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May 10, 2007

Renee J. Jenkins
Director of Administration
Docketing Division
Public Utilities Commission of Ohio
180 East Broad Street
Columbus, Ohio 43266-0573

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2007 MAY 10 AM 11:17
PUCO

Re: KNG Energy, Inc.
Case No. 07-423-GA-ATA

Dear Ms. Jenkins:

By its application of April 16, 2007 in the above-referenced docket, KNG Energy, Inc. (KNG) is seeking authority to amend certain provisions of its tariff, P.U.C.O. No. 1, to conform to the Commission's Minimum Gas Service Standards now set forth in Chapter 4901:1-13, Ohio Administrative Code (OAC), and to make certain other housekeeping-type changes.

As a result of its review of the application, the Commission staff (Staff) recommended three additional revisions to KNG's tariff. First, Staff noted that the provision governing access to customer premises, which appears as Section I, Part 8, Proposed First Revised Sheet No. 3, did not include the Rule 4901:1-13-07, OAC, requirement that company personnel state the reason for the visit. Second, Staff pointed out that the provision governing bill format and billing procedures, which appears as Section II, Part 22, Proposed First Revised Sheet No. 5, continued to cite Rule 4901-18-10, OAC, rather than Rule 4901-13-11, OAC, which is now the applicable rule. Finally, Staff suggested that the heading of the provision governing termination of residential service, which appears at Section IV, Part 37, Proposed First Revised Sheet No. 9, be amended to include a reference to the "reconnection of service" and that the first sentence of the provision also be revised to include this language.

KNG has revised the provisions in question in accordance with Staff recommendations and submits herewith Amended Exhibit B to the application, which reflects these changes. In addition, KNG has made a corresponding change to the Index to its tariff shown on Proposed First Revised Sheet No. 1 to reflect the change in the heading of Section IV, Part 37, described

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above. KNG respectfully requests that Amended Exhibit B be substituted for Exhibit B as originally filed, and that the Commission approve the proposed tariff sheets contained therein.

Sincerely,

A handwritten signature in black ink, appearing to read 'B. E. Royer', with a stylized flourish at the end.

Barth E. Royer
Attorney for KNG Energy, Inc.

Enclosure

AMENDED 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
AND SALE OF GAS IN UNINCORPORATED AREAS**

<u>Part Number</u>	<u>INDEX</u>	<u>Sheet Number</u>	<u>Effective Date</u>
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2	Turning on Gas	2	01/13/1992
3	Service Not Transferable	2	01/13/1992
4	Continuity of Service	2	01/13/1992
5	Utilization Factor	2	01/13/1992
6	Service Not to be Disturbed	3	01/13/1992
7	No Customer Shall Sell to Another	3	01/13/1992
8	Access to Premises	3	01/13/1992
9	Customer's Responsibility	3	01/13/1992
10	Right-of-Way	3	01/13/1992
11	Charges and Payments for Temporary Service	3	01/13/1992
12	Customer Indebted to Company	3	01/13/1992
13	Customer Shall Satisfactorily Secure Account	3	/ /2007
14	Right to Shut Off Gas	4	/ /2007
15	Change of Address of Customer	4	01/13/1992
16	Information Relative to Service	4	01/13/1992
	<u>SECTION II – METERING AND BILLING</u>	4	01/13/1992
17	Quantity of Gas Delivered by Meter	4-5	/ /2007
18	Back Billing	5	/ /2007
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20	Payment of Bills	5	/ /2007
21	Removal By, and Change in, Financial Status of Customer	5	/ /2007
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23	Service Lines	5-6	01/13/1992
24	Pressure Regulators	6	01/13/1992
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27	Only Company Can Connect Meter	6	01/13/1992
28	House Piping	7	01/13/1992
29	Appliances	7	01/13/1992
30	Standards for Customer's Property	7	01/13/1992
31	Discontinuance of Supply on Notice of Defect in Customer's Property	7	01/13/1992
32	No Responsibility for Material or Workmanship	7	01/13/1992
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35	Rules and Regulations Subject to Orders Issued by PUCO	8	01/13/1992
36	Company Reserves the Right to Modify, Alter or Amend Rules and Regulations	8	01/13/1992
37	Residential Termination and Reconnection Procedures	9	/ /2007
38	Validity of Exculpatory Provisions	9	/ /2007

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

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

INDEX (Cont.)

<u>Part Number</u>		<u>Sheet Number</u>	<u>Effective Date</u>
	<u>SECTION V – GAS TRANSPORTATION SERVICE</u>	10	02/11/99
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46	Title to Gas	15	02/11/99
47	Record Keeping and Meter Reading	15	02/11/99
48	Quality	15	02/11/99
49	General Terms and Conditions	16	02/11/99
Appendix A	PUCO Gas Transportation Guidelines		

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**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 and shall state the reason for the visit.
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.

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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.

**RULES AND REGULATIONS GOVERNING THE DISTRIBUTION
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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 4901:1-13-11 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.

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37. **Residential Termination And Reconnection Procedures.** The Company shall follow the procedure for termination and reconnection of service to residential customers 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.

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