12 - 30 - 12

ROBERT J. OXFORD

Mr. Oxford obtained a Bachelor of Science degree in Petroleum Engineering at Louisiana State University. While in attendance at Louisiana State University, Mr. Oxford was admitted into Tau Beta Pi, the national engineering honor society, and was President of Pi Epsilon Tau, Petroleum engineering honor society. Mr. Oxford also was awarded the Socony-Mobil Fellowship, an achievement scholarship for petroleum engineers, and the Slack Memorial engineering scholarship.

Mr. Oxford's professional experience includes various engineering and management positions with Mobil Oil Corporation in Oklahoma, South Texas, Louisiana, and Wyoming from 1956 to 1968. During that period, Mr Oxford also served three years as a navigator in the Strategic Air Command.

In 1968, Mr. Oxford was employed by McCulloch Oil Corporation as Manager of McCulloch Gas Transmission Company. Mr. Oxford was instrumental in forming McCulloch Gas Processing Corporation, as well as McCulloch Interstate Gas Corporation, headquartered in Casper. His responsibilities included the purchase, gathering, processing, transportation, and distribution of natural gas in Wyoming. These responsibilities continued during the years 1968, 1969, and 1970.

In 1971, Mr. Oxford became a General Partner in Gas Development Enterprises in Denver, Colorado. This partnership was involved in natural gas management and engineering consultation to oil and gas producers.

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Since 1972, Mr. Oxford has been President of Industrial Gas Services, Inc., (IGS), successor to Gas Development Enterprises. The business of IGS is natural gas management and engineering consulting for industrial users of natural gas, and for oil and gas producers. IGS is also an operator of oil and gas wells, gas gathering systems and gas processing plants. Additional areas of business include consultation in regard to pipeline design, construction and operation; gas measurement auditing; gas accounting; FERC filings; and reservoir engineering studies.

IGS operated an intrastate pipeline system in the Greater Green River Basin for over twenty years. This system which is over 200 miles in length, was owned by Rhone-Poulenc of Wyoming (RP), formerly Stauffer Chemical Company of Wyoming. The pipeline is now owned and operated by Duke Energy.

In the mid-1980's Mr. Oxford formed Gas Measurement Auditing Services (GMAS) to assist gas producers in dealing with gas measurement, sampling, and chart integration. GMAS negotiated settlements with gas pipeline purchasers.

In the late 1980's IGS, through Mr. Oxford's leadership, formed Continental Gas Company (CGC) to serve truck fleets with compressed natural gas. After two years of operation, this company was sold to a division of Transcontinental Gas Company. Mr. Oxford was President of Continental.

IGS, under Mr. Oxford's direction, constructed and presently operates three industrial pipeline systems; one for Weyerhaeuser in Longview, Washington, General Chemical in Wyoming, and Wahchang in Albany, Oregon.

From 1986-1990, Mr. Oxford and the IGS staff assisted Wintershall Energy Company, a subsidiary of BASF USA, in the acquisition of IMC Exploration Company and Mid Louisiana Gas Company. The acquisitions totaled over \$150,000,000. This resulted in Wintershall producing, transporting, and marketing over 100,000 MCFD of gas. Mr. Oxford was active in evaluating, selecting, and administering various industrial and jurisdictional markets for Wintershall in Louisiana and Mississippi.

IGS owned a 15% interest in the Granger Gas Processing Plant under Mr. Oxford's direction and managed the construction and operation of the 95,000 MCFD plant for one year before selling it's interest to Presidio.

Mr. Oxford has testified on numerous occasions in Federal and State Courts and before State Commissions concerning the measurement, accounting and evaluation of gas and gas products for royalty.

Mr. Oxford formed Frontier Utilities, Inc. in 1994 to study opportunities to construct and operate gas distribution systems in towns where there is no gas service. Over eighty communities were identified and in September, 1994, Frontier Utilities of North Carolina was incorporated to serve four counties in northwest North Carolina. Mr. Oxford served as President of Frontier Utilities of North Carolina, and successfully merged the company into Frontier Energy. Frontier received certificates from the North Carolina Utilities Commission to serve seven counties in North Carolina. The Company constructed over 700 miles of transmission and distribution system to serve over 14,000 customers. Operations began in May, 1998. Total cost of the facilities was about \$57,000,000. IGS and PSI sold their interest in Frontier to Sempra in 1998.

Mr. Oxford, as President of Ozark Natural Gas Company was successful in obtaining a certificate of public convenience and necessity to transport and distribute natural gas to a three county area in Southwest Missouri, including the city of Branson. He is a manager of Penny Natural Gas, LLC, a company formed to serve three Pennsylvania and one New York county with natural gas.

Mr. Oxford maintains membership in the Society of Petroleum Engineers of A.I.M.E. and the Rocky Mountain Natural Gas Association, where he was formerly President and member of the Board of Directors. Mr. Oxford retired from the Wyoming Air National Guard as a lieutenant colonel. Mr. Oxford has delivered professional papers on the marketing of natural gas to the Wyoming Geological Association, Montana Geological Association, Oklahoma City Geological Society and at a regional meeting of the Society of Petroleum Engineers.

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COMMONWEALTH OF KENTUCKY BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter Of:

The Application of Kentucky Frontier Gas, LLC)for Approval of Consolidation of and Adjustment)of Rates, Approval of AMR Equipment and)a Certificate of Convenience and Necessity)for Installation of AMR, Pipeline Replacement)Program, Revision of Non-recurring Fees and)Revision of Tariffs)

Case No. 2011-00443

PREFILED TESTIMONY OF STEVE SHUTE, P.E.

- Q1 Please state your name and address.
- A Steve Shute of Glenwood Springs, Colorado.
- Q 2 By whom and in what capacity are you employed?
- A. I am a Managing Partner of Kentucky Frontier Gas, LLC.
- Q 3 What is the purpose of your testimony?
- A. I am responsible for all financial information and rate calculations involved in this case, including the pro-forma financial statements and the cost study.
- Q 4 Did you also prepare a determination of the Company's revenue requirements?
- A. Yes.
- Q 5 Would you explain and briefly describe the exhibits that you have prepared or which have been prepared subject to your supervision?
- A. I prepared or assisted in the preparation of all of the financial exhibits, rate and revenue requirements calculations and rate design.
- Q 6 Can you briefly summarize the reasons for this application?
- A. Yes. There are two primary issues in this case. The first is the unification of rates for the customers acquired from several small gas systems by Frontier since 2008. As Frontier acquired these systems, it adopted the rates and tariffs of each and has

been charging separate rates and operating under separate tariffs for each group of customers. This case proposes to unify rates for all customers. Included in the consolidation is the adjustment of the rates to reflect current operating costs and revenues. There are two other issues related to the rates. Frontier is proposing to acquire and install an automated meter reading system (AMR) and to replace existing meters with temperature compensating meters (TC). This project will take about eight years and be financed with an annual surcharge. Frontier is also proposing a Pipeline Replacement Program to begin reconstruction of several sections of the acquired facilities that are primarily unprotected steel pipe.

The second reason is to revise the tariffs to apply to all customers.

Q 7 What is the benefit of consolidating rates and tariffs for all Frontier customers?

- A. To equalize the rates of all of the customers who are receiving the same level of service, to simplify the record keeping and regulatory costs of multiple rates and tariffs, to eliminate confusion among customers of inconsistent tariffs and to reduce the administrative costs of multiple rates and tariffs.
- Q 9 Why the disparity in the rate adjustment for some customers?
- A. The cost study indicated that the rates paid by all customers needed to be adjusted. Because of the differences in the rate schedules and the rates that were being paid by the various customers at the time of the acquisitions, there is a disparity between what those customers are now paying for gas and the actual rate adjustment each of those groups will incur.
- Q 10 Does that mean now that all customers will be paying the same rate for the same amount of gas and for the same service?
- A. Yes.
- Q 11 What is the benefit of a single tariff for all customers?
- A. The service standards, conditions for service, deposits, special charges and all other rules will be uniform through the system. All customers will have the same level
of service and everyone will be subject to the same standards. This will eliminate any differences in service and any confusion among the customers about the applicable rules.

- Q 12 Explain the meter replacement project.
- A. Frontier plans to install an automated meter reading system (AMR) for radio reading up to one half mile away. Transmitters will be installed immediately on all farm tap meters, and eventually on all utility meters. Our goal is to replace those meters with AMR which will accomplish the following:

*Assure the accuracy in the monthly reading of the usage of water by the customer. *Assure there will be very little, if any, re-reading of meters. The re-reads are a direct cause of manual reading, transcribing the meter reading to the meter reader route sheets and from the route sheets to the billing software at the office. *Assure the timeliness of reading the meters.

*Reduce meter reading costs.

- Q13 Explain the need for the AMR upgrades.
- A Kentucky Frontier Gas currently has about 4000 customers in eastern Kentucky. These customers are accumulated from a dozen different entities, which Frontier will consolidate through general rate cases for farm taps and utility customers in 2012. One of Frontier's primary goals is to standardize equipment and procedures as much as practical among all customers. One of those standards is to improve measurement.

Frontier has started an aggressive meter change-out and testing program. Old meters are being replaced in neglected systems (Mike Little & BTU). All commercial meters >500 cfh are being tested and Frontier will eventually catch up to the 5-10yr changes required by PSC. As meters are exchanged, Frontier is retiring the odd meter makes such as Superior & Sprague, the 175s for which parts aren't being made and most meters older than 35 years.

Frontier finds that about half of old meters are re-usable with refurb and testing. As these meters come in, they are converted as needed to temperature compensating (TC) indexes, and standard size pipe connections (spuds) and drive gears (2 cuft, 10 cuft etc). This program is typical of any well-run gas utility. Capital cost will be about \$150,000 and will be spread over 8 years.

- Q14 Why are the temperature compensating meters needed?
- A Frontier has determined that there is no significant gas leakage in the gas systems, (now that the primary leakage issues related to BTU Gas have been resolved) but it has a high lost and unaccounted for gas (L&U). This is likely a measurement error. Frontier has taken inventory of its roughly 4000 meters installed by almost a dozen entities. These meters are a mix of at least 21 models from 4-5 different manufacturers, many of which are no longer made or supported, and three fourths of which are not temperature compensated (TC). The TC meter corrects the reading back to 60°F standard temperature. Colder gas is denser and will not register as many cubic feet as warmer gas. The average December-January temperatures will cause a 5% reduction in metered gas on about 36% of the year's sales, or a 1.8% annual loss in just two months' use.

Frontier has found numerous metering-billing-pressure correction errors and has greatly reduced L&U. But inadequate measurement still remains. Frontier estimates that only 25% of its approximately 100 commercial meters are Temperature Compensated. The non-TC meters will be tested and converted to TC. Similarly, about 20% of all domestic meters are TC. Some of these are newer 250-size meters which can be tested and converted to TC. Many of the non-TC meters are 175-size which are 30-50 years old and for which parts have not been available for 20 years.

Q 15 Explain the need for the AMR program.

A Frontier also plans to implement Automated Meter Reading (AMR) over several years.

AMR systems have been adopted by most large gas-electric-water utilities over the US. The benefits of AMR are well-established, with significant savings to meter reading costs and enhanced accuracy from reduced manual data handling. I have been involved in converting three utilities to the Itron AMR system, and Frontier intends to implement Itron AMR. The base system of radio reader, office equipment and software interface, along with 400 remote transmitters will cost about \$50,000. Frontier will start with this program in 2012, then expand coverage by 500 meters at a cost of about \$30,000 per year. Total cost for all customers will be about \$250,000 spread over 8 years. The total cost of the meter upgrade + AMR program will be about \$400,000 spread over 8 years or \$50,000 per year. With 3850 paying customers, this equates to \$13.00 per customer per year.

Q 16 How do you plan to finance these meter replacements?

A With a \$1.00 surcharge added to the bill each month.

- Q 17 Is Frontier proposing an acquisition adjustment for the recovery of costs associated with the purchase of assets of Belfry Gas, BTU Gas, People's Gas and East Kentucky Utilities and stock of Auxier Road Gas, Cow Creek Gas, Dema Gas, and Mike Little Gas?
- A. Yes. Frontier paid more for each of these companies than the book value. In order to fully recover the investment in the facilities, it is necessary to include a plant acquisition adjustment in the rates.
- Q 18 Did Frontier address this issue previously with the Commission?
- A. Yes, in the transfer cases, we indicated that an acquisition adjustment would be sought in the initial rate case consolidating all of these utilities. See Case No. 2005-00348, the acquisition of Belfry and EKU and Case No. 2010-00076, the acquisition of Mike Little, Dema and Cow Creek. The Commission recognized the possibility of the issue being raised and mentioned it specifically in the order approving the acquisition of the stock of Auxier Road Gas Company, Case No 2009-00442,

The Commission has set forth its position on GPAAs in several prior Orders. A primary source of information regarding the Commission's past position regarding GPAAs is Case No. 1998-00613.⁴ The decision in that case generally held that the issue of recovery of a GPAA should be considered on a case-by-case basis. The Order set out five criteria to be considered by the Commission regarding recovery of a GPAA. Those criteria can be identified as follows:

(1) The purchase price was established upon arm's-length negotiations;

(2) The initial investment plus the cost of restoring facilities to required standards will not adversely impact the overall costs of existing or new customers;

(3) Operational economies can be achieved through the acquisition;

(4) The purchase price of utility property and non-utility property, if any, can be clearly identified; and

(5) The purchase will result in overall benefits in the financial and service aspects of the utility's operations.

While the matter of recovery of the stock premium created by Kentucky Frontier's acquisition of control of Auxier is not being decided in this case, these criteria will need to be addressed by Kentucky Frontier if it seeks to recover any portion of the stock premium in a future rate proceeding. ⁴ Case No. 1998-00613, In the Matter of the Application of Delta Natural Gas Company, Inc. for an Order Authorizing the Purchase of the Assets of Mt. Olivet Natural Gas Company (Ky. PSC Sept. 7, 1999).

Q19 Can Frontier meet the criteria the Commission has established for recovery of the adjustment?

A. Yes. In each acquisition, the company acquired was a small, financially troubled company that was struggling to maintain service to its customers. For example, Mike Little Gas was the subject of a Commission show cause order for safety violations and in default of its loan agreement with the Governor's Office of Local Development (now Department of Local Government), East Kentucky Utilities was in default of its loan agreement with the Governor's Office of Local Development, Cow Creek, formerly Sigma Gas and Salyersville Gas had been in bankruptcy,

transferred previously and suffered frequent management turn-over. Dema had only nine customers. Frontier has resolved all of these issues and can provide long term, stable management, financial resources, safety compliance and reasonable rates.

Q20 Can you address each of the Commission's criteria for approval of the adjustment? A. Yes. Each of the acquisitions was arms-length. Frontier had no ownership, investment or other financial interest with any of the acquired companies. The negotiations were conducted among willing sellers and were conducted in a manner fair to all parties. The transfer agreements reflect the terms of the acquisitions and were filed in the public records of the Commission.

The purchase price and restoration costs will not adversely affect customer rates. The cost of acquisition was estimated to be a market based price which will allow Frontier to recover its investment at reasonable rates to the customers. In this rate application, the rate increase is probably less than the increase needed for each individual company, if they were still operating as stand-alone utilities.

We have already seen the benefit of economies of scale. We have consolidated the office staff of all of the companies into one staff located in our Salyersville office, formerly the Auxier Road Gas office. We have unified our bookkeeping, recordkeeping and reporting functions. We are routinely filing for gas cost adjustments, which provide a more stable cash flow and consistent recovery of gas costs. We have improved the gas supply purchase practices and eliminated higher cost suppliers. We have one management team that provides a great deal of experience in financial, regulatory and safety matters. All of these things are directly related to the consolidation of these small companies and all are reflected in lower operating costs and ultimately lower rates than otherwise would have been experienced.

The acquisitions will benefit all customers by providing long term financial,

managerial and regulatory stability. Customers can be assured of timely response to requests for service, safe facilities, uninterrupted gas supply and fair rates.

- Q21 Based on these criteria, do you think Frontier should be allowed to recover the plant acquisition adjustment?
- A Yes.

Q 22 Please explain the objective of the proposed Pipe Replacement Program mechanism.

A There are two portions of the consolidated gas system that present a need for immediate replacement of existing facilities. The Belfry system has approximately 22 miles of unprotected steel pipe. It is at least 40 to 50 years old. It is deteriorating to the point that we need to begin a systematic replacement now. It appears to be safe to continue to operate, but as time passes, it will become problematic. Frontier has also found that Mike Little Gas still has about 4 miles of bare steel pipe in the Melvin-Weeksbury area. This system was also built in the 1960s. The gathering lines associated with BTU Gas are a scrambled mix of various sizes, unknown sources of gas, unreliable connections to non-Frontier companies and questionable usefulness. Frontier has found a few steel sections and expects to find more as we get more operating history. The Pipeline Replacement Program ("PRP") mechanism would provide a mechanism to recover more currently the cost of replacing all existing bare steel within the Belfry, Mike Little and BTU systems, including replacement of service lines, curb valves, meter loops, and any mandated relocates. Frontier expects to replace deteriorating main and service pipe and enhance the safety of its system by ensuring replacement of facilities with new, longer lasting and safer materials. Annual replacement cost may vary from year-to-year depending on size and location of the pipe replaced.

Q 23 Why does Frontier need a Pipe Replacement Program?

A The only method available to the Company to recover the cost it incurs for pipe replacement is through costly traditional rate cases. The PRP will improve public safety and reliability of service for our customers. It will align our customers' interests of safety and reliability with the Company's ability to recover its investment on a timely basis. Use of the PRP will provide benefits to both the company and its customers by avoiding the costly and resource-intensive process necessary to review adjustments through the traditional rate case process replacing it instead with a simple, straightforward and financially transparent process. The PRP will allow the Company to earn a more timely return on the incremental investment, including incurred overhead expenditures, and be reimbursed for related expenses including incremental depreciation expense and ad valorem taxes while avoiding the resource commitment and expense required by traditional rate cases. The annual PRP filings made by the Company are streamlined so as to avoid the majority of legal and other expenses inherent in traditional rate cases while maintaining an appropriate level of rigor and review.

Q 24 Please describe in more detail the pipe replacement components that Frontier proposes to include in its PRP.

A Frontier proposes to include in the PRP all of the planning, design, replacement construction, investment and retirement costs related to the replacement of the following categories of bare steel (whether or not cathodically protected), cathodically unprotected coated steel, and ineffectively coated steel (whether or not cathodically protected). Also, as a part of the PRP Frontier proposes to include all of the planning, design, replacement construction, investment and retirement costs related to the replacement of all piping from the main to the customer's meter including curb valves, service risers, meter sets and all other related appurtenances that do not meet current material and construction standards or pose other operational issues. Finally, Frontier will be taking steps to ensure that the newly installed facilities are appropriately designed and sized. This may necessitate in certain circumstances the replacement of facilities other than bare steel mains and services and those planning, design, replacement construction, investment and retirement costs will be included in the PRP as well.

Q 25 What types of materials will be used to replace the bare steel?

A The majority of replacement piping will be polyethylene plastic where the system pressure will allow it to be used. All of the other replacement piping will be cathodically protected coated steel pipe, but that is not expected.

Q 26 Will corrosion leaks on bare steel increase in the future and does this increase the risk to public safety?

A Yes, corrosion leaks on bare steel main will increase in the future. The likelihood of leaks occurring increases as the corrosion becomes more general and severe on the pipe wall. The combined effects of aging pipe and continuous corrosion increases the potential of an incident occurring. Each leak found on the system increases the risk to public safety.

Q 27 How will this program be implemented?

A Frontier plans to replace these corroding and leaky pipelines over the next 10 to 12 years. The current cost of replacement is about \$4.00 per foot using company forces. Frontier will replace about 12,500 foot per year for about \$50,000.

Q 28 Provide a summary explanation of the PRP recovery mechanism.

A Frontier proposes a tracking mechanism to recover the costs of this system improvement on a timelier basis than provided by the traditional ratemaking process of repeated and more frequent rate cases. The cost recovery program is set forth in detail in the proposed tariffs in this filing.

Q 29 Does the tracking mechanism in Rider PRP mean that Frontier will adjust its revenue requirement to recover its annual expenditures on pipe replacement in each year? A No. The annual cost of the program is not recovered in each year. The Company is allowed to earn a return on the investment only after the Commission has approved the actual PRP related expenditures, consistent with traditional ratemaking theory.

Q 30 How would the rate adjustment be allocated to customer classes and rate

components?

A The rate adjustment would be an annual per customer fee of \$15, billed at \$1.25

monthly.

Q 31 When does Frontier propose to file its first PRP Rider filing?

A The first filing will be March 1, 2013. This filing would cover PRP

investment made since the end of the test year in this case. Subsequent filings would be made on or about March 1 of each year, and would cover PRP investments made during the prior calendar year.

Q 32 How will main replacement expenditures be reflected in future base rate proceedings?

A The ability to recover the depreciation and carrying costs related to the capital investment, less operating expense reductions, lowers Frontier's need to file frequent rate applications. However, when a general rate case is filed, the program investment and reduced operating expense should be included in base rates and the Rider PRP reset to zero.

Q 33 What are the filing requirements associated with the proposed revenue adjustment for Rider PRP?

A The annual adjustment of Rider PRP will be filed on or about March 1 each year to be effective with meter readings on and after the May billing cycle of the same year. The adjustment would be calculated to reflect actual activity for the prior calendar year and would be subject to Commission review.

Q 34 Explain the basis for the calculations used to determine the revenue requirement in this case.

A For its rate calculations, Frontier used consolidated financials for the fiscal and calendar year ending 12/31/11. These consolidated financials included full-year operating costs for Auxier-Belfry-Cow Creek-Dema-EKU-Mike Little-Peoples-Sigma. Some of these consolidated expenses were used in the Frontier Farm Tap rate Case No. 2011-00513. In that case, Frontier attributed 12% of operating costs to the farm taps. In keeping with that case, Frontier allocates 88% of those identifiable shared costs to the consolidated utility

operations in this case.

Beginning August 2011, Frontier operated BTU Gas under contract with the Trustee for the US Bankruptcy Court. Operating costs for BTU are included in the consolidated financials for the last half of 2011. Frontier purchased BTU from the Trustee on July 13, 2012 and has consolidated BTU into the other utilities with this case.

Frontier has also agreed to take over operations of the former Blaine municipal gas system as of August 1, 2012. Blaine is also incorporated into this case.

Frontier has added one field technician (with truck) and an office clerk to cover the additional workload from about 520 meters in the BTU and Blaine systems. Frontier made adjustments for Known & Measurable changes to these consolidated financials to arrive at a Test Year pro forma cost schedule. These changes include an additional field technician (with truck) in June 2011 and employee raises effective May 2011 and various 2012 dates. The Test Year is adjusted for full-year effect of these changes, at the 88% utility allocation.

The two new BTU-Blaine employees are added for the full year, along with a new truck. Since those costs were not addressed in the Farm Tap case, these additional costs are attributed 100% to the consolidated utility. This method preserves the intent of the cost allocation between FTs and utility customers, which Frontier will revisit in a future rate case.

Q 35 Has the rate design been changed?

A With this rate case, Frontier will collapse ten entities and rate structures into one. Frontier also proposes two substantial changes. Frontier will depart from the traditional "First MCF, Next MCF" rates used by many small Kentucky utilities, in favor of a Monthly Charge and all-MCF rates. Frontier proposes a \$10.00 monthly charge for most customers, in line with the larger Kentucky gas utilities.

Frontier has also created a new customer class for very Large Commercial customers. Frontier is too small for many layers of customers and has a very thin "middle

class". Most of the 3300 utility and 630 FT customers are residential and small commercial at 60 MCF per year. Frontier has about 40 commercial meters sized >500cfh with annual loads of 200-2000 MCF per year.

However, Auxier Road Gas has two very large customers - the Big Sandy Federal prison and the Highlands Regional Hospital. These two meters account for 65,000 MCF/yr or 23% of Frontier's utility load. Because Auxier has only one rate, both of these customers have essentially paid the Residential rate for years. Both of these users are industrial-type loads with hot water heating and laundry and food preparation that use gas every day. These base loads make a much more level monthly load pattern, quite different than smaller users. Frontier proposes a new Large Commercial rate class that is more appropriate for these users. The Hospital has an adjoining Medical Office Building (MOB) which is also large at 5,000+ MCF/yr. A typical break point for Large Commercial is more like 10-12,000 MCF/yr, but the MOB has a similar monthly load profile. The Hospital pays the MOB gas bill and it could have been piped in with the Hospital, but has a separate meter for convenience. Frontier proposes that the MOB be included in the new Large Commercial rate class.

Q 36 How was the rate design developed?

A I established a similar rate class with the Wyoming PSC for Pinedale Natural Gas. Because Pinedale was a new utility with limited operating history, the parties in that case agreed to use the *Atlantic Seaboard method* to allocate costs among rate classes. Under this scheme, 50% of the Revenue Requirement is allocated to each rate class based on their Peak Period utilization of the utility system. The other half is allocated to Monthly Costs and MCF usage. Frontier compared the usage patterns of the three large customers versus all other customers in Auxier, which are assumed to be typical of all Frontier utility customers. Auxier has good daily volume records for the entire system and the Prison. We found the best representative Peak Month to be January 2010; the next Winter - 2010-11 was abnormal with a colder December, but a long "tail"; then Winter 2011-12 was the warmest ever recorded. In January versus all of 2010,

- Prison-HRH-MOB used 19.3% of January and 25.1% of the year's gas sales;
- All others used 80.7% of January and 74.9% of the year's sales.

Clearly, the larger loads with their every-day uses have a higher load factor than small users, many of which have no water heater or other appliances. Working through the allocation spreadsheet results in a Large Commercial rate \$0.83 per MCF lower than the Residential-Commercial rate. For this class, Frontier proposes a \$50 monthly charge proportional to the larger cost of the meter facilities.

Q 36 Does that conclude your testimony?

A. Yes.

CERTIFICATION

DECLARATION OF STEVEN SHUTE

I, Steven Shute, am a Member of Kentucky Frontier Gas, LLC, the Applicant in the referenced matter. I have read the Application and I have full authority to sign this declaration. The facts set forth therein are true and correct to the best of my knowledge, information and belief.

Pursuant to KRS 523.020-040, I certify under penalty of false swearing that the foregoing is true and correct.

Dated this 6th day of August, 2012.

Steven Shute Member, Kentucky Frontier Gas, LLC

Steven Shute, PE

Natural gas utility consultant.

Educational & Professional Background

Bachelor of Science, Electrical Engineering, Kansas State University. Registered **Professional Engineer** (PE): Nebraska, Colorado, Utah. Member, National Association of **Corrosion Engineers**. Member, **Rotary** International.

Work History

Since 1986, Steven Shute has worked to provide natural gas service to rural communities. In many areas, the large regional utilities are unable or unwilling to provide service. These projects are often feasible, if a new start-up utility installs a system and operates as a standalone entity. Mr. Shute, PSI and affiliated companies specialize in low-cost development of small gas utilities. After finding a suitable community, they work to bring in gas, operate the utility system, and maximize conversions. Several utility startup projects are in progress:

Coos County Gas Pipeline

Mr. Shute served as a Project Advisor on a \$44M project to build a 12-inch gas transmission pipeline to serve the Coos Bay area on the coast of Oregon. Tasks: route & pipe selection, coordination of the environmental impact statement (EIS), secure 20+ permits from 12 governmental agencies, utilities commission liaison, public information meetings, prepare bids & administer construction. This 90-mile system with 3 laterals will serve an area with 60,000 residents and numerous industries around a deepwater ocean port.

Pinedale Natural Gas, Inc.

Mr. Shute is Founder and 50% co-owner. A small propane utility in Pinedale, Wyoming (near Jackson Hole) was purchased and converted to natural gas. This town is surrounded by an active gas producing area, but the regional utility passed over this project for 35 years. Tasks: arrange purchase & financing; liaison with Wyoming Public Service Commission; perform all design and permitting for natural gas supply pipeline and LDC system; convert from propane to natural gas in 1994; formulate Operations & Maintenance and Operator Qualification plans and implement drug testing program; train operators and implement enhanced safety program, ongoing supervision of utility operations. PNG has grown from 200 to 800 meters since starting operations in 1993.

Pipeline Solutions, Inc.

1993 to present

2000 to 2004

Alpine Natural Gas

Mr. Shute serves as consultant and partner on a gas distribution system in the foothills of the Sierra Nevada east of Stockton, California. Tasks: feasibility study, design and construction supervision work on a \$3M green-field system, operations and safety issues. This system serves about 800 homes and small businesses, and has many opportunities for expansion in the state.

Walden Municipal Gas

Mr. Shute was project manager on the \$3M project to keep gas in Walden, Colorado. When the 40year old gas field near Walden failed, the utility company abandoned the system. Mr. Shute evaluated the options for the existing natural gas system, and convinced the Town to convert to municipal operation and install a pipeline to ensure a long-term gas supply. PSI specified the use of coiled aluminum pipe to minimize cost and environmental permitting problems; negotiated joint trench and shared RoW with US West; secured permits from 13 governmental agencies for 46 miles of pipeline; administered construction and inspection for the pipeline project; helped with startup and municipal operation in 1995; designed distribution systems along the pipeline in Wyoming in 1997. The system has grown from 600 to about 1000 meters. In 2002, Mr. Shute through Pinedale Natural Gas, became the contract operator for the Walden system.

Wendover Gas Company .

- Mr. Shute is primary consultant on a propane gas distribution system in Wendover, a small community straddling the Nevada-Utah state line on I-80 west of Salt Lake City. Tasks: feasibility studies, certification through the utilities commissions in Nevada and Utah, design and construction supervision work on a \$1.2M greenfield system, gas supply and safety issues. This system serves about 700 homes, casinos and related businesses.
- **Frontier Energy, LLC.** Mr. Shute was a co-Founder, officer, and stockholder of this gas utility in North Carolina. In July 1997, Frontier won a Supreme Court decision and received certification to build a \$55 million gas utility system serving 7 counties in northwestern North Carolina. The initial project includes 150 miles of transmission pipeline and 500 miles of distribution, to serve about 10,000 customers within 5 to 10 years. These seven counties have a population of 250,000, with 1500 poultry growout facilities and a large industrial and manufacturing base. Mr. Shute worked with Frontier from 1994 to its sale in 1999 to Sempra Energy (parent of Southern California Gas).
- Ozark Natural Gas Co., Inc. Mr. Shute was a principal of Ozark, which received certification in August 1998 to serve gas to a three-county area around the country music resort community of Branson, Missouri. The \$20 million project includes 40 miles of transmission pipeline and 140 miles of distribution. Ozark planned to serve more than 5,000 customers, including residential, commercial / resort, a college and a few light industries. (Project was not built.)
- Mid-Maine Gas Utilities, Inc. in 1997, MMGU was conditionally certificated to serve gas to unserved areas of Maine, including Bangor, Waterville, Augusta and surrounding towns. The \$14M system would serve homes, businesses and light industries off the Maritimes & Northeast PL, built in 1999 from Nova Scotia. Mr. Shute performed system design, feasibility studies, and testified before the Maine Public Utilities Commission. (Project built by Sempra Energy.)

1994 to present

1997 to present

1996 to present

Southern Ute Utilities – Mr. Shute serves as gas utility consultant for the Southern Ute Tribe in Ignacio, Colorado. PSI performed a feasibility study, and prepared design & construction documents for the installation of a new \$300k gas distribution system for the Tribe. This work included hydraulic models, load study, material specifications, bid documents, measurement station and odorizer design, detailed design sketches and drawings, and operations followup. The utility has operated successfully since 1993.

Principal, Pipeline Solutions, Inc.

1991 to present

Mr. Shute is a consulting engineer specializing in natural gas utilities: pipeline and distribution system engineering, measurement facilities design, DOT compliance, corrosion control, operator training programs, environmental compliance. Sample project list:

Western Utility - audit to identify high gas loss problem in small propane utility. Large measurement error was found and corrected, after 25 years of non-detection.

- Colorado Springs Gas develop modules for DOT-mandated operator training program.
- *Colorado Clean Fuels feasibility study and detailed cost estimate for 80 mile CO*₂ *pipeline to a methanol production plant.*
- South Park MHP design gas distribution system for mobile home park, arrange for gas supply, negotiate with supplier utility.
- Western Gas Resources research, design, and implement program for testing for VOC leakage from large gas processing plants, to comply with EPA regulations.

Barrett Gas Resources - corrosion control program and training.

General Manager, Rocky Mountain Natural Gas

1988 to 1991

Managed the day-to-day operation of a mid-size regional utility (120 employees, 30,000 meters) serving resort communities in western Colorado. Administration, budgeting and long-term planning, engineering & technical supervision were bulk of duties.

Crested Butte, Colorado - feasibility studies, pipeline and distribution system design to convert ski resort town to natural gas. RMNG nearly completed the franchise procedure with town council and Colorado Public Utilities Commission. The project was abandoned by RMNG parent company but the project was carried out by a competing utility.

Strategic pipeline projects to increase capacity for future growth (numerous projects, \$10+ million): increased capacity, higher pressures, better metering and communications.

Supervised the takeover and assimilation of RMNG as a new subsidiary of K N Energy, Inc. Responsible for engineering department, purchasing and material accounting, corrosion control and safety, transportation and communications department. Formulated new Standard Practices Manual for RMNG, completely overhauled measurement and telemetry systems, planned and executed numerous pipeline projects for the future.

For RMNG, major projects included:

Telluride, Colorado - permitting and planning to install a 40 mile pipeline and convert a propane distribution system to natural gas.

Crawford, Four Mile Creek, Singletree, Lake Creek, Cordillera - converted small towns and large rural subdivisions to natural gas. These projects had a very successful conversion rate even with many baseboard electric heating systems which are tough to convert.

Aspen upgrade: numerous 10" pipeline and storage re-configuring projects to enhance deliveries to Aspen area. Built new town border stations for Aspen, Basalt, Carbondale, Delta, Eagle, Gypsum, and others.

<u>Director Tech Services, K N Energy, Inc.</u> 1985 to 1986 Corrosion control, compressor performance testing, communications department.

Manager of Corrosion Control, K N Energy, Inc.1982 to 1985Corrosion control and DOT compliance for all operations of a 220,000 customer utility.

Project Engineer, K N Energy, Inc.1980 to 1982Project Engineer, Conoco, Inc.1977 to 1980Executive training program, various pipeline projects for natural gas and petroleum liquids.

Personal Data

b. 10-25-55, Manhattan, Kansas. Married, father of two young men. Active Private Pilot. Active in church, Rotary Club, local government, music & arts. Current personal and professional references are available upon request.

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970) 928-9208 telephone -9207 fax 970) 948-9408 mobile

EXHIBIT 9

Account	Турө	Accnt. #
131 · Cash - Bank Accounts	Bank	131
131 Cash - Bank Accounts:131	Bank	131.0
131 Cash - Bank Accounts:131	Bank	131.2
131 · Cash - Bank Accounts:131	Bank	131.3
131 · Cash - Bank Accounts:131	Bank	131.5
142 · Customer Accounts Receiv	Accounts Receivable	142
143 · Other Accounts Receivable	Accounts Receivable	143
141 · Notes Receivable	Other Current Asset	141
141 · Notes Receivable:141.1 · N	Other Current Asset	141.1
141 · Notes Receivable:141.2 · N	Other Current Asset	141.2
141 · Notes Receivable:141.3 · N	Other Current Asset	141.3
141 · Notes Receivable:141.4 · N	Other Current Asset	141.4
141 · Notes Receivable:141.5 · N	Other Current Asset	141.5
146 · N/R-BTU GAS COMPANY	Other Current Asset	146
147 · N/R - FONTIANE WILLIA	Other Current Asset	147
173 · Organizational Account	Other Current Asset	173
173 · Organizational Account:Sta	Other Current Asset	
173 · Organizational Account:Sta	Other Current Asset	
173 · Organizational Account:Sta	Other Current Asset	
173 · Organizational Account:Sta	Other Current Asset	115
174 Undeposited Funds	Other Current Asset	174
101 Utility Plant	Fixed Asset	101
101 · Utility Plant:101.0 · Utility P	Fixed Asset	101.0
101 · Utility Plant:101.0 · Utility P	Fixed Asset	376
101 · Utility Plant:101.0 · Utility P	Fixed Asset	376.0
101 Utility Plant:101.1 East Ke	Fixed Asset	101.1
101 · Utility Plant:101.1 · East Ke	Fixed Asset	
101 Utility Plant:101.1 East Ke	Fixed Asset	374.1
101 · Utility Plant:101.1 · East Ke	Fixed Asset	376.1
101 · Utility Plant:101.1 · East Ke	Fixed Asset	378.1
101 · Utility Plant:101.1 · East Ke	Fixed Asset	381.1
101 Utility Plant:101.1 East Ke	Fixed Asset	383.1
101 · Utility Plant:101.1 · East Ke	Fixed Asset	
101 Utility Plant:101.1 East Ke	Fixed Asset	394.1
101 Utility Plant:101.1 - East Ke	Fixed Asset	108.1
101 · Utility Plant:101.1 · East Ke	Fixed Asset	114.1
101 · Utility Plant:101.1 · East Ke	Fixed Asset	376.11
101 Utility Plant:101.1 - East Ke	Fixed Asset	380.11
101 · Utility Plant:101.1 · East Ke	Fixed Asset	381.11
101 Utility Plant:101.1 - East Ke	Fixed Asset	382.11
101 Utility Plant:101.1 East Ke	Fixed Asset	115.1
101 · Utility Plant:101.2 · Mike Lit	Fixed Asset	101.2
101 · Utility Plant:101.2 · Mike Lit	Fixed Asset	
101 · Utility Plant:101.2 · Mike Lit	Fixed Asset	
101 - Utility Plant:101.2 - Mike Lit	Fixed Asset	376.2
101 · Utility Plant:101.2 · Mike Lit	Fixed Asset	380.2
101 · Utility Plant:101.2 · Mike Lit	Fixed Asset	381.2
101 · Utility Plant:101.2 · Mike Lit	Fixed Asset	383.2
101 · Utility Plant:101.2 · Mike Lit	Fixed Asset	000.2
101 · Utility Plant:101.2 · Mike Lit	Fixed Asset	389.2
101 · Utility Plant:101.2 · Mike Lit	Fixed Asset	392.22
101 · Utility Plant:101.2 · Mike Lit	Fixed Asset	394.2
101 · Utility Plant:101.2 · Mike Lit	Fixed Asset	396.2
101 · Utility Plant:101.2 · Mike Lit	Fixed Asset	390.2
101 · Utility Plant:101.2 · Mike Lit		267 2
· · · · · · · · · · · · · · · · · · ·	Fixed Asset	367.2 369.2
101 · Utility Plant:101.2 · Mike Lit	Fixed Asset	
101 · Utility Plant:101.2 · Mike Lit	Fixed Asset Fixed Asset	108.2 114.2
101 · Utility Plant:101.2 · Mike Lit		
101 · Utility Plant:101.2 · Mike Lit	Fixed Asset	376.22
101 · Utility Plant:101.2 · Mike Lit	Fixed Asset	380.22
101 · Utility Plant:101.2 · Mike Lit	Fixed Asset	381.22
	Fixed Asset	115.2
101 · Utility Plant:101.2 · Mike Lit	PT-1	
101 · Utility Plant:101.3 · Belfry U	Fixed Asset	101.3
101 · Utility Plant:101.3 · Belfry U 101 · Utility Plant:101.3 · Belfry U	Fixed Asset	
101 · Utility Plant:101.3 · Belfry U 101 · Utility Plant:101.3 · Belfry U 101 · Utility Plant:101.3 · Belfry U	Fixed Asset Fixed Asset	376.3
101 · Utility Plant:101.3 · Belfry U 101 · Utility Plant:101.3 · Belfry U	Fixed Asset	

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Account	Туре	Accnt. #
101 - Utility Plant:101.3 - Belfry U	Fixed Asset	383.3
101 - Utility Plant:101.3 - Belfry U	Fixed Asset	
101 · Utility Plant:101.3 · Belfry U	Fixed Asset	365.3
101 · Utility Plant:101.3 · Belfry U	Fixed Asset	367.3
101 Utility Plant:101.3 Belfry U	Fixed Asset	108.3
101 - Utility Plant:101.3 - Belfry U	Fixed Asset	114.3
101 · Utility Plant:101.3 · Belfry U	Fixed Asset	108.31
101 · Utility Plant:101.3 · Belfry U	Fixed Asset	108.32
101 · Utility Plant:101.3 · Belfry U 101 · Utility Plant:101.3 · Belfry U	Fixed Asset Fixed Asset	376.33 376.331
101 · Utility Plant:101.3 · Belfry U	Fixed Asset	380.33
101 · Utility Plant:101.3 · Belfry U	Fixed Asset	381.33
101 · Utility Plant:101.3 · Belfry U	Fixed Asset	382.22
101 · Utility Plant:101.3 · Belfry U	Fixed Asset	115.3
101 · Utility Plant:101.4 · Alert Fa	Fixed Asset	101.4
101 Utility Plant:101.4 Alert Fa	Fixed Asset	
101 · Utility Plant:101.4 · Alert Fa	Fixed Asset	376.4
101 · Utility Plant:101.4 · Alert Fa	Fixed Asset	381.4
101 · Utility Plant:101.4 · Alert Fa	Fixed Asset	108.4
101 · Utility Plant:101.4 · Alert Fa 101 · Utility Plant:101.4 · Alert Fa	Fixed Asset Fixed Asset	114.4
101 · Utility Plant:101.4 · Alert Fa	Fixed Asset	376.44 380.44
101 · Utility Plant:101.4 · Alert Fa	Fixed Asset	381.44
101 · Utility Plant:101.4 · Alert Fa	Fixed Asset	382.44
101 Utility Plant:101.4 Alert Fa	Fixed Asset	115.4
101 · Utility Plant:101.8 · Peoples	Fixed Asset	101.8
101 · Utility Plant:101.8 · Peoples	Fixed Asset	
101 · Utility Plant:101.8 · Peoples	Fixed Asset	376.8
101 Utility Plant:101.8 Peoples	Fixed Asset	
101 Utility Plant:101.8 Peoples	Fixed Asset	392.8
101 · Utility Plant:101.8 · Peoples 101 · Utility Plant:101.8 · Peoples	Fixed Asset Fixed Asset	108.8 114.8
101 · Utility Plant:101.8 · Peoples	Fixed Asset	114.81
101 · Utility Plant:101.8 · Peoples	Fixed Asset	376.88
101 · Utility Plant:101.8 · Peoples	Fixed Asset	380.88
101 Utility Plant:101.8 Peoples	Fixed Asset	382.88
101 · Utility Plant:101.8 · Peoples	Fixed Asset	115.8
101 · Utility Plant:101.8 · Peoples	Fixed Asset	115.88
154 · INVENTORY	Fixed Asset	154
380 · General Plant Assets 380 · General Plant Assets:391 ·	Fixed Asset Fixed Asset	380 391
380 · General Plant Assets:391 ·	Fixed Asset	391.1
380 · General Plant Assets:391 ·	Fixed Asset	391.11
380 · General Plant Assets:392 ·	Fixed Asset	392
380 · General Plant Assets:392 ·	Fixed Asset	108
380 · General Plant Assets:392 ·	Fixed Asset	392.1
380 · General Plant Assets: 392 ····	Fixed Asset	392.2
380 General Plant Assets: 392	Fixed Asset	392.3
380 · General Plant Assets:392 ·	Fixed Asset	392.4
380 · General Plant Assets:392 · 380 · General Plant Assets:394 ·	Fixed Asset	392.5 394
380 · General Plant Assets:396 ·	Fixed Asset Fixed Asset	396
380 · General Plant Assets:396 ·	Fixed Asset	396.3
380 · General Plant Assets:397 ·	Fixed Asset	397
123 · Investment in Subsidiary C	Other Asset	123
123 · Investment in Subsidiary C	Other Asset	123.1
123 Investment in Subsidiary C	Other Asset	376.77
123 Investment in Subsidiary C	Other Asset	380.7
123 · Investment in Subsidiary C	Other Asset	381.77
123 · Investment in Subsidiary C 123 · Investment in Subsidiary C	Other Asset Other Asset	382.7
123 Investment in Subsidiary C	Other Asset	123.2 376.9
123 Investment in Subsidiary C	Other Asset	380.9
123 Investment in Subsidiary C	Other Asset	382.9
123 · Investment in Subsidiary C	Other Asset	123.3
123 Investment in Subsidiary C	Other Asset	123.4
232 · Accounts Payable	Accounts Payable	232

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Account	Туре	Accnt. #
211 Direct Deposit Liabilities	Other Current Liability	211
223 - Notes Payable to Assoc Co	Other Current Liability	223
223 Notes Payable to Assoc Co	Other Current Liability	223.3
223.1 Note Payable - B Branham	Other Current Liability	223.1
233.2 NOTES PAYABLE-DLR	Other Current Liability	233.2
235 - Customer Deposits/Retainers	Other Current Liability	235
235 · Customer Deposits/Retaine	Other Current Liability	237
236 Payroll Liabilities	Other Current Liability	236
241 Sales Tax Payable	Other Current Liability	241
242 · Utility Tax Payable	Other Current Liability	242
224 · Long Term Liability	Long Term Liability	224
224 Long Term Liability:224.1	Long Term Liability	224.1
224 · Long Term Liability:224.2 ·	Long Term Liability	224.2
224 Long Term Liability:224.3	Long Term Liability	224.3
224 · Long Term Liability:224.4 ·	Long Term Liability	224.4
224 Long Term Liability:224.5	Long Term Liability	224.5
224 · Long Term Liability:224.6 ·	Long Term Liability	224.6
224 · Long Term Liability:224.7 ·	Long Term Liability	224.7
200 Opening Bal Equity 211.1 Partner One Equity - RJO	Equity	200 211.1
211.1 · Partner One Equity - RJO	Equity	208.1
211.1 · Partner One Equity - RJ	Equity Equity	200.1
211.1 Partner One Equity - RJ	Equity	216.1
211.2 Partner Two Equity - SS	Equity	211.2
211.2 Partner Two Equity - SS:	Equity	208.2
211.2 Partner Two Equity - SS:	Equity	214.2
211.2 Partner Two Equity - SS:	Equity	216.2
211.3 Partner Three Equity - LR	Equity	211.3
211.3 - Partner Three Equity - LR	Equity	208.3
211.3 Partner Three Equity - LR	Equity	214.3
211.3 Partner Three Equity - LR	Equity	216.3
211.4 Partner Four Equity - IGS	Equity	211.4
211.4 Partner Four Equity - IGS	Equity	208.4
211.4 · Partner Four Equity - IGS	Equity	214.4
211.4 · Partner Four Equity - IGS	Equity	216.4
216 · Retained Earnings	Equity	216
418.1 Equity in earnings of sub	Income	418.1
419 Interest Income	Income	419
419.1 · ALLOW FUNDS USED	Income	419.1
421 · Misc Nonoperating Income	Income	421
480 · Residential Sales 481 · Commercial & Industrial Sa	Income	480
482 · Commercial Tax Exempt	Income	481 482
487 · Penalties & Forfeited Disco	Income Income	487
488 Miscellaneous Service Rev	Income	488
488 · Miscellaneous Service Rev	Income	488.1
488 · Miscellaneous Service Rev	Income	488.2
488 · Miscellaneous Service Rev	Income	488.3
488 Miscellaneous Service Rev	Income	488.4
488.5 BTU Contract	Income	488.5
489 · Sales Tax Commission	Income	489
800 Gas Supply Expenses	Cost of Goods Sold	800
800 Gas Supply Expenses:804	Cost of Goods Sold	804
800 · Gas Supply Expenses:805	Cost of Goods Sold	805
408 · Taxes Other Than Income	Expense	408
408 Taxes Other Than Income	Expense	408.1
408 · Taxes Other Than Income	Expense	408.2
408 Taxes Other Than Income	Expense	408.21
408 Taxes Other Than Income	Expense	408.22
408 · Taxes Other Than Income	Expense	408.3
408 Taxes Other Than Income	Expense	408.4
409 · Income Taxes	Expense	409
409 · Income Taxes:409.3 · Othe	Expense	409.3
427 Interest on Long-Term Debt	Expense	427
427 Interest on Long-Term Deb	Expense	427.1
427 Interest on Long-Term Deb	Expense	427.2
427 - Interest on Long-Term Deb	Expense	427.3

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Account	Турө	Accnt. #
427 - Interest on Long-Term Deb	Expense	427.4
427 Interest on Long-Term Deb	Expense	427.5
427 Interest on Long-Term Deb	Expense	427.6
427 · Interest on Long-Term Deb	Expense	427.7
427 Interest on Long-Term Deb	Expense	427.8
431 Other Interest Expense	Expense	431
436 · Interest Exp on Deposits	Expense	436 768
768 CONTRACT LABOR 870 DISTRIBUTION EXPENSES	Expense Expense	870
870 DISTRIBUTION EXPENS	Expense	871
870 · DISTRIBUTION EXPENS	Expense	871.1
870 DISTRIBUTION EXPENS	Expense	872
870 DISTRIBUTION EXPENS	Expense	873
870 · DISTRIBUTION EXPENS	Expense	874
870 DISTRIBUTION EXPENS	Expense	875
870 DISTRIBUTION EXPENS	Expense	876
870 · DISTRIBUTION EXPENS.	Expense	877
870 · DISTRIBUTION EXPENS	Expense	878
870 - DISTRIBUTION EXPENS 870 - DISTRIBUTION EXPENS	Expense Expense	878.2 879
870 · DISTRIBUTION EXPENS	Expense	880
870 DISTRIBUTION EXPENS	Expense	880.1
870 DISTRIBUTION EXPENS	Expense	880.2
870 · DISTRIBUTION EXPENS	Expense	880.3
870 · DISTRIBUTION EXPENS	Expense	880.4
870 · DISTRIBUTION EXPENS	Expense	880.5
870 · DISTRIBUTION EXPENS	Expense	880.6
870 DISTRIBUTION EXPENS	Expense	880.7
870 · DISTRIBUTION EXPENS	Expense	880.8
870 · DISTRIBUTION EXPENS	Expense	880.9
870 DISTRIBUTION EXPENS 870 DISTRIBUTION EXPENS	Expense	881 884
870 DISTRIBUTION EXPENS	Expense Expense	885
870 DISTRIBUTION EXPENS	Expense	886
870 DISTRIBUTION EXPENS	Expense	887
870 · DISTRIBUTION EXPENS	Expense	888
870 · DISTRIBUTION EXPENS	Expense	889
870 · DISTRIBUTION EXPENS	Expense	890
870 DISTRIBUTION EXPENS	Expense	891
870 · DISTRIBUTION EXPENS	Expense	892
870 · DISTRIBUTION EXPENS	Expense	893 894
870 · DISTRIBUTION EXPENS 900 · CUSTOMER ACCOUNTS	Expense Expense	900
900 CUSTOMER ACCOUNTS	Expense	900.1
900 · CUSTOMER ACCOUNTS	Expense	901
900 · CUSTOMER ACCOUNTS	Expense	902
900 · CUSTOMER ACCOUNTS	Expense	903
900 · CUSTOMER ACCOUNTS	Expense	904
900 · CUSTOMER ACCOUNTS	Expense	905
900 · CUSTOMER ACCOUNTS	Expense	905.1
900 CUSTOMER ACCOUNTS	Expense	905.2
900 · CUSTOMER ACCOUNTS 906 · CUSTOMER SERVICE & I	Expense	905.3 906
906 · CUSTOMER SERVICE & I	Expense Expense	906.1
906 · CUSTOMER SERVICE & I	Expense	907
906 CUSTOMER SERVICE & I	Expense	908
906 · CUSTOMER SERVICE & I	Expense	909
906 · CUSTOMER SERVICE & I	Expense	909.1
906 · CUSTOMER SERVICE & I	Expense	909.2
906 · CUSTOMER SERVICE & I	Expense	910
918 · ADMINISTRATIVE & GEN	Expense	918
918 · ADMINISTRATIVE & GEN	Expense	919
918 · ADMINISTRATIVE & GEN	Expense	920
918 · ADMINISTRATIVE & GEN 918 · ADMINISTRATIVE & GEN	Expense	920.1 920.2
918 · ADMINISTRATIVE & GEN 918 · ADMINISTRATIVE & GEN	Expense Expense	920.2 921
918 · ADMINISTRATIVE & GEN	Expense	921.1

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Account	Турө	Accnt. #
918 ADMINISTRATIVE & GEN	Expense	921.10
918 ADMINISTRATIVE & GEN	Expense	921.11
918 ADMINISTRATIVE & GEN	Expense	921.2
918 ADMINISTRATIVE & GEN	Expense	921.3
918 - ADMINISTRATIVE & GEN	Expense	921.4
918 ADMINISTRATIVE & GEN	Expense	921.5
918 ADMINISTRATIVE & GEN	Expense	921.6
918 · ADMINISTRATIVE & GEN	Expense	921.7
918 - ADMINISTRATIVE & GEN	Expense	921.8
918 ADMINISTRATIVE & GEN	Expense	921.9
918 · ADMINISTRATIVE & GEN	Expense	922
918 ADMINISTRATIVE & GEN	Expense	923
	_ ·	923.1
918 · ADMINISTRATIVE & GEN 918 · ADMINISTRATIVE & GEN	Expense	923.2
	Expense	923.3
918 · ADMINISTRATIVE & GEN	Expense	923.4
918 ADMINISTRATIVE & GEN	Expense	
918 · ADMINISTRATIVE & GEN	Expense	924
918 · ADMINISTRATIVE & GEN	Expense	924.1
918 ADMINISTRATIVE & GEN	Expense	924.2
918 · ADMINISTRATIVE & GEN.	Expense	924.3
918 · ADMINISTRATIVE & GEN	Expense	924.4
918 ADMINISTRATIVE & GEN	Expense	924.5
918 · ADMINISTRATIVE & GEN	Expense	924.6
918 · ADMINISTRATIVE & GEN	Expense	925
918 ADMINISTRATIVE & GEN	Expense	926
918 ADMINISTRATIVE & GEN	Expense	927
918 · ADMINISTRATIVE & GEN	Expense	928
918 - ADMINISTRATIVE & GEN	Expense	929
918 · ADMINISTRATIVE & GEN	Expense	930.1
918 · ADMINISTRATIVE & GEN	Expense	930.2
918 · ADMINISTRATIVE & GEN	Expense	930.21
918 - ADMINISTRATIVE & GEN	Expense	931
932 · MAINTENANCE OF GEN	Expense	932
932 MAINTENANCE OF GEN	Expense	932.0
932 MAINTENANCE OF GEN	Expense	932.1
932 · MAINTENANCE OF GEN	Expense	
932 · MAINTENANCE OF GEN	Expense	
932 · MAINTENANCE OF GEN	Expense	
932 · MAINTENANCE OF GEN	Expense	
932 · MAINTENANCE OF GEN	Expense	
932 · MAINTENANCE OF GEN	Expense	
932 MAINTENANCE OF GEN	Expense	
932 MAINTENANCE OF GEN	Expense	
932 MAINTENANCE OF GEN	Expense	932.2
932 · MAINTENANCE OF GEN	Expense	
932 · MAINTENANCE OF GEN	Expense	
932 MAINTENANCE OF GEN	Expense	
932 · MAINTENANCE OF GEN	Expense	
932 · MAINTENANCE OF GEN	Expense	
932 MAINTENANCE OF GEN		
932 MAINTENANCE OF GEN	Expense	
932 · MAINTENANCE OF GEN 932 · MAINTENANCE OF GEN	Expense	
	Expense	033.3
932 MAINTENANCE OF GEN	Expense	932.3
932 · MAINTENANCE OF GEN	Expense	932.4
932 MAINTENANCE OF GEN	Expense	
932 MAINTENANCE OF GEN	Expense	
932 MAINTENANCE OF GEN	Expense	
932 · MAINTENANCE OF GEN	Expense	004
981 · Interest Expense-Meter De	Expense	981

EXHIBIT 10

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Accrual Basis

Kentucky Frontier Gas, LLC Profit & Loss January through March 2011

	Jan - Mar 11
Income 418.1 · Equity in earnings of subsid co 480 · Residential Sales 481 · Commercial & Industrial Sales 482 · Commercial Tax Exempt 487 · Penalties & Forfeited Discounts 489 · Sales Tax Commission	204,175.10 561,555.46 109,833.00 91,739.95 -95.99 85.28 967,292.80
Total Income	
Cost of Goods Sold 800 · Gas Supply Expenses 804 · Natural Gas Purchases & Transp	431,284.87
Total 800 · Gas Supply Expenses	431,204.01
Total COGS	431,284.87
Gross Profit	536,007.93
Expense 408 · Taxes Other Than Income Taxes 408.1 · Payroll Taxes Expenses	3,515.75
Total 408 · Taxes Other Than Income Taxes	0,010.70
409 · Income Taxes 409.3 · Other State Income Taxes	1,257.61
Total 409 · Income Taxes	1,257.61
427 · Interest on Long-Term Debt 431 · Other Interest Expense 870 · DISTRIBUTION EXPENSES 871 · DISTRIBUTION OPERATION 874 · Mains & Services Expenses 878 · Meter & House Regulator Exp 879 · Customer Installations Exp 880 · Other Expenses 880.2 · Travel for Tech Training 880.4 · Licenses & Permits 880.5 · Travel for Members 880.6 · Training 880.8 · EASEMENTS	11,527.88 388.54 5,979.02 3,740.52 0.00 560.95 393.30 4,044.95 2,182.38 356.31 7,537.89
Total 880 · Other Expenses	
Total 871 · DISTRIBUTION OPERATION	17,257.43
884 · DISTRIBUTION MAINTENANCE 887 · Maintenance of Mains 892 · Maintenance of Services	8,105.71 3,819.01

Kentucky Frontier Gas, LLC Profit & Loss January through March 2011

Jan - Mar 11

	Jan - Mar 11	
Total 884 · DISTRIBUTION MAINTENANCE	11,924	.72
		29,182.15
Total 870 · DISTRIBUTION EXPENSES		
900 · CUSTOMER ACCOUNTS EXPENSES 900.1 · CUSTOMER ACCT OPERATION 902 · Meter Reading Exp	5,583.26	
903 · Customer Records & Collec Exp	8,283.72	
905 · Misc Customer Accounts Exp	978.21	
905.2 · Postage and Delivery	42.96	
905.3 · Printing and Reproduction	1,021.17	
Total 905 · Misc Customer Accounts Exp		
Total 900.1 · CUSTOMER ACCT OPERATION	14,888	3.15
Total 900 · CUSTOMER ACCOUNTS EXPENSES		14,888.15
906 · CUSTOMER SERVICE & INFORMATION		
906 · CUSTOMER SERVICE & INFORMATION 906.1 · C S & I OPERATION 907 · Supervision	1,962.00	
909 · Inform & Instruc Advert Exp 909.1 · Web Support	1,039.60	
Total 909 · Inform & Instruc Advert Exp	1,039.60	
910 · Misc Cust Serv & Infor Exp 906.1 · C S & I OPERATION - Other	892.51 -330.00	
Total 906.1 · C S & I OPERATION	3,56	4.11
Total 906 · CUSTOMER SERVICE & INFORMATION		3,564.11
918 · ADMINISTRATIVE & GENERAL EXP 919 · ADMIN & GEN OPERATION		
920 · Admin & General Salaries 920.1 · Gen Admin Salaries - Leave, etc	69,015.40	
920.1 · Gen Admin Salaries - Leave, cio 920.2 · Payroll Administration Expenses	459.33	
920.2 · Payron Administration Expenses 920 · Admin & General Salaries - Other	-3,297.60	
Total 920 · Admin & General Salaries	66,177.13	
921 · Office Supplies and Expenses	404.00	
921.1 · Office Equipment	1.723.22	
921.2 · Office Supplies	548.87	
921.3 · Bank Service Charges	384.00	
921.5 · Cleaning/Janitorial	359.04	
921.7 · Dues and Subscriptions 921.8 · Telephone and Fax	1,496.41	
921.9 · Utilities	2,994.33	
	7,909.87	
Total 921 · Office Supplies and Expenses		

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Accrual Basis

Kentucky Frontier Gas, LLC Profit & Loss January through March 2011

	Jan - Mar 11
923 · Outside Services Employed 923.1 · Outside Services - Manager 923.2 · Outside Services - Accounting 923.3 · Outside Services - Engineering	15,238.50 7,049.77 5.60
Total 923 · Outside Services Employed	22,293.87
924 · Insurance 924.1 · Auto Insurance 924.2 · General Liability Insurance 924.3 · Life Insurance 924.5 · Worker's Compensation 924.6 · Health Insurance	1,181.87 1,119.17 332.43 2,544.94 4,944.53
Total 924 · Insurance	10,122.94
927 · Franchise Requirements 928 · Regulatory Commission Expenses 930.2 · Miscellaneous General Expenses 930.21 · Reconciliation Discrepancies 930.2 · Miscellaneous General Expenses - Other	28.28 1,600.00 0.02 1,025.60
Total 930.2 · Miscellaneous General Expenses	1,025.62
931 · Rents	3,234.00
Total 919 · ADMIN & GEN OPERATION	112,391.71
Total 918 · ADMINISTRATIVE & GENERAL EXP	112,391.71
932 · MAINTENANCE OF GENERAL PLANT 932.0 · Maint of General Plant - Garage 932.1 · Repairs Building Repairs Computer Repairs Equipment Repairs	539.64 282.00 1,143.18
Transportation Equipment	9.20
Total Equipment Repairs	9.20
932.1 · Repairs - Other	<u> </u>
Total 932.1 · Repairs	383.46
932.3 · Tools & Equipment 932.4 · Transportaion Equipment Fuel	7,253.91
Total 932 · MAINTENANCE OF GENERAL PLANT	15,444.20
Total Expense	192,160.10
Net Income	343,847.8

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Accrual Basis

Kentucky Frontier Gas, LLC Profit & Loss March 31 through July 31, 2011

Mar 31 - Jul 31, 11 Income 81.403.83 418.1 · Equity in earnings of subsid co 18.228.00 419.1 · ALLOW FUNDS USED FOR CONSTR 800.00 421 · Misc Nonoperating Income 299,203.13 480 · Residential Sales 68,860.34 481 · Commercial & Industrial Sales 35,399.54 482 · Commercial Tax Exempt 132.15 487 · Penalties & Forfeited Discounts 56.31 489 · Sales Tax Commission 504,083.30 **Total Income Cost of Goods Sold** 800 · Gas Supply Expenses 232,772.50 804 · Natural Gas Purchases & Transp 232,772.50 Total 800 · Gas Supply Expenses 232,772.50 Total COGS 271,310.80 **Gross Profit** Expense 408 · Taxes Other Than Income Taxes 6.553.25 408.1 · Payroll Taxes Expenses 883.69 408.3 · Property Tax 2.475.23 408.4 Annual PSC Assessment 175.00 408 · Taxes Other Than Income Taxes - Other 10,087.17 Total 408 · Taxes Other Than Income Taxes 7,552.92 427 · Interest on Long-Term Debt 870 · DISTRIBUTION EXPENSES 871 · DISTRIBUTION OPERATION 636.00 872 · Comp Station Labor & Exp 14,130.12 874 · Mains & Services Expenses 63.00 878 · Meter & House Regulator Exp 25.00 879 · Customer Installations Exp 880 · Other Expenses 300.00 880.1 · DOT Physicals 602.74 880.2 · Travel for Tech Training 309.00 880.4 · Licenses & Permits 880.5 · Travel for Members 13.68 Meals 4,102.76 880.5 · Travel for Members - Other 4,116.44 Total 880.5 · Travel for Members 2.262.45 880.6 · Training 364.72 880.8 · EASEMENTS 7,955.35 Total 880 · Other Expenses

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Accrual Basis

Kentucky Frontier Gas, LLC Profit & Loss March 31 through July 31, 2011

	Mar 31 - Jul 31, 11
Total 871 · DISTRIBUTION OPERATION	22,809.47
884 · DISTRIBUTION MAINTENANCE 887 · Maintenance of Mains 892 · Maintenance of Services	6,424.31 10,065.86
Total 884 · DISTRIBUTION MAINTENANCE	16,490.17
Total 870 · DISTRIBUTION EXPENSES	39,299.64
900 · CUSTOMER ACCOUNTS EXPENSES 900.1 · CUSTOMER ACCT OPERATION 902 · Meter Reading Exp 903 · Customer Records & Collec Exp 905 · Misc Customer Accounts Exp 905 2 · Postage and Delivery	6,978.62 6,876.06 4,025.75 29.12
905.3 · Printing and Reproduction	4,054.87
Total 905 · Misc Customer Accounts Exp	17,909.55
Total 900.1 · CUSTOMER ACCT OPERATION	
Total 900 · CUSTOMER ACCOUNTS EXPENSES	17,909.55
906 · CUSTOMER SERVICE & INFORMATION 906.1 · C S & I OPERATION 907 · Supervision 909 · Inform & Instruc Advert Exp 909.1 · Web Support 909.2 · PUBLIC AWARENESS EXPENSE	1,360.00 150.00 387.25
Total 909 · Inform & Instruc Advert Exp	537.25
910 · Misc Cust Serv & Infor Exp	-502.04
Total 906.1 · C S & I OPERATION	1,395.21
Total 906 · CUSTOMER SERVICE & INFORMATION	1,395.21
918 · ADMINISTRATIVE & GENERAL EXP 919 · ADMIN & GEN OPERATION 920 · Admin & General Salaries 920.1 · Gen Admin Salaries - Leave, etc 920.2 · Payroll Administration Expenses 920 · Admin & General Salaries - Other	8,380.80 524.80 -1,612.80
Total 920 · Admin & General Salaries	7,292.80
921 · Office Supplies and Expenses 921.1 · Office Equipment 921.2 · Office Supplies 921.3 · Bank Service Charges 921.4 · Computer Software	80.25 1,421.78 1,016.81 557.86

07/25/12 Accrual Basis

Kentucky Frontier Gas, LLC Profit & Loss March 31 through July 31, 2011

	Mar 31 - Jul 31, 11
921.5 · Cleaning/Janitorial 921.8 · Telephone and Fax 921.9 · Utilities 921 · Office Supplies and Expenses - Other	504.00 421.91 2,887.76 1,654.76 8,545.13
Total 921 · Office Supplies and Expenses	0,040.10
923 · Outside Services Employed 923.1 · Outside Services - Manager 923.2 · Outside Services - Accounting 923.4 · Outside Services - Legal	19,520.00 11,584.00
Total 923 · Outside Services Employed	31,375.00
924 · Insurance 924.1 · Auto Insurance 924.2 · General Liability Insurance 924.3 · Life Insurance 924.5 · Worker's Compensation 924.6 · Health Insurance	1,358.42 1,478.32 332.43 518.70 937.33 4,625.20
Total 924 · Insurance	4,309.60
928 · Regulatory Commission Expenses 930.2 · Miscellaneous General Expenses 930.21 · Reconciliation Discrepancies 930.2 · Miscellaneous General Expenses - Other	0.02 89.28 89.30
Total 930.2 · Miscellaneous General Expenses	6,162.00
931 · Rents	63,003.03
Total 919 · ADMIN & GEN OPERATION	
Total 918 · ADMINISTRATIVE & GENERAL EXP	63,003.03
932 · MAINTENANCE OF GENERAL PLANT 932.0 · Maint of General Plant - Garage	35.52
932.1 · Repairs	0.00
Building Repairs Computer Repairs	1,143.18
Equipment Repairs	1,177.39
Transportation Equipment	1,177.39
Total Equipment Repairs	3,435.14
932.1 · Repairs - Other	5,755.71
Total 932.1 · Repairs	-217.42
932.3 · Tools & Equipment 932.4 · Transportaion Equipment Fuel 932 · MAINTENANCE OF GENERAL PLANT - Other	11,666.48 8.27
Total 932 · MAINTENANCE OF GENERAL PLANT	17,248.56

07/25/12 Accrual Basis

Kentucky Frontier Gas, LLC Profit & Loss March 31 through July 31, 2011

	Mar 31 - Jul 31, 11	
	138.60	
981 · Interest Expense-Meter Deposit	156,634.68	
Total Expense	114,676.12	
Net Income		

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07/25/12 Accrual Basis

Kentucky Frontier Gas, LLC Profit & Loss April through June 2011

	Apr - Jun 11
Income 418.1 · Equity in earnings of subsid co 419.1 · ALLOW FUNDS USED FOR CONSTR 421 · Misc Nonoperating Income 480 · Residential Sales 481 · Commercial & Industrial Sales 482 · Commercial Tax Exempt 487 · Penalties & Forfeited Discounts 489 · Sales Tax Commission	57,903.26 18,228.00 800.00 136,946.77 33,761.57 13,802.25 137.94 33.85 261,613.64
Total Income	201,012121
Cost of Goods Sold 800 · Gas Supply Expenses 804 · Natural Gas Purchases & Transp	<u> </u>
Total 800 · Gas Supply Expenses	111,128.06
Total COGS	
Gross Profit	150,485.58
Expense 408 · Taxes Other Than Income Taxes 408.1 · Payroll Taxes Expenses 408.3 · Property Tax 408.4 · Annual PSC Assessment 408 · Taxes Other Than Income Taxes - Other	3,191.91 883.69 2,475.23 175.00 6.725.83
Total 408 · Taxes Other Than Income Taxes	11,655.21
427 · Interest on Long-Term Debt 870 · DISTRIBUTION EXPENSES 871 · DISTRIBUTION OPERATION 872 · Comp Station Labor & Exp 874 · Mains & Services Expenses 878 · Meter & House Regulator Exp 879 · Customer Installations Exp 880 · Other Expenses 880.1 · DOT Physicals 880.2 · Travel for Tech Training 880.4 · Licenses & Permits 880.5 · Travel for Members Meals 880.5 · Travel for Members - Other	636.00 7,559.81 63.00 0.00 300.00 114.22 25.00 13.68 2,768.08
Total 880.5 · Travel for Members	2,781.76
880.6 · Training 880.8 · EASEMENTS	2,232.45 364.72
Total 880 · Other Expenses	5,818.15
Total oou - Other Experiose	

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07/25/12 Accrual Basis

Kentucky Frontier Gas, LLC Profit & Loss April through June 2011

	Apr - Jun 11		
Total 871 · DISTRIBUTION OPERATION	14,076.96		
884 · DISTRIBUTION MAINTENANCE 887 · Maintenance of Mains 892 · Maintenance of Services	6,094.49 8,531.27		
Total 884 · DISTRIBUTION MAINTENANCE	14,625.76		
Total 870 · DISTRIBUTION EXPENSES	28,702	2.72	
900 · CUSTOMER ACCOUNTS EXPENSES			
900 · CUSTOMER ACCOUNTS EXPERITION 900.1 · CUSTOMER ACCT OPERATION 902 · Meter Reading Exp 903 · Customer Records & Collec Exp 905 · Misc Customer Accounts Exp	5,721.21 8,943.47		
905.2 · Postage and Delivery	2,784.24		
Total 905 · Misc Customer Accounts Exp	2,784.24		
Total 900.1 · CUSTOMER ACCT OPERATION	17,448.92		
Total 900 · CUSTOMER ACCOUNTS EXPENSES	17,44	8.92	
906 · CUSTOMER SERVICE & INFORMATION 906.1 · C S & I OPERATION 907 · Supervision	480.00		
909 - Inform & Instruc Advert Exp 909.1 - Web Support 909.2 - PUBLIC AWARENESS EXPENSE	130.00 387.25		
Total 909 · Inform & Instruc Advert Exp	517.25		
	997.25		
Total 906.1 · C S & I OPERATION		97.25	
Total 906 · CUSTOMER SERVICE & INFORMATION		57.LO	
918 · ADMINISTRATIVE & GENERAL EXP 919 · ADMIN & GEN OPERATION 920 · Admin & General Salaries 920.1 · Gen Admin Salaries - Leave, etc 920.2 · Payroll Administration Expenses	3,824.40 407.85		
Total 920 · Admin & General Salaries	4,232.25		
921 · Office Supplies and Expenses 921.1 · Office Equipment 921.2 · Office Supplies 921.3 · Bank Service Charges 921.4 · Computer Software 921.5 · Cleaning/Janitorial 921.8 · Telephone and Fax 921.9 · Utilities	80.25 1,411.26 671.10 557.86 448.00 328.02 2,648.74		

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07/25/12 Accrual Basis

Kentucky Frontier Gas, LLC Profit & Loss April through June 2011

	Apr - Jun 11
	780.62
921 · Office Supplies and Expenses - Other	6,925.85
Total 921 · Office Supplies and Expenses	
923 · Outside Services Employed 923.1 · Outside Services - Manager 923.2 · Outside Services - Accounting 923.4 · Outside Services - Legal	12,096.00 8,020.01 875.00 20,991.01
Total 923 · Outside Services Employed	20,000
924 · Insurance 924.1 · Auto Insurance 924.2 · General Liability Insurance 924.3 · Life Insurance 924.5 · Worker's Compensation 924.6 · Health Insurance	1,185.54 1,119.18 332.43 797.65 1,448.69 4,883.49
Total 924 · Insurance	,
928 · Regulatory Commission Expenses 930.2 · Miscellaneous General Expenses	3,006.40 89.28 5,538.00
931 · Rents —	45,666.28
Total 919 · ADMIN & GEN OPERATION	45,666.28
Total 918 · ADMINISTRATIVE & GENERAL EXP	40,000.20
932 · MAINTENANCE OF GENERAL PLANT 932.0 · Maint of General Plant - Garage 932.1 · Repairs	372.00
Equipment Repairs Transportation Equipment	666.63
Total Equipment Repairs	666.63
932.1 · Repairs - Other	4,287.15
Total 932.1 · Repairs	4,953.78
	8.89 9.051.64
932.3 · Tools & Equipment 932.4 · Transportaion Equipment Fuel 932 · MAINTENANCE OF GENERAL PLANT - Other	8.27
Total 932 · MAINTENANCE OF GENERAL PLANT	14,394.58
981 · Interest Expense-Meter Deposit	120.06
Total Expense	125,710.85
	24,774.73

Net Income

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Accrual Basis

Kentucky Frontier Gas, LLC Profit & Loss July through September 2011

	Jul - Sep 11
Income 418.1 · Equity in earnings of subsid co 421 · Misc Nonoperating Income 480 · Residential Sales 481 · Commercial & Industrial Sales 482 · Commercial Tax Exempt 487 · Penalties & Forfeited Discounts 488 · Miscellaneous Service Revenues 488.4 · Service Charges	67,779.16 1,000.00 84,401.78 25,464.81 5,509.14 -10.25 75.00 75.00
Total 488 · Miscellaneous Service Revenues	17.690.07
488.5 · BTU Contract	201,909.71
Total Income	
Cost of Goods Sold 800 · Gas Supply Expenses 804 · Natural Gas Purchases & Transp	63,939.89
Total 800 · Gas Supply Expenses	63,939.89
	63,939.89
Total COGS	137,969.82
Gross Profit	
Expense 408 · Taxes Other Than Income Taxes 408.1 · Payroll Taxes Expenses	5,570.88
Total 408 · Taxes Other Than Income Taxes	5,570.88
427 · Interest on Long-Term Debt 768 · CONTRACT LABOR 870 · DISTRIBUTION EXPENSES 871 · DISTRIBUTION OPERATION 874 · Mains & Services Expenses	11,436.73 135.00 19,471.47
878 · Meter & House Regulator Exp 879 · Customer Installations Exp	1,987.30 50.00
880 · Other Expenses 880.1 · DOT Physicals 880.2 · Travel for Tech Training 880.3 · Drug Testing 880.4 · Licenses & Permits 880.5 · Travel for Members 880.6 · Training	70.00 580.19 256.00 755.59 3,700.76 634.00
Total 880 · Other Expenses	5,996.54
	27,505.31
Total 871 · DISTRIBUTION OPERATION	
884 · DISTRIBUTION MAINTENANCE 887 · Maintenance of Mains	6,785.02

Kentucky Frontier Gas, LLC Profit & Loss July through September 2011

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07/25/12

Accrual Basis

	Jul - Sep 11		
-	8,706.45		
892 · Maintenance of Services	15,491.47		
Total 884 · DISTRIBUTION MAINTENANCE	42,996.78		
Total 870 · DISTRIBUTION EXPENSES	· · ···· ·····························		
900 · CUSTOMER ACCOUNTS EXPENSES 900.1 · CUSTOMER ACCT OPERATION 902 · Meter Reading Exp 903 · Customer Records & Collec Exp 905 · Misc Customer Accounts Exp 905.1 · Travel for Customer Accounts 905.2 · Postage and Delivery	6,856.79 9,972.34 403.11 3,256.47 3,659.58		
Total 905 · Misc Customer Accounts Exp	20,488.71		
Total 900.1 · CUSTOMER ACCT OPERATION	336,86		
900 · CUSTOMER ACCOUNTS EXPENSES - Other			
Total 900 · CUSTOMER ACCOUNTS EXPENSES			
906 · CUSTOMER SERVICE & INFORMATION 906.1 · C S & I OPERATION 907 · Supervision	2,264.01		
909 · Inform & Instruc Advert Exp 909.1 · Web Support	60.00		
Total 909 · Inform & Instruc Advert Exp			
	2,324.01		
Total 906.1 · C S & I OPERATION	2,324.01		
Total 906 · CUSTOMER SERVICE & INFORMATION			
918 · ADMINISTRATIVE & GENERAL EXP 919 · ADMIN & GEN OPERATION 920 · Admin & General Salaries 920.1 · Gen Admin Salaries - Leave, etc 920.2 · Payroll Administration Expenses 920 · Admin & General Salaries - Other	10,928.05 1,518.96 12,219.01		
Total 920 · Admin & General Salaries			
921 · Office Supplies and Expenses 921.1 · Office Equipment 921.2 · Office Supplies 921.3 · Bank Service Charges 921.5 · Cleaning/Janitorial 921.7 · Dues and Subscriptions 921.8 · Telephone and Fax 921.9 · Utilities 921 · Office Supplies and Expenses - Other	1,002.70 110.01 600.79 431.00 1,140.03 1,198.69 3,007.66 1,805.50		

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07/25/12 Accrual Basis

Kentucky Frontier Gas, LLC Profit & Loss July through September 2011

	Jul - Sep 11
Total 921 · Office Supplies and Expenses	9,296.38
923 · Outside Services Employed 923.1 · Outside Services - Manager 923.2 · Outside Services - Accounting Total 923 · Outside Services Employed	12,096.00 5,238.04 17,334.04
924 - Insurance 924.1 · Auto Insurance 924.2 · General Liability Insurance 924.3 · Life Insurance 924.5 · Worker's Compensation 924.6 · Health Insurance	1,222.60 1,350.09 332.43 169.72 3,531.61 6,606.45
Total 924 · Insurance 928 · Regulatory Commission Expenses 930.2 · Miscellaneous General Expenses 931 · Rents	1,386.40 105.00 4,602.00
Total 919 · ADMIN & GEN OPERATION	51,549.28
Total 918 · ADMINISTRATIVE & GENERAL EXP 932 · MAINTENANCE OF GENERAL PLANT 932.0 · Maint of General Plant - Garage	971.81
932.1 · Repairs Equipment Repairs Transportation Equipment	623.46
Total Equipment Repairs 932.1 · Repairs - Other	957.83
Total 932.1 · Repairs	10,581.45
932.4 · Transportaion Equipment Fuel Total 932 · MAINTENANCE OF GENERAL PLANT	13,134.55 118.20
981 · Interest Expense-Meter Deposit Total Expense	148,091.00
lacome	-10,121.18

Net Income

Kentucky Frontier Gas, LLC Profit & Loss October through December 2011

	Oct - Dec 11			
Income 418.1 · Equity in earnings of subsid co 480 · Residential Sales 481 · Commercial & Industrial Sales 482 · Commercial Tax Exempt 487 · Penalties & Forfeited Discounts 488 · Miscellaneous Service Revenues 488.5 · BTU Contract	22,084.05 319,365.35 65,185.65 36,261.45 24,675.77 25.00 105,347.92 572,945.19			
Total Income				
Cost of Goods Sold 800 · Gas Supply Expenses 804 · Natural Gas Purchases & Transp	220,303.55 220,303.55			
Total 800 · Gas Supply Expenses	220,303.55			
Total COGS	352,641.64			
Gross Profit				
Expense 408 · Taxes Other Than Income Taxes 408.1 · Payroll Taxes Expenses 408.3 · Property Tax	5,133.09 -2,250.00 5,206.79			
408.3 · Property Tax 408.4 · Annual PSC Assessment	8,089.88			
Total 408 · Taxes Other Than Income Taxes 427 · Interest on Long-Term Debt 431 · Other Interest Expense 768 · CONTRACT LABOR 870 · DISTRIBUTION EXPENSES 871 · DISTRIBUTION OPERATION 874 · Mains & Services Expenses 878 · Meter & House Regulator Exp	10,933.54 46.68 91.00 14,742.41 11,970.37			
880 · Other Expenses 880.2 · Travel for Tech Training 880.3 · Drug Testing 880.5 · Travel for Members 880.6 · Training	182.87 112.00 6,607.50 <u>1,550.75</u> 8,453.12			
Total 880 · Other Expenses	35,165.90			
Total 871 · DISTRIBUTION OPERATION	30,100.90			
884 · DISTRIBUTION MAINTENANCE 887 · Maintenance of Mains 892 · Maintenance of Services 893 · Maint of Meters & House Reg	12,645.72 12,132.43 530.72 25,308.87			
Total 884 · DISTRIBUTION MAINTENANCE				

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Accrual Basis

Kentucky Frontier Gas, LLC Profit & Loss October through December 2011

Oct - Dec 11 60.474.77 Total 870 · DISTRIBUTION EXPENSES 900 · CUSTOMER ACCOUNTS EXPENSES 900.1 · CUSTOMER ACCT OPERATION 8,900,46 902 · Meter Reading Exp 11,324.08 903 · Customer Records & Collec Exp 905 · Misc Customer Accounts Exp 4.007.01 905.2 · Postage and Delivery 4,007.01 Total 905 · Misc Customer Accounts Exp 24,231.55 Total 900.1 · CUSTOMER ACCT OPERATION 24.231.55 Total 900 · CUSTOMER ACCOUNTS EXPENSES 906 · CUSTOMER SERVICE & INFORMATION 906.1 · C S & I OPERATION 8,344.01 907 · Supervision 909 · Inform & Instruc Advert Exp 60.00 909.1 · Web Support 60.00 Total 909 · Inform & Instruc Advert Exp 84.00 910 · Misc Cust Serv & Infor Exp 8,488.01 Total 906.1 · C S & I OPERATION 8.488.01 Total 906 · CUSTOMER SERVICE & INFORMATION 918 · ADMINISTRATIVE & GENERAL EXP 919 · ADMIN & GEN OPERATION 920 · Admin & General Salaries 83,278.00 920.1 · Gen Admin Salaries - Leave, etc 1,743.50 920.2 · Payroll Administration Expenses 85,021.50 Total 920 · Admin & General Salaries 921 · Office Supplies and Expenses 1.512.95 921.2 · Office Supplies 998.46 921.3 · Bank Service Charges 1.924.87 921.4 · Computer Software 455.00 921.5 · Cleaning/Janitorial 41.24 921.7 · Dues and Subscriptions 2.933.73 921.8 · Telephone and Fax 1,744.56 930.76 921.9 · Utilities 921 · Office Supplies and Expenses - Other 10.541.57 Total 921 · Office Supplies and Expenses 923 · Outside Services Employed 18,900.00 923.1 · Outside Services - Manager 6,226.98 923.2 · Outside Services - Accounting 7,116.34 923.4 · Outside Services - Legal

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07/25/12 Accrual Basis

Kentucky Frontier Gas, LLC Profit & Loss October through December 2011

	Oct - Dec 11		
Total 923 · Outside Services Employed	32,243.32		
Total 923 · Outside connectant 924 · Insurance 924.1 · Auto Insurance 924.2 · General Liability Insurance 924.3 · Life Insurance 924.4 · Property Insurance 924.5 · Worker's Compensation 924.6 · Health Insurance	1,296.72 1,000.96 365.62 611.34 1,931.64 3,311.25 8,517.53 3,432.20 48.65 4,710.00		
Total 924 · Insurance 928 · Regulatory Commission Expenses 930.2 · Miscellaneous General Expenses			
930.2 · Miscentricolo Com 931 · Rents Total 919 · ADMIN & GEN OPERATION	144,514.77		
Total 918 · ADMINISTRATIVE & GENERAL EXP 932 · MAINTENANCE OF GENERAL PLANT 932.0 · Maint of General Plant - Garage 932.1 · Repairs Equipment Repairs Transportation Equipment	372.89 		
Total Equipment Repairs	1,508.60		
932.1 · Repairs - Other	2,911.04		
Total 932.1 · Repairs	5.92 10,253.36		
932.4 · Transportation Equipment Public Total 932 · MAINTENANCE OF GENERAL PLANT	13,543.2 ⁻ 3,567.90		
981 · Interest Expense-Meter Deposit	273,981.31		
Total Expense	78,660.33		
Income			

Net Income

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07/25/12

Accrual Basis

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EXHIBIT 11

Kentucky Frontier Gas, LLC IGS QuickReport

MA 34:11 21/45/70

72.852.7 E1.494,7 21.601	-TIJ92- -SPLIT-	232 · Accounts Payable	101352	1102/18/10	8
81.281 87.215,9	Computer Repairs	S3S - Accounts Payable S3S - Accounts Payable	101356	03/31/2011 05/28/2011	1118
5,534.62	-71292- -5PLIT-	232 · Accounts Payable	101327	1102/16/20	1118 1118
07.955,9	-TIJ92-	232 - Accounts Payable 232 - Accounts Payable	101365	1102/02/40	8111
87.899,8 05.337,8	-TIJ92-	232 · Accounts Payable	101362 101362	05/30/2011 1102/02/20	III8
78.888,E1	-5PLIT- -SPLIT-	S32 · Accounts Payable	896101	1102/12/20	III8
80.889,21 68.871,01	-TIJ92-	232 - Accounts Payable 232 - Accounts Payable	27611	1102/15/80	B ill
19.282,91	-71192- -T1192-	232 · Accounts Payable	576101 576101	1102/12/01 1102/02/00	1118 1118
84.886,8 00.002,7£	-TIJ92-	232 - Accounts Payable 232 - Accounts Payable	101385	11/30/2011	1118
60.772.621	-TIJ92-	232 · Accounts Payable	101404	12/31/2011 12/31/2011	1118 1118

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60[.]772,091

Bill Date 9 1/31/2011 2/28/2011 3/31/2011 4/30/2011 5/31/2011 6/30/2011 7/31/2011 8/31/2011 10/31/2011 11/30/2011 12/31/2011	007 - Acctg Super \$1,500.00 \$1,050.00 \$750.00 \$1,375.00 \$1,212.50 \$950.00 \$762.50 \$275.00 \$2,300.00	\$3,160.00 \$1,520.00 \$4,480.00 \$3,400.00 \$2,960.00 \$2,800.00 \$3,760.00 \$2,400.00 \$760.00 \$1,420.00 \$1,280.00 \$2,200.00	\$40.57 \$39.23 \$8.60 \$41.40 \$79.92	923 - Outside Acctg \$2,300.00 \$3,743.10 \$3,575.00 \$1,850.00 \$3,525.00 \$4,062.50 \$2,737.50 \$3,475.00 \$1,925.00 \$1,925.00 \$4,412.50 \$2,312.50	\$240.00 \$2,280.00 \$1,990.00 \$845.00 \$685.00 \$605.00 \$125.00 \$1,605.00	0 - Reimb Exp \$37.70 \$1.80 \$100.78 \$36.02 \$66.36 \$37.80 \$31.37 \$1,726.08 \$76.69 \$73.98	\$6,085.00 \$5,970.00 \$5,867.50 \$11,710.00 \$675.00	\$12,986.08 \$10,176.69
12/31/2011 12/31/2011	\$2,300.00	\$2,200.00 \$37,200.00		<i>,,,,,,,</i> ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	<i>ų • • • • • • • • • •</i>	·		\$37,200.00

The last bill is for Bob's time during the year. Both Bob & Steve charge \$600/day

GCA Comps included both Dennis (\$80/hr) & Pam (\$50/hr)

Acctg (907 & 923) is for Margaret (\$50/Hr) - some of this time is due to Acquisitions and includes payroll