

RECEIVED-DOCKETING DIV

BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

2007 APR 16 PM 3: 21

In the Matter of the Application of KNG Energy, Inc. :
for Authority to Amend its Rules and Regulations :
to Conform to Certain Provisions of :
Chapter 4901:1-13, Ohio Administrative Code. :

Case No. 07-423-CA-ATA

1. APPLICANT RESPECTFULLY PROPOSES: (Check applicable proposals)

- New Service
- Change in Rule or Regulation
- New Classification
- Reduction in Rates
- Change in Classification
- Correction of Error
- Other, not involving increase in rates
- Various related and unrelated textual revisions, without change of intent

2. DESCRIPTION OF PROPOSAL:

The applicant, KNG Energy, Inc. ("KNG"), proposes to amend its tariff, P.U.C.O. 1, by revising certain of its rules and regulations to recognize and conform to the requirements of the Minimum Gas Service Standards now set forth in Chapter 4901:1-13, Ohio Administrative Code (OAC). Specifically, KNG proposes to (1) amend its rule governing the securing of accounts by inserting a reference to the procedures specifically applicable to small commercial customers set forth in Rule 4901:1-13-08, OAC; (2) amend its rule governing termination of service by inserting a reference to Rule 4901:1-13-09, OAC, as the authority for terminating service for fraudulent representations or practices; (3) amend its rule governing meter testing to eliminate any inconsistency between such rule and Rule 4901:1-13-04(D), OAC; (4) amend its rule governing back billing by inserting a reference to Rule 4901:1-13-04, OAC; (5) amend its rule governing meter reading frequency by adding language to clarify that, in accordance with Rule 4901:1-13-04(G)(1), OAC, KNG will make a reasonable attempt to obtain actual readings no less frequently than every other month and will read all meters at least once every twelve months; (6) amend its rule governing termination of service for nonpayment to incorporate a separate reference to the termination procedures applicable to small commercial customers set forth in Rule 4901:1-13-08(C), OAC; and (7) amend the index to its tariff to reflect the substitution of the revised sheets containing these changes for the current tariff sheets and to make certain other housekeeping changes to bring the index up to date. As an unrelated matter, KNG also proposes to amend its rule governing the validity of exculpatory provisions by adding a heading for purposes of stylistic consistency.

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3. **TARIFFS AFFECTED:**

KNG proposes to effectuate the textual changes described above by withdrawing Original Sheet Nos. 3, 4, 5, and 9 of its tariff, P.U.C.O. No. 1, and substituting therefor First Revised Sheet Nos. 1, 3, 4, 5 and 9, copies of which are attached hereto as Exhibit B. The specific provisions affected are Section I, Part 13; Section I, Part 14; the final paragraph of Section II, Part 17; Section II, Part 18; the final paragraph of Section II, Part 19; Section IV, Part 37; and Section IV, Part 38. KNG also proposes to revise the index to its tariff by replacing Original Sheet Nos. 1 and 1.1 with First Revised Sheet Nos. 1 and 1.1, copies of which is also included in Exhibit B.

4. Attached hereto and made a part hereof are:
(Check applicable Exhibits).

Exhibit A - existing schedule sheets (to be superseded) if applicable

Exhibit B - proposed schedule sheets

Exhibit C-1

(a) if new service is proposed describe;

(b) if new equipment is involved, describe (preferably with a picture, brochure, etc.) and where appropriate, a statement distinguishing proposed service from existing services;

(c) if proposed service results from customer requests, so state, giving if available, the number and type of customers requesting proposed service.

Exhibit C-2 - if a change of classification, rule or regulation is proposed, a statement explaining reason for the change.

Exhibit C-3 - statement explaining reason for any proposal not covered in Exhibits C-1 or C-2.

5. This application will not result in an increase in any rate, joint rate, toll, classification, charge or rental.

6. KNG respectfully requests the Commission to permit it to cancel and withdraw Original Sheet Nos. 1, 1.1, 3, 4, 5, and 9 of its filed tariff, P.U.C.O. No.1, to accept for filing proposed First Revised Sheet Nos. 1, 1.1, 3, 4, 5 and 9 as set forth in Exhibit B hereto, and to incorporate same in KNG's TRF docket, Case No. 89-8035-GA-TRF.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'BER', with a long horizontal flourish extending to the right.

Barth E. Royer
BELL & ROYER CO., LPA
33 South Grant Avenue
Columbus, Ohio 43215-3927
(614) 228-0704
(614) 228-0201 (Fax)

Attorney for KNG Energy, Inc.

EXHIBIT A

Existing Tariff Sheets To Be Superseded

**KNG Energy, Inc.
P.U.C.O. No. 1**

**Original Sheet No. 1
Original Sheet No. 1.1
Original Sheet No. 3
Original Sheet No. 4
Original Sheet No. 5
Original Sheet No. 9**

**RULES AND REGULATIONS GOVERNING THE DISTRIBUTION
AND SALE OF GAS IN UNINCORPORATED AREAS**

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Filed pursuant to PUCO Entry dated January 9, 1992 in Case No. 91-2104-GA-ATA

ISSUED: January 13, 1992

EFFECTIVE: January 13, 1993

Issued By:
A. Scott Rothery, President

**RULES AND REGULATIONS GOVERNING THE DISTRIBUTION
AND SALE OF GAS IN UNINCORPORATED AREAS**

<u>Part Number</u>		<u>Sheet Number</u>	<u>Effective Date</u>
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Appendix A - PUCO Gas Transportation Guidelines



Filed pursuant to PUCO Entry dated February 11, 1999 in Case No. 98-1462-GA-ATA

ISSUED: October 21, 1998

EFFECTIVE: With Gas Used On and After
February 11, 1999

Issued By
A. Scott Rothery, President

**RULES AND REGULATIONS GOVERNING THE DISTRIBUTION
AND SALE OF GAS IN UNINCORPORATED AREAS**

6. **Service Not to be Disturbed.** No customer shall attach or use any appliance which may result in the injection of air, water, or other foreign matter into the Company's lines and, without prior approval from the Company, no customer shall attach or use any appliance which will increase or decrease the pressure in the Company's lines intermittently to such extent as to interfere with continuous service to other customers.
7. **No Customer Shall Sell to Another.** The customer shall not supply or sell gas for use in any location other than that specified in the application for service.
8. **Access to Premises.** The Company and its authorized employees shall have free access at all reasonable times to all of the premises in which gas supplied by the Company is used or is to be used. Authorized employees seeking access to such premises shall display or furnish identification indicating that they are employees of the Company.
9. **Customer's Responsibility.** Customer assumes all responsibility for property owned by the customer on customer's side of the point of delivery, generally the outlet side of the curb cock, for the service supplied or taken, as well as for the installation and appliances used in connection therewith, except the Company shall not be relieved of its duties and obligations under the Natural Gas Pipeline Safety Act of 1968, as amended, 49 U.S.C. 1671, et seq., 49 C.F.R. Part 192, and Chapter 4901:1-16 of the Ohio Administrative Code. The customer will save Company harmless from and against all claims for injury or damage to persons or property occasioned by or in any way resulting from such service or the use thereof on customer's side of the point of delivery.
10. **Right-of-Way.** Customer, without reimbursement, will make or procure conveyance to Company of right-of-way satisfactory to it across the property owned or controlled by customer for Company's distribution mains, extensions thereof, or appurtenances necessary or incidental to the supplying of service to customer.
11. **Charges and Payment for Temporary Services.** In addition to regular payments for gas used, the customer shall pay the cost for all material, labor, and all other necessary expense incurred by the Company in supplying gas service to the customer at his request for any temporary purpose or use.
12. **Customer Indebted to Company.** Service will not be supplied to any premises, if at the time of application for service the applicant is indebted to Company for service previously supplied at the same or other premises, until payment of such indebtedness or other arrangement satisfactory to the Company shall have been made. The company shall follow the reconnection procedures established by Ohio Administrative Code Section 4901:1-18, and any subsequent amendments.
13. **Customer Shall Satisfactorily Secure Account.** Company may require a customer to satisfactorily secure an account in accordance with the provisions of Section 4933.17 of the Ohio Revised Code and Chapter 4901:1-17 of the Ohio Administrative Code. In the event such security is required, the procedures with respect thereto shall be in accordance with Section 4933.17 of the Ohio Revised Code and Chapter 4901:1-17 of the Ohio Administrative Code and any subsequent amendments thereto, which sections are incorporated by reference herein. Copies of the statute and rule shall be made available for inspection upon the request or inquiry of any customer or applicant for service.

Filed pursuant to PUCO Entry dated January 9, 1992 in Case No. 91-2104-GA-ATA

ISSUED: January 13, 1992

EFFECTIVE: January 13, 1993

Issued By:
A. Scott Rothery, President

**RULES AND REGULATIONS GOVERNING THE DISTRIBUTION
AND SALE OF GAS IN UNINCORPORATED AREAS**

14. **Right to Shut Off Gas.** The Company shall have the right to discontinue service for refusing access, failure to furnish or maintain the required security deposit, or the violation of any of these Rules and Regulations. The Company shall have the right to discontinue service and the right to disconnect and remove from the premises of any customer the meter and any other property belonging to the Company for non-use of gas, nonpayment of bills for gas when bills are due (see Rule 4901:1-18-05, Ohio Administrative Code), fraudulent representation or practice, or whenever deemed necessary by the Company for safety reasons.
15. **Change of Address of Customer.** When customer changes his address, he should give notice thereof to the Company prior to the date of change. Customer is responsible for all service supplied to the vacated premises until such notice has been received and Company has had a reasonable time, but not less than three (3) days, to discontinue service.
16. **Information Relative to Service.** Information relative to the service that will be supplied at a given location should be obtained from the Company. The Company will not be responsible for mistakes of any kind resulting from information given orally or over the telephone. A full and complete copy of the Company's tariff covering rates and charges for service and terms and conditions of service is available for public inspection at each of the Company's business offices during normal business hours. The Company shall comply with the tariff disclosure requirements established by the Public Utilities Commission of Ohio and set forth in Rule 4901:1-1-03 of the Ohio Administrative Code, as amended from time to time.

SECTION II - METERING AND BILLING

7. **Quantity of Gas Delivered by Meter.** Gas will be measured by a meter installed by the Company, which shall be and remain the property of the Company. Subject to certain exceptions, enumerated below, consumption shall be determined on the basis of the meter registration and bills shall reflect the consumption so registered. Any mistake in reading the registration, however, shall not affect the liability for gas consumed as determined by a corrected reading of the registration.

Without prejudice to its providing metered service, where warranted, the Company may provide gas light service on a non-metered basis, using for billing purposes the approximate average consumption of such appliance at the rate applicable in the area.

When the meter is not read, the Company may estimate the quantity of gas consumed and render a bill for such quantity. A meter registering between three percent (3%) fast and three percent (3%) slow shall be deemed for all purposes to be registering correctly. A meter registering incorrectly shall be replaced by the Company at its expense.

During any period that incorrect registration can be established, the meter readings and bills based thereon shall be adjusted by the Company on the basis of all available information concerning the use of gas by the customer. If, as the result of such adjustment, overpayment or underpayment are shown to have occurred. The Company shall continue to supply gas to the customer and the customer shall continue to pay the amounts billed pending the adjustment.

Filed pursuant to PUCO Entry dated January 9, 1992 in Case No. 91-2104-GA-ATA

ISSUED: January 13, 1992

EFFECTIVE: January 13, 1993

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**RULES AND REGULATIONS GOVERNING THE DISTRIBUTION
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The Company shall test the meter, at the request of the customer, and, if he so desires, in his presence, with a tested and sealed meter-prover. If the meter is found to be correct, as above defined, the customer shall pay a fee of twenty-five cents (25¢) and the expense of removing it for the purpose of being tested. The date of reinspection shall be stamped on the meter.

18. **Back Billing.** The Company's policy on back billing shall comply with the orders of the Public Utilities Commission and Section 4933.28 of the Ohio Revised Code as amended from time to time.
19. **Billing Periods.** Bills ordinarily are rendered regularly at monthly intervals, but may be rendered more or less frequently at Company's option. Non-receipt of bills by customer does not release or diminish the obligation of customer with respect to payment thereof.

Meters are ordinarily read at monthly intervals but may be read more or less frequently at Company's option.

20. **Payment of Bills.** Bills shall be paid by the customer at any office of the Company during its regular office hours or to any one of the Company's authorized collecting agents during the regular office hours of such agent. Any remittance received by mail at any office of the Company bearing U.S. Postal Office cancellation date corresponding with or previous to the last date of the net payment period will be accepted by the Company as within the net payment period.
21. **Removal By, and Change In, Financial Status of Customer.** At the option of the Company, the Company shall have the right to shut off the gas and to remove its property from the customer's premises and the Company shall have the further right, independent of or concurrent with the right to shut off, to demand immediate payment for all gas theretofore delivered to the customer and not paid for, which amount shall become due and payable immediately upon such demand, when the customer vacates the premises, becomes bankrupt or a receiver, trustee, guardian, or conservator is appointed for the assets of the customer, or the customer makes assignment for the benefit of creditors.
22. **Bill Format and Billing Procedure.** The Company's policy on bill format and billing procedure shall comply with Rule 4901:1-18-10 of the Ohio Administrative Code, orders of the Public Utilities Commission, and Section 4905.30 of the Ohio Revised Code, as amended from time to time.

SECTION III - PHYSICAL PROPERTY

23. **Service Lines.** The general term "service pipe" or "service line" commonly used to designate the complete line or connection between the Company main up to and including the meter connection. It consists of two distinct parts, (a) the service line connection, and (b) the customer service line.

(a) **Service Line Connection**

The service line connection consists of the connection at the main, necessary pipe and appurtenances to extend to the property line or the curb cock location, curb cock and curb box. This connection shall be made by the Company, or its

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ISSUED: January 13, 1992

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**RULES AND REGULATIONS GOVERNING THE DISTRIBUTION
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37. Residential Termination Procedure for Nonpayment. The Company shall follow the termination procedure established in Rule 4901:1-18 of the Ohio Administrative Code, and any subsequent amendments thereto, which rule is incorporated herein by reference. Copies of the rule shall be made available for inspection upon the request or inquiry of any customer or applicant for service.
38. Approval of this tariff by the Public Utilities Commission does not constitute a determination by the Public Utilities Commission that any language contained herein which purports to limit the liability of the Company should be upheld in a court of law. Approval by the Public Utilities Commission of such language merely signifies that because it is the court's responsibility to adjudicate negligence and damage claims, it is also the court's responsibility to determine the validity of any exculpatory language.

Filed pursuant to PUCO Entry dated January 9, 1992 in Case No. 91-2104-GA-ATA

ISSUED: January 13, 1992

EFFECTIVE: January 13, 1993

Issued By:
A. Scott Rothery, President

EXHIBIT B

New Tariff Sheets

**KNG Energy, Inc.
P.U.C.O. No. 1**

**First Revised Sheet No. 1
First Revised Sheet No. 1.1
First Revised Sheet No. 3
First Revised Sheet No. 4
First Revised Sheet No. 5
First Revised Sheet No. 9**

**RULES AND REGULATIONS GOVERNING THE DISTRIBUTION
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Filed Pursuant to Finding and Order dated _____, 2007 in PUCO Case No. 07-423-GA-ATA

ISSUED:

Issued by: Joseph A. Herz, President

EFFECTIVE:

**RULES AND REGULATIONS GOVERNING THE DISTRIBUTION
AND SALE OF GAS IN UNINCORPORATED AREAS**

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49	General Terms and Conditions	16	02/11/99
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Filed Pursuant to Finding and Order dated _____, 2007 in PUCO Case No. 07-423-GA-ATA

ISSUED:

Issued by: Joseph A. Herz, President

EFFECTIVE:

**RULES AND REGULATIONS GOVERNING THE DISTRIBUTION
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6. **Service Not to be Disturbed.** No customer shall attach or use any appliance which may result in the injection of air, water or other foreign matter into the Company's lines and, without prior approval from the Company, no customer shall attach or use any appliance which will increase or decrease the pressure in the Company's lines intermittently to such extent as to interfere with continuous service to other customers.
7. **No Customer Shall Sell to Another.** The customer shall not supply or sell gas for use in any location other than that specified in the application for service.
8. **Access to Premises.** The Company and its authorized employees shall have free access at all reasonable times to all of the premises in which gas supplied by the Company is used or is to be used. Authorized employees seeking access to such premises shall display or furnish identification indicating that they are employees of the Company.
9. **Customer's Responsibility.** Customer assumes all responsibility for property owned by the customer on the customer's side of the point of delivery, generally the outlet side of the curb cock, for the service supplied or taken, as well as for the installation and appliances used in connection therewith, except the Company shall not be relieved of its duties and obligations under the Natural Gas Pipeline Safety Act of 1968, as amended, 49 U.S.C. 1671, *et seq.*, 49 C.F.R. Part 192, and Chapter 4901:1-16 of the Ohio Administrative Code. The customer will save Company harmless from and against all claims for injury or damage to persons or property occasioned by or in any way resulting from such service or the use thereof on customer's side of the point of delivery.
10. **Right-of-Way Customer.** Customer, without reimbursement, will make or procure conveyance to Company of right-of-way satisfactory to it across the property owned or controlled by customer for Company's distribution mains, extensions thereof, or appurtenances necessary or incidental to the supplying of service to customer.
11. **Charges and Payment for Temporary Service.** In addition to regular payments for gas used, the customer shall pay the cost for all material, labor, and all other necessary expense incurred by the Company in supplying gas service to the customer at his request for any temporary purpose or use.
12. **Customer Indebted to Company.** Service will not be supplied to any premises, if at the time of application for service the applicant is indebted to Company for service previously supplied at the same or other premises, until payment of such indebtedness or other arrangement satisfactory to the Company shall have been made. The Company shall follow the reconnection procedures established by Chapter 4901:1-18 of the Ohio Administrative Code, and any subsequent amendments thereto.
13. **Customer Shall Satisfactorily Secure Account.** The Company may require a customer to satisfactorily secure an account in accordance with the provisions of Section 4933.17 of the Ohio Revised Code and Chapter 4901:1-17 of the Ohio Administrative Code, or, in the case of small commercial customers, Rule 4901:1-13-08 of the Ohio Administrative Code. In the event such security is required, the procedures with respect thereto shall be in accordance with Section 4933.17 of the Ohio Revised Code and Chapter 4901:1-17 of the Ohio Administrative Code or Rule 4901:1-13-08 of the Ohio Administrative Code, whichever applies, and any subsequent amendments thereto, the provisions of which are incorporated by reference herein. Copies of the statute and applicable rules shall be made available for inspection upon the request or inquiry of any customer or applicant for service.

Filed Pursuant to Finding and Order dated _____, 2007 in PUCO Case No. 07-423-GA-ATA

ISSUED:

Issued by: Joseph A. Herz, President

EFFECTIVE:

**RULES AND REGULATIONS GOVERNING THE DISTRIBUTION
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14. **Right to Shut Off Gas.** The Company shall have the right to discontinue service for refusing access, failure to furnish or maintain the required security deposit, or the violation of any of these Rules and Regulations. The Company shall have the right to discontinue service and the right to disconnect and remove from the premises of any customer the meter and any other property belonging to the Company for non-use of gas, nonpayment of bills for gas when bills are due (see Rule 4901:1-18-05, Ohio Administrative Code), fraudulent representation or practice (see Rule 4901-13-09, Ohio Administrative Code), or whenever deemed necessary by the Company for safety reasons.
15. **Change of Address of Customer.** When customer changes his address, he should give notice thereof to the Company prior to the date of change. Customer is responsible for all service supplied to the vacated premises until such notice has been received and Company has had a reasonable time, but not less than three (3) days, to discontinue service.
16. **Information Relative to Service.** Information relative to the service that will be supplied at a give location should be obtained from the Company. The Company will not be responsible for mistakes of any kind resulting from information given orally or over the telephone. A full and complete copy of the Company's tariff covering rates and charges for service and terms and conditions of service is available for public inspection at each of the Company's business offices during normal business hours. The Company shall comply with the tariff disclosure requirements established by the Public Utilities Commission of Ohio an set forth in rule 4901:1-1-03 of the Ohio Administrative Code, as amended from time to time.

SECTION II - METERING AND BILLING

17. **Quantity of Gas Delivered by Meter.** Gas will be measured by a meter installed by the Company, which shall be and remain the property of the Company. Subject to certain exceptions, enumerated below, consumption shall be determined on the basis of the meter registration and bills shall reflect the consumption so registered. Any mistake in reading the registration, however, shall not affect the liability for gas consumed as determined by a corrected reading of the registration.

Without prejudice to its providing metered service, where warranted, the Company may provide gas light service on a non-metered basis, using for billing purposes the approximate average consumption of such appliance at the rate applicable in the area.

When the meter is not read, the Company may estimate the quantity of gas consumed and render a bill for such quantity. A meter registering between three percent (3%) fast and three percent (3%) slow shall be deemed for all purposes to be registering correctly. A meter registering incorrectly shall be replaced by the Company at its expense.

During any period that incorrect registration can be established, the meter readings and bills based thereon shall be adjusted by the Company on the basis of all available information concerning the use of the gas by the customer. If, as the result of such adjustment, overpayment or underpayment are shown to have occurred, the Company shall continue to supply the gas to the customer and the customer shall continue to pay the amounts billed pending the adjustment.

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ISSUED:

Issued by: Joseph A. Herz, President

EFFECTIVE:

**RULES AND REGULATIONS GOVERNING THE DISTRIBUTION
AND SALE OF GAS IN UNINCORPORATED AREAS**

Upon request by a customer, the Company will test the meter in accordance with the procedures set forth in Rule 4901:1-13-04(D) of the Ohio Administrative Code, as amended from time to time. A copy of this rule will be made available for inspection upon request or inquiry of any customer or applicant for service.

18. **Back Billing.** The Company's policy on back billing shall comply with Rule 4901-13-04(G) of the Ohio Administrative Code, as amended from time to time. A copy of this rule will be made available for inspection upon request or inquiry of any customer or applicant for service.
19. **Billing Periods.** Bills ordinarily are rendered regularly at monthly intervals, but may be rendered more or less frequently at Company's option. Non-receipt of bills by customer does not release or diminish the obligation of customer with respect to payment thereof.

Meters are ordinarily read at monthly intervals, but may be read more or less frequently at Company's option; provided, however, that the Company shall make reasonable attempts to obtain actual readings no less frequently than every other month and that all meters must be read at least once every twelve months.

20. **Payment of Bills.** Bills shall be paid by the customer at any office of the Company during its regular office hours or to any one of the Company's authorized collecting agents during the regular office hours of such agent. Any remittance received by mail at any office of the Company's bearing U.S. Postal Office cancellation date corresponding with or previous to the late date of the net payment period will be accepted by the Company as within the net payment period.
21. **Removal By, and Change In, Financial Status of Customer.** At the option of the Company, the Company shall have the right to shut off the gas and to remove its property from the customer's premises and the Company shall have the further right, independent of or concurrent with the right to shut off, to demand immediate payment for all gas theretofore delivered to the customer and not paid for, which amount shall become due and payable immediately upon such demand, when the customer vacates the premises, becomes bankrupt or a receiver, trustee, guardian, or conservator is appointed for the assets of the customer makes assignment for the benefit of creditors.
22. **Bill Format and Billing Procedure.** The Company's policy on bill format and billing procedure shall comply with Rule 4901:1-18-10 of the Ohio Administrative Code, orders of the Public Utilities Commission, and Section 4905.30 of the Ohio Revised Code, as amended from time to time.

SECTION III – PHYSICAL PROPERTY

23. **Service Lines.** The general term "service pipe" or "service line" commonly used to designate the complete line or connection between the Company main up to and including the meter connection. It consists of two distinct parts, (a) the service line connection, and (b) the customer service line.

(a) Service Line Connection

The service line connection consists of the connection at the main, necessary pipe and appurtenances to extend to the property line or the curb cock location, curb cock and curb box. This connection shall be made by the Company, or its representative, without cost to the customer and it remains the property of the Company.

Filed Pursuant to Finding and Order dated _____, 2007 in PUCO Case No. 07-423-GA-ATA

ISSUED:

Issued by: Joseph A. Herz, President

EFFECTIVE:

**RULES AND REGULATIONS GOVERNING THE DISTRIBUTION
AND SALE OF GAS IN UNINCORPORATED AREAS**

37. **Termination Procedures for Nonpayment.** The Company shall follow the procedure for termination of service to residential customers for nonpayment set forth in Rule 4901:1-18 of the Ohio Administrative Code, and any subsequent amendments thereto, which rule is incorporated herein by reference. The Company shall follow the procedure for termination of service to small commercial customers for nonpayment set forth in Rule 4901:1-13-08 of the Ohio Administrative Code, and any subsequent amendments thereto, which rule is incorporated herein by reference. Copies of these rules will be made available for inspection upon request or inquiry of any customer or applicant for service.
38. **Validity of Exculpatory Provisions.** Approval of this tariff by the Public Utilities Commission does not constitute a determination by the Public Utilities Commission that any language contained herein which purports to limit the liability of the Company should be upheld in a court of law. Approval by the Public Utilities Commission of such language merely signifies that because it is the court's responsibility to adjudicate negligence and damage claims, it is also the court's responsibility to determine the validity of any exculpatory language.

Filed Pursuant to Finding and Order dated _____, 2007 in PUCO Case No. 07-423-GA-ATA

ISSUED:

Issued by: Joseph A. Herz, President

EFFECTIVE:

EXHIBIT C-2

Rule 4901:1-13-08, OAC, includes a requirement specifically applicable to small commercial customers in connection with the securing of accounts. KNG seeks to amend its tariff provision governing the securing of accounts by inserting a specific reference to this rule. Thus, KNG proposes to replace Section I, Part 13 of its tariff with the corresponding provision shown on First Revised Sheet No. 3 in Exhibit B to this application.

Rule 4901:1-13-09, OAC, sets forth the process and procedures that apply in the case of fraudulent practice, tampering, and theft of gas service. KNG seeks to amend its tariff provision governing termination of service by inserting a reference to this rule as the authority for terminating service for fraudulent representations or practices. Thus, KNG proposes to replace Section I, Part 14 of its tariff with the corresponding provision shown on First Revised Sheet No. 4 in Exhibit B to this application.

Rule 4901:1-13-04(D), OAC, identifies respective rights and obligations of the utility and its customer in connection with a customer request for a meter test. KNG seeks to amend its tariff provision governing meter testing to eliminate any inconsistency between the current provision and this rule. Thus, KNG proposes to replace the final paragraph of Section II, Part 17 of its tariff, which appears as the first paragraph on Original Sheet No. 5, with the corresponding paragraph shown on First Revised Sheet No. 5 in Exhibit B to this application..

Rule 4901:1-13-04, OAC, also sets out the standards governing back billing for both residential and small commercial customers, whereas KNG's current tariff provision relating to this subject simply refers to the applicable statute, Section 4933.28, Revised Code, which is also cited in the new rule. KNG seeks to amend its tariff provision by eliminating the statutory reference and replacing it with a reference to the rule. Thus, KNG proposes to replace Section II, Part 18 of its tariff with the corresponding provision shown on First Revised Sheet No. 5 in Exhibit B to this application.

Notwithstanding that its tariff provides that it is not required to do so, KNG's actual standard operating procedure is to read all meters each month. However, to clarify that, in accordance with Rule 4901:13-04(G)(1), OAC, KNG must make reasonable attempts to obtain actual readings no less frequently than every other month and must read all meters at least once every twelve months, KNG seeks to replace its tariff provision governing meter reading frequency, which appears as the second paragraph of Section II, Part 19 of its tariff, with the corresponding paragraph shown on First Revised Sheet No. 5 in Exhibit B to this application.

Rule 4901:1-13-08(D), OAC, establishes a separate procedure for termination of small commercial customers for nonpayment. KNG's current tariff provision governing termination of service for nonpayment covers only the termination of residential service for nonpayment. Thus, KNG seeks to replace the current provision, which appears as Section IV, Part 37, of its tariff, with the corresponding provision shown on First Revised Sheet No. 9 in Exhibit B, so as to include a reference to the termination for nonpayment procedures applicable to small commercial customers.

Consistent with the foregoing proposals, KNG also seeks to amend the index to its tariff by replacing the current index with the index shown on First Revised Sheet Nos. 1 and 1.1 in Exhibit B to the application. First Revised Sheet Nos. 1 and 1.1 also reflect certain housekeeping changes necessary to bring the index up to date.

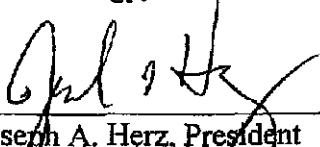
As an unrelated housekeeping matter, KNG also seeks to add a heading to Section IV, Part 38, as shown on proposed First Revised Sheet No. 9 in Exhibit B, so that the format of this part will conform to that used in the remainder of the tariff.

VERIFICATION

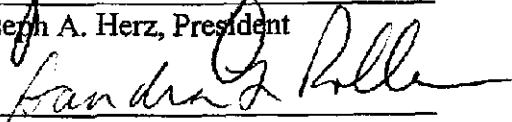
State of Ohio :
 : SS
County of Hancock :

The undersigned officers of KNG Energy, Inc. hereby verify and state that the contents of the foregoing application are true to the best of their knowledge and belief.

KNG Energy, Inc.




Joseph A. Herz, President



Sandra L. Roller, Assistant Secretary

Sworn to and subscribed before me a Notary Public for said County and State, on this 15th day of March 2007.



Notary Public




Kay Nartker
Notary Public
State of Ohio
My commission expires
September 10, 2010

VERIFICATION

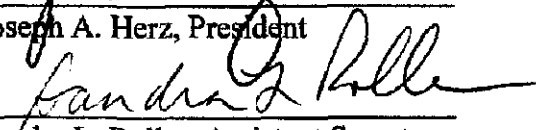
State of Ohio :
 : SS
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KNG Energy, Inc.




Joseph A. Herz, President



Sandra L. Roller, Assistant Secretary

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Notary Public



Kay Nartker
Notary Public
State of Ohio
My commission expires
September 10, 2010