



FOR Entire Service Area

P.S.C. KY. NO. 2002-00192

ORIGINAL SHEET NO. 2

NATURAL ENERGY UTILITY CORPORATION

CANCELLING P.S.C. KY. NO. L

SHEET NO. M

RULES AND REGULATIONS

2) **RATES:**

The following rates are applicable for service rendered on a monthly basis:

Minimum bill: \$13.7985 - covers 0-1 MCF

Cost Per MCF: \$13.7985

A copy of the Company's billing format is attached on Sheet 21.

2(A) Any customer complaining to the Company about a bill or service shall be notified of his right to file a complaint with the PSC and with all other information required by 807 KAR 5:006(9).

3) **CUSTOMER CLASSIFICATIONS:**

Residential: Service to customers who consists of direct natural gas usage in a residential dwelling for space heating, air conditioning, cooking, water heating and other residential uses.

Commercial: Service to customers engaged primarily in the sale of goods or service including institutions and local and federal government agencies for uses other than those involving manufacturing or electric power generation.

a) Small Commercial: up to 50MCF/day

b) Large Commercial: more than 50MCF/day

DATE OF ISSUE	<u>12/9/2005</u>	DATE EFFECTIVE	<u>10/01/05</u>
	<u>05/20/02</u>		
	MONTH DAY YEAR		MONTH DAY YEAR

ISSUED BY H. JAY FREEMAN
NAME OF OFFICER

MGR. President
TITLE

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PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
10/1/2005
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

By *[Signature]*
Executive Director



FOR Entire Service Area

P.S.C. KY. NO. 2002-00192

ORIGINAL SHEET NO. 2

CANCELLING P.S.C. KY. NO. K

SHEET NO. J

NATURAL ENERGY UTILITY CORPORATION

RULES AND REGULATIONS

2) **RATES:**

The following rates are applicable for service rendered on a monthly basis:

Minimum bill: \$11.19 - covers 0-1 MCF
Cost Per MCF: \$11.19

A copy of the Company's billing format is attached on Sheet 21.

2(A) Any customer complaining to the Company about a bill or service shall be notified of his right to file a complaint with the PSC and with all other information required by 807 KAR 5:006(9).

3) **CUSTOMER CLASSIFICATIONS:**

Residential: Service to customers who consists of direct natural gas usage in a residential dwelling for space heating, air conditioning, cooking, water heating and other residential uses.

Commercial: Service to customers engaged primarily in the sale of goods or service including institutions and local and federal government agencies for uses other than those involving manufacturing or electric power generation.

a) Small Commercial: up to 50MCF/day

b) Large Commercial: more than 50MCF/day

c. 1/1/06

DATE OF ISSUE 05/20/02

MONTH DAY YEAR

DATE EFFECTIVE 04/01/05

MONTH DAY YEAR

ISSUED BY H. JAY FREEMAN
NAME OF OFFICER

MGR.
TITLE

KENTUCKY PUBLIC SERVICE COMMISSION	
JEFF R. DEROUEN EXECUTIVE DIRECTOR	
TARIFF BRANCH	
<i>Bunt Kirtley</i>	
EFFECTIVE 4/1/2005	
PURSUANT TO 807 KAR 5:006(1)	

FOR Entire Service Area

P.S.C. KY. NO. 1

ORIGINAL SHEET NO. 3

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

_____ SHEET NO. _____

NATURAL ENERGY UTILITY CORPORATION

RULES AND REGULATIONS

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.

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

Transportation Service: All Transportation service will be provided by Special Contract to any Commercial or Industrial customer with purchases of at least 500 MCF/month, which requests such service. The contracts shall be negotiated between the customer and the Company and subject to PSC approval.

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 occurring on the customers 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.

CANCELLED
4-15-06

DATE OF ISSUE 05/20/02 DATE EFFECTIVE 05/20/02 PUBLIC SERVICE COMMISSION OF KENTUCKY
MONTH DAY YEAR MONTH DATE EFFECTIVE YEAR
ISSUED BY H. JAY FREEMAN MGR. President
NAME OF OFFICER TITLE
MAY 20 2002

PURSUANT TO 807 KAR 5:011 SECTION 9 (1)
BY Charles L. Dorn
EXECUTIVE DIRECTOR

CANCELLED
4-15-06

FOR Entire Service Area
P.S.C. KY. NO. 1
ORIGINAL SHEET NO. 5
CANCELLING P.S.C. KY. NO. _____
SHEET NO. _____

NATURAL ENERGY UTILITY CORPORATION

RULES AND REGULATIONS

9) **SPECIAL CONTRACTS:**

All industrial customers must execute a special contract subject to PSC approval to obtain service. All conditions of service and rates shall be contained in the contract.

(A) **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 terms set forth in the service agreement or service contract.

(B) **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.

11) **MONTHLY BILLS:**

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 consecutive readings of the meter by the Company, such readings to be taken as near as practicable every thirty days.

2) Bills are due upon rendition and shall be due and payable within a period not exceeding ten 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 per 807 KAR 5:006.

4) Failure to receive a bill within 15 days does not exempt a customer from these provisions.

DATE OF ISSUE 05/20/02 DATE EFFECTIVE 05/20/02
MONTH DAY YEAR MONTH DAY YEAR
ISSUED BY H. JAY FREEMAN MGR. President
NAME OF OFFICER TITLE
MAY 20 2002

PUBLIC SERVICE COMMISSION
OF KENTUCKY

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

BY Charles L. Dow
EXECUTIVE DIRECTOR

FOR Entire Service Area

P.S.C. NO. 1

Revised ORIGINAL SHEET NO. 7(a)

NATURAL ENERGY UTILITY CORPORATION

CANCELLING P.S.C. KY. NO. 7

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 \$50.00 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: \$15.00 will be charged for any dishonored check.

4) Late Payment Fee: 10% 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).

13) CONTINUOUS OR UNIFORM SERVICE:

The Company shall supply gas continuously and without interruption and adopts and shall maintain, subject to the Commission's regulations, a standard pressure of 2oz as measured at the outlet side of the customers meters.

DATE OF ISSUE 01/01/03 DATE EFFECTIVE 02/02/03
MONTH DAY YEAR MONTH DAY YEAR
ISSUED BY H. JAY FREEMAN MGR. President
NAME OF OFFICER TITLE

CANCELLED
4-15-06

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

FEB 03 2003

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

BY [Signature]
EXECUTIVE DIRECTOR

FOR Entire Service Area

P.S.C. KY. NO. _____

ORIGINAL SHEET NO. 14

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

_____ SHEET NO. _____

Natural Energy Utility Corporation

RULES AND REGULATIONS

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

A budget plan is available for the convenience of its customers. The plan is designed to help equalize payment for gas service over a period of months, normally June through May. On the last month of the budget payment period (May), appropriate adjustments shall be made relative to any difference in the customer's total payments and actual usage billing amounts. Any resultant overpayment shall be refunded on the May bill or future bills thereafter until refunded. Any resultant underpayment shall appear on the May bill and be due with the payment of such bill. The customer's accounts will be reviewed periodically and the monthly payment amount may be adjusted during the budget period. The Company shall designate the budget payment 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.

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)

CANCELLED

4-15-06

PUBLIC SERVICE COMMISSION
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MAY 20 2002

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

DATE OF ISSUE 05/20/02 DATE EFFECTIVE 05/20/02
MONTH DAY YEAR MONTH DAY YEAR

ISSUED BY H. JAY FREEMAN MGR. President
NAME OF OFFICER TITLE

FOR Entire Service Area

P.S.C. KY. NO. 1

ORIGINAL SHEET NO. 15

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

_____ SHEET NO. _____

Natural Energy Utility Corporation

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 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.

CANCELLED
4-15-06

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 20 2002

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

DATE OF ISSUE 05/20/02 DATE EFFECTIVE 05/20/02
MONTH DAY YEAR MONTH EXECUTIVE DIRECTOR DAY YEAR

ISSUED BY H. JAY FREEMAN [Signature] President
NAME OF OFFICER TITLE

FOR Entire Service Area

P.S.C. KY. NO. 1

Revised SHEET NO. 16(b)

Natural Energy Utility Corporation

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

Revised SHEET NO. 16(a)

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 for residential customers.

1(a) The deposit for commercial customers shall be calculated utilizing 2/12ths of the average annual bill. 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.

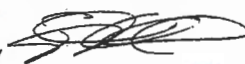
c. The deposit shall be retained for twelve months.

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 the interest shall be credited to the customer's account at the beginning of each calendar year. Upon termination of service, the deposit plus any unpaid interest shall be refunded to the customer. 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.

CANCELLED
6-30-06

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
4/15/2006
PURSUANT TO 807 KAR 5:011
SECTION 9(1)
By 
Executive Director

DATE OF ISSUE 03/16/06 DATE EFFECTIVE 04/15/06
MONTH DAY YEAR MONTH DAY YEAR

ISSUED BY H. JAY FREEMAN MGR.
NAME OF OFFICER TITLE

FOR Entire Service Area

P.S.C. KY. NO. 1

Revised ORIGINAL SHEET NO. 16(a)

Natural Energy Utility Corporation

CANCELLING P.S.C. KY. NO. 16

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 \$100.00 for residential customers.

1(a) The deposit for commercial customers shall be calculated utilizing 2/12ths of the average annual bill. The actual calculation of the deposit for each customer shall be in accordance with the requirements of 807 KAR 5:006(7)(1)(a).

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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.

CANCELLED
4-15-06

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

FEB 12 2003

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

BY Charles H. Dow
EXECUTIVE DIRECTOR

DATE OF ISSUE 01/03/03 DATE EFFECTIVE 02/01/03
MONTH DAY YEAR MONTH DAY YEAR

ISSUED BY H. JAY FREEMAN H. J. Freeman MGR. President
NAME OF OFFICER TITLE

FOR Entire Service Area

P.S.C. KY. NO. 1

ORIGINAL SHEET NO. 17

Natural Energy Utility Corporation

CANCELLING P.S.C. KY. NO.

SHEET NO.
CANCELLED

4-15-06

RULES AND REGULATIONS

PURCHASED GAS COST ADJUSTMENT CLAUSE

Determination of GCR

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

The Gas Cost Recovery Rate is comprised of:

1. The expected gas cost component (EGC) on a dollar-per-Mcf basis, which represents the average expected cost of purchased gas.
2. The Actual Cost Adjustment (ACA), on a dollar-per-Mcf basis, compensates for over- or under-collection of gas cost resulting from differences between expected gas cost and the actual cost of gas. For purposes of determining the GCR, the ACA for the application period shall equal the sum of the ACA for the reporting period and for the three (3) preceding calendar quarters. This may also be used to compensate for any over or under recoveries remaining from previous actual and/or refund adjustments after a 12 month period.
3. The supplier refund adjustment (RA) on a dollar-per-Mcf basis, which reflects the refunds received from suppliers during the reporting period plus interest at a rate equal to one-half of one percent below the average 90-day commercial paper rate for the twelve-month period. In the event of any large or unusual refunds, the Company may apply to the Public Service Commission for the right to depart from the refund procedure herein set forth.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 20 2002

DATE OF ISSUE 05/20/02 DATE EFFECTIVE 05/20/02
MONTH DAY YEAR MONTH DAY YEAR

ISSUED BY H. JAY FREEMAN MGR BY [Signature] EXECUTIVE DIRECTOR
NAME OF OFFICER TITLE

PURSUANT TO 807 KAR 5-011
SECTION 9 (YEAR)

FOR Entire Service Area

P.S.C. KY. NO. 1

ORIGINAL SHEET NO. 18

Natural Energy Utility Corporation

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

_____ SHEET NO. _____

RULES AND REGULATIONS

PURCHASED GAS COST ADJUSTMENT CLAUSE
(Continued)

Billing

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

$$GCR = EGC + RA + ACA$$

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

4-15-06

Definitions

For the purposes of this tariff:

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

MAY 20 2002

PURSUANT TO 807 KAR 5.011
SECTION 9(1)

DATE OF ISSUE 05/20/02 DATE EFFECTIVE 05/20/02
 MONTH DAY YEAR MONTH DAY YEAR
 ISSUED BY H. JAY FREEMAN MGR. President
 NAME OF OFFICER TITLE

FOR Entire Service Area

P.S.C. KY. NO. 1

ORIGINAL SHEET NO. 19

Natural Energy Utility Corporation

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

_____ SHEET NO. _____

RULES AND REGULATIONS

PURCHASED GAS COST ADJUSTMENT CLAUSE
(Continued)

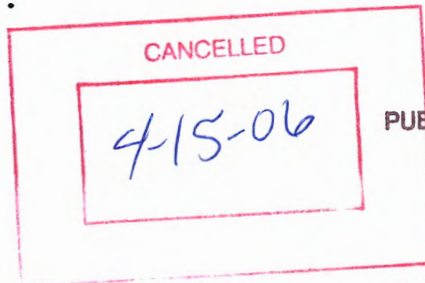
b. "GCR" means the quarterly updated gas cost recovery rate and is the sum of the expected gas cost component plus the supplier refund adjustment plus the actual cost adjustment; i.e., $GCR = EGC + RA + ACA$

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

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

Interim Gas Cost Adjustment

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



PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 20 2002

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

BY Charles W. Dorn
EXECUTIVE DIRECTOR

DATE OF ISSUE 05/20/02 DATE EFFECTIVE 05/20/02
MONTH DAY YEAR MONTH DAY YEAR

ISSUED BY H. JAY FREEMAN MGR. President
NAME OF OFFICER TITLE

FOR Entire Service Area

P.S.C. No. 1

ORIGINAL SHEET 20

CANCELLING SHEET

Natural Energy Utility Corporation

RULES AND REGULATIONS

SAMPLE BILLING FORM

SHEET NO. 4-15-06
CANCELLED

NATURAL ENERGY UTILITY CORPORATION
 2560 HOODS CREEK PIKE
 ASHLAND, KENTUCKY 41102
 (606) 324-3920
 MINIMUM CHARGE 1 MCF

OFFICE HOURS: Mon.-Fri.
 8:00 to 12:00 AM - 1:30 to 4:30 PM

PRESORT
 FIRST CLASS MAIL
 U.S. POSTAGE PAID
 ASHLAND, KY 41101
 PERMIT NUMBER 10
 RETURN SERVICE REQUESTED

TYPE OF SERVICE	METER READING		USED	CHARGES
	PRESENT	PREVIOUS		

METER READ			NET AMOUNT TO BE PAID	PAY EARLY SAVE THIS!	GROSS AMOUNT TO BE PAID
MONTH	DAY	CLASS			

THIS AMOUNT NOW DUE AND PAYABLE ⇨

CUSTOMER		PAY NET AMOUNT BEFORE THIS DATE	
ROUTE	ACCOUNT		

NET AMOUNT TO BE PAID		GROSS AMOUNT TO BE PAID	

⇨ TAX ⇨
 ⇨ OTHER ⇨
 ⇨ TOTAL ⇨

PLEASE BRING THIS ENTIRE BILL TO OFFICE OR MAIL THIS STUB WITH YOUR PAYMENT

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

BY Charles L. Brown
EXECUTIVE DIRECTOR

DATE OF ISSUE 05/20/02

DATE EFFECTIVE 05/20/02

ISSUED BY H. JAY FREEMAN
NAME OF OFFICER

MGR. President
TITLE

[Handwritten signature of H. Jay Freeman]