

FIRM TRANSPORTATION AGREEMENT

This is an agreement made and entered into this 14th day of December, 2007, by and between Natural Energy Utility Corporation, a Kentucky corporation with its address at 2560 Hoods Creek Pike, Ashland, KY 41102 its successors and assigns, ("Transporter") and Marathon Petroleum Company, LLC, Inc., a Delaware corporation with its address at 5555 San Felipe Houston, Texas 77056 its successors and assigns, ("Shipper").

RECITALS

WHEREAS, TRANSPORTER owns and operates an intrastate natural gas pipeline ("Facilities") in Boyd and Greenup Counties, Kentucky and will operate said Facilities for the delivery of natural gas; and

WHEREAS, SHIPPER desires that TRANSPORTER receive, transport and redeliver certain quantities of gas for SHIPPER's account from Tennessee Gas Pipeline at Naples, Kentucky, meter number 20762-1 ("Delivery Point") to SHIPPER's Catlettsburg, Kentucky facility at the flange connecting TRANSPORTER's Facilities with SHIPPER's refinery at Catlettsburg, Kentucky ("Redelivery Point"); and

WHEREAS, TRANSPORTER is willing to transport such quantities of gas subject to the terms and conditions hereinafter stated;

NOW THEREFORE, in consideration of the foregoing and the covenants, and conditions set forth to be kept by the parties, it is mutually agreed as follows:

1. SCOPE OF DELIVERY

SHIPPER agrees to deliver to or cause to be delivered to the Delivery Point sufficient gas supply to meet the requirements of this Agreement and TRANSPORTER agrees to accept deliveries of natural gas belonging to SHIPPER or its agents at the Delivery Point to be transported and delivered for SHIPPER's account at the Redelivery Point. Except as provided below, TRANSPORTER agrees that the transportation service shall be provided on a firm basis.

2. DAILY DELIVERIES

TRANSPORTER agrees to accept and transport on behalf of SHIPPER to SHIPPER's Redelivery Point the first thirty thousand (30,000) MCF's on a firm basis and up to an additional fifteen thousand (15,000) MCF's on an interruptible basis daily, totaling forty-five thousand (45,000) MCF's the Maximum Daily Quantity ("MDQ"). At least five (5) days prior to the beginning of any month, SHIPPER will notify TRANSPORTER in writing

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of its intent to transport and will provide an estimate of the volumes of gas, in MCF's, to be transported on a daily basis during the calendar month.

SHIPPER has the right to change the volume to be transported during the month on a daily basis, but not the MDQ. It is SHIPPER's responsibility to notify producers, TRANSPORTER, and connecting pipelines regarding any change in transportation volumes. TRANSPORTER will accept changes in daily volumes dispatched from Tennessee Gas Pipeline; however, TRANSPORTER reserves the right to limit or restrict the volumes accepted and transported, whenever in TRANSPORTER's sole opinion, operating conditions warrant a limitation or restriction on the acceptance or delivery of transportation gas.

In the event a daily volume is delivered by Tennessee Gas Pipeline to TRANSPORTER which exceeds the MDQ, the excess daily volumes may be delivered by TRANSPORTER on an interruptible basis. TRANSPORTER will have the option, but not the obligation, to provide transportation capacity to SHIPPER above 45,000 MCF/day on a temporary basis as the capacity may be available, if it is operationally feasible in the sole determination and discretion of TRANSPORTER and prior notice of the additional capacity requirements is given to TRANSPORTER at least 48 hours prior to the additional need.

TRANSPORTER will deliver natural gas to SHIPPER with 225 psi delivery pressure.

3. TERM OF AGREEMENT

This Agreement shall become effective on January 1, 2008, and shall continue in full force and effect through October 31, 2012. Thereafter, service shall continue from month to month, by mutual agreement of SHIPPER and TRANSPORTER under the terms and conditions of this agreement.

4. RATE


The Monthly Demand Charge will be \$20,000.00 (twenty-thousand dollars) each month (calculated as 20,000 dekatherms times a demand charge of \$1.00),

The rate for daily volumes transported for and redelivered to SHIPPER shall be \$0.051 (five point one cents) per dekatherm for the first 20,000 dekatherms per day;

The rate for daily volumes exceeding 20,000 dekatherms transported for and delivered to SHIPPER shall be \$0.084 (eight point four cents);

SHIPPER and TRANSPORTER shall each be liable and responsible for any and all taxes, levies, assessments, fees or other governmental charges arising out of, or as a result of, its own business or businesses, whether such is measured by value, volume, heat content, sales proceeds or any other means.

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5. SHRINKAGE

There are no additional costs for any shrinkage or fuel losses. All costs or charges associated with shrinkage or fuel losses are included in the Rate for transporting from the Delivery Point to the Redelivery Point.

6. BALANCING OF VOLUMES

The volume of gas received on a daily basis by TRANSPORTER for SHIPPER's account may not equal the volume, redelivered to SHIPPER. The result will be deemed an imbalance. SHIPPER's account will be reviewed at the end of each month, or on termination of Transportation Service, or curtailment or discontinuance thereof. If the net imbalance is such that more gas was redelivered to SHIPPER at the Redelivery Point than was received by TRANSPORTER at the Delivery Point during the period under review, SHIPPER shall be billed for such excess according to the provisions of a "Cash Out" region price information published by Natural Gas Week and issued on Tennessee Gas Pipeline's web site. If the net imbalance is such that less gas than was redelivered to SHIPPER at the Redelivery Point than was received by TRANSPORTER at the Delivery Point, then the same "Cash Out" information will be used to determine the purchase price to be paid to SHIPPER for said imbalance gas.

7. MEASUREMENT

a) Measurement of natural gas quantities sold or delivered will be the responsibility of TRANSPORTER. Meters and other related equipment and Facilities installed and maintained by or on behalf of TRANSPORTER will be the exclusive method and means of determining the quantity of Natural Gas, as measured by its heat content, redelivered to SHIPPER, except as otherwise expressly provided. Reading, calibration and adjustment of TRANSPORTER's meters and related measurement equipment will be performed solely by TRANSPORTER using generally accepted procedures, but such readings, calibrations and adjustment may be witnessed by representatives of SHIPPER. The meters and related measurement equipment of TRANSPORTER will be calibrated at least four (4) times per calendar year at intervals not to exceed one hundred-twenty (120) days or otherwise as mutually agreed, by and at the expense of TRANSPORTER, and if SHIPPER so elects upon receipt of advance notice from TRANSPORTER of the time and nature of each such test, in the presence of a representative of SHIPPER. On request of SHIPPER at reasonable intervals, TRANSPORTER will conduct at its own expense additional tests of the meters and other measurement equipment of TRANSPORTER in the presence of SHIPPER's representatives, the time for such test to be set promptly by TRANSPORTER upon receipt of written notice from SHIPPER that such test is desired. If

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such test discloses, however, that the meter(s) and other measurement equipment are correct within the meaning indicated below, the cost to TRANSPORTER of making such test will be paid for by SHIPPER to TRANSPORTER.

b) Any meter found on test to register an amount not more than 2% fast or slow will be deemed to be correct, but will be corrected at once to read accurately. In the event any meter and/or instrument on test is found to be more than 2% fast or slow, TRANSPORTER will repair or replace the meter and billing adjustments will be made for the natural gas delivered during the entire period said meter and or instrument was registering inaccurately, if definitely known; otherwise said period will in no event be deemed to extend prior to the beginning of the last monthly billing period preceding the one giving rise to complaint or request for test, and such adjustment will be in full settlement of all claims which may arise on account of such inaccuracy. Adjustment will be made upon the basis of the best data available, using the first of the following methods which is feasible: (a) by correcting the error, if the percentage of error is ascertainable by calibration test or mathematical calculation; or (b) by estimating the quantity of natural gas delivered by comparison with deliveries during preceding periods under similar conditions when accurate registration was obtained. TRANSPORTER will make provisions for reading its meter(s) and other related equipment at regular intervals. TRANSPORTER's charts or records applying to this Agreement will be accessible to SHIPPER for inspection and examination at all reasonable times.

c) Natural gas transported by TRANSPORTER for redelivery to SHIPPER shall be of pipeline quality, as that term is generally understood in the industry. TRANSPORTER shall have no liability to SHIPPER for any deviation in quality between natural gas delivered to any pipelines upstream of TRANSPORTER's Facilities and natural gas delivered to TRANSPORTER's Facilities for redelivery to SHIPPER.

8. POSSESSION OF GAS

After SHIPPER delivers gas or causes gas to be delivered to TRANSPORTER at the Delivery Point, TRANSPORTER shall be deemed to be in control and possession of the gas until it is redelivered to SHIPPER at the Redelivery Point, but shall not have title to the gas at any time. SHIPPER shall have no responsibility with respect to any gas deliverable to TRANSPORTER or on account of anything which may be done, happen or arise, with respect to such gas until TRANSPORTER redelivers such gas to SHIPPER or for the account of SHIPPER. TRANSPORTER shall have no responsibility with respect to such gas before SHIPPER delivers such gas to TRANSPORTER or after TRANSPORTER redelivers such gas to SHIPPER or on account of anything which may be done, happen or arise with respect to such gas before such delivery or after such redelivery.

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9. WARRANTY OF TITLE TO GAS

SHIPPER warrants for itself, its successor and assigns, that it will at the time of delivery to TRANSPORTER for transportation have good and merchantable title to all gas so delivered, free and clear of all liens, encumbrances and claims whatsoever. SHIPPER will indemnify TRANSPORTER and save it harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses arising from or out of adverse claims of any or all persons to said gas, including claims for any royalties, taxes, license fees or charges applicable to such gas or to the delivery to TRANSPORTER for transportation.

10. BILLING AND PAYMENT

a) On or before the fifth day of each calendar month following commencement of deliveries, TRANSPORTER will render to SHIPPER a statement and invoice showing the amount of natural gas redelivered during the most recent contract month and the transportation charges. The statement will be sent to SHIPPER at the address and in the form specified in **Section 13. NOTICES**.


b) Within twenty days of receipt of the statement and invoice, SHIPPER will remit to TRANSPORTER the full amount of payment by wire transfer, pursuant to TRANSPORTER's invoice instructions.

c) If any portion of either the quantities delivered or the price pertaining to any quantity delivered is disputed by SHIPPER, the portion not in dispute will be paid promptly to TRANSPORTER. Both parties agree to work in good faith and with all deliberate speed to expeditiously resolve any billing disputes:

11. FORCE MAJEURE

In the event that either SHIPPER or TRANSPORTER is rendered unable, by reason of an event of Force Majeure, to perform, wholly or in part, any obligation under this Agreement, then upon such party's giving notice and full particulars of such event as soon as practicable after the occurrence, the obligations of both parties, except for unpaid financial obligations arising prior to such event of Force Majeure, will be suspended to the extent and for the period of such Force Majeure condition.

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The term Force Majeure shall mean any cause not reasonably within the control of the party claiming suspension and which by the exercise of due diligence such party is unable to prevent or overcome. Such term will likewise include without limitation by the following enumerations: acts of God and the public enemy, the elements, fire, accidents, breakdowns, shut-downs for purposes of necessary repairs, breakage or accident to machinery or lines of pipe, the necessity of making repairs or alterations to machinery or lines of pipe, inability to obtain materials, supplies permits or labor to perform or comply with any obligation or condition of the Agreement, strikes and any other industrial, civil or public disturbances.

Neither SHIPPER nor TRANSPORTER will be entitled to the benefit of the provisions of this article under either or both of the following circumstances: (1) To the extent that the failure was caused by the party claiming suspension having failed to remedy the condition by taking all reasonable acts and having failed to resume performance under this Agreement with reasonable dispatch; or (2) If the failure was caused by lack of funds or with respect to the payment of any amount or amounts then due.

12. GENERAL CONDITIONS

This Agreement shall be construed and interpreted in accordance with the laws of the Commonwealth of Kentucky, without regard to any principles of Conflicts of Law which would apply the Law of another jurisdiction. This Agreement was prepared by both parties and not any party to the exclusion of any other.

This Agreement is subject to all applicable Federal, Kentucky and local laws and regulations promulgated from time to time.

This Agreement is subject to approval of The Kentucky Public Service Commission.

13. NOTICES

Notices required under this Agreement shall be given in writing by fax or certified or first class mail, postage prepaid, to the parties at the addresses and/or fax numbers

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listed below, or at such other addresses as may be later designated by the parties in writing.

TO TRANSPORTER: Natural Energy Utility Corporation
2560 Hoods Creek Pike
Ashland, Kentucky 41101
Phone - 606-324-3920
Fax - 606-325-2991

TO SHIPPER: Marathon Petroleum Company, LLC
Attn: Energy Supply
P.O. Box 3128
5555 San Felipe
Houston, Texas 77253-3128
Phone - 713- 296 -2273
Fax - 713- 513-1300

14. CURTAILMENT OF TRANSPORTATION SERVICE

(a) Transportation service may be curtailed or discontinued at the sole option of TRANSPORTER after not less than two (2) hours advance notice by telephone or otherwise after notification of curtailment by Tennessee Gas Pipeline. However, SHIPPER shall continue to hold title to any gas received by TRANSPORTER and not delivered prior to such curtailment or discontinuance. TRANSPORTER will notify SHIPPER when conditions permit TRANSPORTER to resume transportation service.

(b) TRANSPORTER may also curtail or discontinue transportation service as a result of the actions by some party other than TRANSPORTER (e.g., producer, Tennessee Gas Pipeline). Failure of those parties to meet the terms of this Agreement will allow TRANSPORTER to curtail or discontinue transportation services until the actions of those parties are corrected and service can be resumed. TRANSPORTER has no responsibility to notify SHIPPER of curtailment by any third party.

15. PRIORITY AND ALLOCATION OF TRANSPORTATION SERVICE

In accordance with TRANSPORTER's Transport Utility filing with the Kentucky Public Service Commission, SHIPPER will be given the highest priority of deliverability on its natural gas tendered to TRANSPORTER for transport.

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16. SUCCESSORS AND ASSIGNS

This Agreement may be assigned by either party without recourse of the other and is binding on and shall inure to the benefit of the successors and assigns of each party without the need for consent or approval of either party.

17. TERMINATION

This Agreement may be terminated at the option of the non-defaulting party after written notice and a reasonable opportunity for the defaulting party to remedy the default. Termination for default shall not deprive the non-defaulting party of any available remedies at law.

18. AMENDMENTS

This Agreement is complete in its terms and if any term is determined to be invalid, the remaining terms shall remain in effect. Any modifications, changes or amendments to this Agreement shall be in writing and the conduct of any party shall not be construed as a waiver of any term or of the modification of any term of this Agreement.

19. WAIVER

No waiver of any term or provision under this Agreement shall constitute a waiver of any other covenant or term, whether of like or different character.

IN WITNESS WHEREOF, this Transportation Agreement has been executed on the date first above written by the parties' officers or other authorized representatives.

Natural Energy Utility Corporation

By: [Signature]
President

Title

Date 12-14-2007

Marathon Petroleum Company, LLC

By: [Signature]
Division Manager

Title

Date 12/12/07

