

NATURAL GAS COMPANIES

ANNUAL REPORT

OF

89-8035

Sandra L. Roller Assistant Secretary
KNG Energy
1700 Westfield Drive
Findlay, OH 45840-1789

Address

Zip Code

Phone: (Area Code) Number

(Address of principal business office at end of year)

TO THE
PUBLIC UTILITIES COMMISSION OF OHIO



FOR THE
YEAR ENDED DECEMBER 31, 2002

Name, title, address, e-mail address, telephone and fax numbers (including area code) of the person to be contacted concerning this report.

Sandy Roller, Chief Operating Officer, 1700 Westfield Dr.
Findlay OH 45840 scroller@kngenergy.com 419-424-3427
Fax 419-424-3309

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STATE OF OHIO

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GENERAL INSTRUCTIONS

Please read the general instructions carefully before filling out this form:

1. The word "Respondent" in the following inquiries means the person, firm, association, or company in whose behalf the report is made.
2. The schedules and questions contained in this report were developed to be generally applicable to all natural gas companies. All instructions shall be followed and each question answered as fully and accurately as possible. Sufficient answers shall appear to show that no schedule, question, or line item has been overlooked. **If a particular line item or schedule does not apply to the respondent, indicate this by answering "none", "-0-", or "not applicable", as appropriate, where it truly and completely states the fact.**
3. This report was prepared in conformance with the Uniform System of Accounts for Natural Gas Companies. All definitions and accounting terms are to be defined in accordance with that System of Accounts.
4. Customary abbreviations may be used except that the exact name of the respondent shall be shown in full on the "Title Page" and on the "Verification" page.
5. Where the space provided is insufficient for the required data or it is necessary or desirable to insert additional statements or schedules, the insert pages shall show the number and title of the schedule to which it pertains, as well as the name of the respondent and the year covered, and shall be on 8 1/2" x 11" durable paper.
6. The information required with respect to any statement furnished is the minimum requirement. The respondent may add such further material information as is necessary to ensure that the required statements are not misleading.
7. All copies filed with the Commission must be legible and permanent. All entries shall be made in permanent ink or by a typewriter. Items of a reverse or contrary character shall be enclosed in parentheses, or indicated by a minus sign followed by the amount.
8. The annual report shall be signed by a duly elected officer of the respondent.
9. The information required in this report, unless otherwise indicated, is to be reported for the entire company and not for the State of Ohio only.
10. Totals should be provided as indicated. The respondent shall ensure that schedule totals and subtotals are mathematically correct.

11. If a line item is supported by a detailed schedule elsewhere in this report, the respondent should ensure that the detailed schedule is completed and that the amounts on both schedules match.
12. *Major*-Each natural gas company as defined in the Natural Gas Act, whose combined gas sold for resale and gas transported or stored for a fee exceeds 50 million Mcf at 14.73 psi (60°F) in each of the three previous calendar years.

Nonmajor-Natural gas companies that are not classified as a "Major company" (as defined above), and had total gas sales of volume transactions exceeding 200,000 Mcf at 14.73 psi (60°F) in each of the three previous calendar years.
13. Please list all accounts and totals in whole dollars only. Make sure the rounded numbers are equal the original totals, when the original totals are rounded to the nearest dollar amount.

HISTORY

1.	Date of organization. <u>7-25-90</u>
2.	Date when operations began. <u>10-15-91</u>
3.	Under the laws of what Government, State or Territory organized? If more than one, name all. <u>OHIO</u>
4.	If a consolidated or merged company, name all constituent and all merged companies. <u>KN6 Energy Resources, Inc.</u>
5.	Date and authority for each consolidation and each merger. <u>N/A</u>
6.	State whether respondent is a corporation, a joint stock association, a firm or partnership, or an individual. <u>CORPORATION</u>
7.	If a reorganized company, given name of original corporation, refer to laws under which it was organized, and state the occasion for the reorganization. <u>N/A</u>
8.	Where are the books and records of the company kept? <u>1700 Westfield Dr FINDLAY OH 45840</u>
9.	General description of territory served by respondent. <u>DISTRIBUTION SERVICES PROVIDED TO THE VILLAGE OF KALIDA AND A LIMITED NUMBER OF PEOPLE OUTSIDE THE VILLAGE. SERVICE ALSO PROVIDED TO A LIMITED NUMBER OF PEOPLE IN HANCOCK AND SEMECA COUNTIES. OPERATION AND MAINTENANCE AND GAS SUPPLY PROVIDED TO THE VILLAGE OF MCCOMB. KN6 ALSO OPERATES NORTH COAST GAS TRANSMISSION PIPELINE.</u>
10.	Number of locations within Ohio. <u>ONE</u>

FACTS PERTAINING TO CONTROL OF RESPONDENT

1. Did any individual, association, corporation or corporations, control the respondent at close of year? NO

If control was so held, state:

(a) The form of control, whether sole or joint: N/A

(b) The name of the controlling corporation or corporations: N/A

(c) The manner in which control was established: N/A

(d) The extent of control: N/A

(e) Whether control was direct or indirect: N/A

(f) The name of the intermediary through which control, if indirect, was established: N/A

2. Did any individual, association, or corporation hold control, as trustee over the respondent at the close of the year? N/A

If control was so held, state:

(a) The name of the trustee: N/A

(b) The name of the beneficiary or beneficiaries for whom the trust was maintained:

N/A

IMPORTANT CHANGES DURING THE YEAR

Hereunder give particulars concerning the matters indicated below. Except as otherwise indicated data furnished should apply to the same period the report covers. Answers should be numbered in accordance with the inquiries and if "none" states the fact, it should be used. If information which answers an inquiry is given elsewhere in the report, identification of the other answer will be sufficient.

1. Purchase or sale of entire property, or of a part of property when service territory is included: Give brief description of each transaction, name of other party, date, consideration, and Commission authorization.

N/A

2. Lease of property (to or from another) of the kind covered by the preceding inquiry: To the extent applicable give details corresponding to those required by the preceding inquiry.

N/A

3. Capital stock and debt issued during the year: Identify the securities, give purpose of issuance, date, consideration received and Commission authorization. As here used, the term "securities" shall be taken to mean any capital stock or debt, the issuance of which requires prior authorization by this commission.

N/A

4. Changes in articles of incorporation: Give brief particulars of each change and date.

N/A

5. Other important changes: Give brief particulars of each other important change which is not disclosed elsewhere in this report.

N/A

SCHEDULE: 1

VOTING POWERS AND ELECTIONS				
<p>1. In the schedule below, show the particulars called for concerning the stockholders of respondent who, at the date of the latest closing of the stock-book of respondent prior to the actual filing of this report, had the twenty highest voting powers of the respondent. If any such holder held in trust, attach a statement showing the beneficial owners. If the stock-book was not closed within the year, show twenty such stockholders as of the close of the year. In the space provided, show total shares and votes of all stockholders.</p>				
Line No.	Name and Address of Stockholders	No. of Shares Held	No. of Voting Shares	Other Vote Empowered Securities
	SEE INSERT			
	TOTAL LISTED ABOVE			
	TOTAL ALL STOCKHOLDERS			

Annual Report of KNG Energy Inc.

Year Ended December 31, 2002

SCHEDULE: 2

BOARD OF DIRECTORS

1. Give the names of each person who was a member of the Board of Directors at any time during the year.
2. Column (d) relates to Board meetings only.

Line No.	Name of Director and Address (City and State) (a)	Served Continuously From (b)	Term Expired or Current Term Will Expire (c)	Number of Meetings Attended During Year (d)
1.	Joseph A. Herz Findlay OH	1991	2003	10
2.	Charles L. Dale Findlay OH	1992	2003	10
3.	Terrence M. Connor Columbus OH	1998	2003	10
4.	Thomas L. Klein Findlay OH	1998	2003	10
5.				
6.				
7.				
8.				
9.				
10.				
11.				
12.				
13.				
14.				
15.				
16.	Name of Chairman of the Board <u>PRESIDENT JOSEPH A. HERZ</u>			
17.	Name of Secretary of Board <u>THOMAS L. KLEIN</u>			
18.	Number of Meetings of Board during the year <u>10</u>			
19.	Number of directors provided for by charter or by-laws, as amended to the end of the year <u>5</u>			
20.	Number of directors required to constitute a quorum <u>3</u>			

• KNG Energy, Inc. Shareholders

	Common	Preferred		Common	Preferred
MR. RONALD KAHLE	40		A. SCOTT ROTHEY	687	
CHARLES M. & NANCY YEAGLE	547		ROTHEY BELL & TAUB	364	
MARTIN & LYNN TALIAK	752		KEN R DASHER	160	
MR. CHARLES DALE	620		SYLVIA ALEXANDER LIVING TRUST	120	
MRS. SANDRA DALE	251		MICHAEL SNIDER	160	
MRS. CHRISTINE ZAWISZA	40		GARY D. SIRAK	100	10
MR. JOHN D. DALE	60		JAMES H. HOVSEPIAN	70	
TERRENCE M CONNOR	521		BARRY & MICHELLE ADELMAN	130	10
DR. JAMES A MECHENBIER	58		CHARLES F. & KAREN J. KOCH	238	
M. JOELLEN MECHENBIER	58		KAREN KOCH	22	
DR. GLENN W GOIST	240	40	CHARLES F. KOCH	25	
EDWARD & JOANN INGOLD	173		MARION V. ARBOGAST	44	
MRS. JOANN INGOLD	40		CHARLES&CAROLYN SCHNEIDER	44	20
EDWARD INGOLD	95	242	HOLDON (HOLINGTON) Frank Gugliemi	0	
MR. JAMES HART	180		MR. RAPLH MILLER	28	
MR. JEFFERY HART	85		JOSEPH A. & KATHLEEN S. HERZ	472	
MR. PAUL AQUILLA	142		HANCOCK GAS SERVICE	611	
JARED & TRACY AQUILLA	70		COUNTRY CLUB ACRES	300	
MR. IAN CAMERON	64		RICHARD KAPLAN	50	
WESTMINISTER 1355 PARTNERSHIP	241	30	STEVE & ABIGAIL BARNES	40	
KALIDA TELEPHONE COMPANY	48		PATRICK H. BOGGS	50	
REBECCA WEASEL		45	ROBERT H MOYER	40	
PATRICIA J HEMMELGARN	10	25	L. Don Manley II	100	
AGAS, Ltd	40		Ohio Logistics, LTD	20	
Sentry & Co. C/o Sentinel Trust Comp	190		Richard D. Stearns	50	

Common Stock

Authorized	8500
Issued to Date	8490
Available	10

Employee owned shares

Total	101	422
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Preferred Stock

Authorized	1000
Issued to Date	422
Available	578

Common Shares Available

Preferred Shares Available

Total Shares Available for Sale

10

578

588

Annual Report of KWG Energy, Inc.

Year Ended December 31, 2002

SCHEDULE: 3

PRINCIPAL GENERAL OFFICERS

1. The persons to be listed herein are the chairman of the board, president, vice-president, treasurer, general counsel, and comptroller. Respondents that do not have officers bearing the aforesaid titles shall list those officers who have the responsibilities normally associated with such titles.
2. Customary abbreviations may be used in showing titles and departments in columns (a) and (b).

Line No.	Title of General Officer (a)	Department Over Which Jurisdiction is Exercised (b)	Name of Person Holding The Office at End of Year (c)	Office Address (City and State) (d)
1.	PRESIDENT		Joseph A. Herz	1700 Westfield Dr Findlay OH 45840
2.	VICE PRESIDENT		Thomas L. Klein	
3.	TREASURER		Joseph A. Herz	
4.	Secretary		Thomas L. Klein	
5.	Assistant		Sandra L. Roller	
6.				
7.				
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9.				
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20.				

SCHEDULE: 4

BALANCE SHEET					
Acct. No.	Account Title	Page No.	Balance at End of Current Year (in dollars)	Balance at End of Previous Year (in dollars)	Increase or (Decrease) (in dollars)
	UTILITY PLANT:				
101	Gas Plant in Service	19-24	2659510	2337477	322033
101.1	Property Under Capital Leases				
102	Gas Plant Purchased or Sold				
103	Experimental Gas Plant Unclassified*				
103.1	Gas Plant in Process of Reclassification ⁺				
104	Gas Plant Leased to Others				
105	Gas Plant Held for Future Use		200000	200000	0
105.1	Production Prop. Held for Future Use*				
106	Completed Constr. not Classified-Gas*				
107	Construction Work in Progress-Gas				
108	Accum. Prov. for Deprec. of Gas Util. Plant*	25-32			
110	Accum. Prov. for Deprec., Depletion & Amort. of Gas Util. Plant ⁺	25-32	<486659>	<409028>	<77631>
111	Accum. Prov. for Amort. & Depletion of Gas Util. Plant*				
114	Gas Plant Acquisition Adjustments				
115	Accum. Prov. for Amort. of Gas Plant Acquisition Adjustments*				
116	Other Gas Plant Adjustments				
117	Gas Stored Underground-Noncurrent*				
117.1	Base Gas				
117.2	System Balancing Gas				
117.3	Reservoirs - Pipeline				
117.4	Owed to System Gas				
118	Other Utility Plant				
119	Accum. Prov. for Deprec. & Amort. of Other Util. Plant				
	NET UTILITY PLANT (101-119)		2372851	2128449	244402

* Major Only

+ Nonmajor Only

SCHEDULE: 4

BALANCE SHEET					
Acct. No.	Account Title	Page No.	Balance at End of Current Year (in dollars)	Balance at End of Previous Year (in dollars)	Increase or (Decrease) (in dollars)
	OTHER PROPERTY AND INVESTMENTS:				
121	Nonutility Property				
122	Accumulated Prov. for Deprec. & Amort. of Nonutility Prop.				
123	Investment in Assoc. Companies*		0	504,094	(504,094)
123.1	Investment in Subsidiary Companies*		500	500	0
124	Other Investments				
125	Sinking Funds*	33			
126	Depreciation Funds*	33			
128	Other Special Funds*	33			
129	Special Funds*	33			
	TOTAL OTHER PROP. AND INVESTMENTS (121-129)		500	504,594	(504,094)
	CURRENT AND ACCRUED ASSETS:				
130	Cash & Working Funds*		270,459	118,805	151,654
131	Cash*				
132	Interest Special Deposits*				
133	Dividend Special Deposits*				
134	Other Special Deposits*				
135	Working Funds*				
136	Temporary Cash Investment				
141	Notes Receivable				
142	Customer Accounts Receivable		692,259	727,996	(35,737)
143	Other Accounts Receivable		954,319	183,14	936,006
144	Accumulated Provision for Uncollectible Accounts-Cr.		(54,000)	(54,000)	0
145	Notes Receivable from Assoc. Cos.			0	
146	Accounts Receivable from Assoc. Cos.		40	150,00	(150,00)
151	Fuel Stock*				
152	Fuel Stock Expenses Undistributed*				
153	Residuals & Extr. Prod.*				
154	Plant Materials and Operating Supplies		16,274	16,366	(92)
155	Merchandise*				
156	Other Materials and Supplies*				
157	Nuclear Materials Held for Sale				
158	Allowances				
163	Store Expense Undistr.*				
164.1	Gas Stored Underground-Current				
164.2	Liquefied Natural Gas Stored				
164.3	Liquified Natural Gas Held for Process.*				

* Major Only

+ Nonmajor Only

SCHEDULE: 4

BALANCE SHEET					
Acct. No.	Account Title	Page No.	Balance at End of Current Year (in dollars)	Balance at End of Previous Year (in dollars)	Increase or (Decrease) (in dollars)
165	Prepayments	34	13968	13342	626
166	Adv. for Gas Expl., Dev. & Prod.*				
167	Other Advances for Gas*				
171	Interest and Dividends Receivable*		38018	0	38018
172	Rents Receivable*				
173	Accrued Utility Revenues*				
174	Miscellaneous Current and Accrued Assets	34			
	TOTAL CURRENT AND ACCRUED ASSETS (130-174)		1931298	855423	1075875
	DEFERRED DEBITS:				
181	Unamortized Debt Discount and Expense		1805	2085	(280)
182.1	Extraordinary Property Losses	35			
182.2	Unrecov. Plant & Reg. Study Costs	35			
183.1	Prelim. Nat. Gas Survey & Invest. Chrgs.*				
183.2	Other Prelim. Survey & Invest. Chrgs.*				
182.3	Other Regulatory Assets				
184	Clearing Accounts*				
185	Temporary Facilities*				
186	Miscellaneous Deferred Debits	36			
187	Deferred Losses from Dispos. of Util. Plant				
188	Research, Devel., & Demon. Expend.*	36			
189	Unamort. Loss on Reacquired Debt				
190	Accum. Def. Income Taxes	39	20000	0	20000
191	Unrecov. Purchased Gas Costs				
192.1	Unrecov. Incr. Gas Costs				
192.2	Unrecov. Incr. Surcharges				
	TOTAL DEFERRED DEBITS (181-192.2)		21805	2085	19720
	TOTAL ASSETS AND OTHER DEBITS		\$326954	3491961	\$35503
	PROPRIETARY CAPITAL:				
201	Common Stock Issued	37	2793800	2713200	10500
202	Common Stock Subscribed*				
203	Common Stock Liability For Conversion*				
204	Preferred Stock Issued	37			
205	Preferred Stock Subscribed*		255400	255400	0
206	Preferred Stock Liability For Conversion*				

* Major Only
+ Nonmajor Only

SCHEDULE: 4

BALANCE SHEET					
Acct. No.	Account Title	Page No.	Balance at End of Current Year (in dollars)	Balance at End of Previous Year (in dollars)	Increase or (Decrease) (in dollars)
207	Premium on Capital Stock*				
208	Donations Received from Stockholders*				
209	Reduction in Par or Stated Value of Capital Stock*				
210	Gain on Resale or Cancellation of Reacquired Capital Stock*				
211	Miscellaneous Paid-In Capital				
212	Installments Received on Capital Stock				
213	Discount on Capital Stock				
214	Capital Stock Expense		(87900)	(87900)	0
215	Appropriated Retained Earnings				
216	Unappropriated Retained Earnings	18	(106728)	(1050874)	950166
216.1	Unapprop. Undist. Subsid. Earnings*				
217	Reacquired Capital Stock				
218	Non Corp. Proprietorship	18			
	TOTAL PROPRIETORY CAPITAL (201-218)		2244570	1983906	260666
	LONG-TERM DEBT:				
221	Bonds	38			
222	Reacquired Bonds*	38			
223	Advances from Associated Companies	38			
224	Other Long-Term Debt	38	463264	506060	(42796)
225	Unamort. Prem. on Long-Term Debt	38			
226	Unamort. Disc. on Long-Term Debt-Debit	38			
	TOTAL LONG-TERM DEBT (221-226)		463264	506060	(42796)
	OTHER NONCURRENT LIABILITIES:				
227	Oblig. Under Cap. Leases-Noncurrent				
228.1	Accum. Prov. for Prop. Insurance				
228.2	Accum. Prov. for Injuries and Damages				
228.3	Accum. Prov. for Pensions and Benefits				
228.4	Accum. Misc. Oper. Prov.				
229	Accum. Prov. for Rate Refunds				
	TOTAL OTHER NONCURRENT LIABILITIES (227-229)				
	CURRENT AND ACCRUED LIABILITIES:				
231	Notes Payable		0	250000	(250000)
232	Accounts Payable		429589	400988	(172297)
233	Notes Payable to Associated Companies	4			
234	Accounts Payable to Associated Companies		40499	177013	307906
235	Customer Deposits		4050	4250	400
236	Taxes Accrued		95732	68265	27567

* Major Only
+ Nonmajor Only

SCHEDULE: 4

BALANCE SHEET					
Acct. No.	Account Title	Page No.	Balance at End of Current Year (in dollars)	Balance at End of Previous Year (in dollars)	Increase or (Decrease) (in dollars)
237	Interest Accrued		3047	1025	(3047)
238	Dividends Declared*				
239	Matured Long-Term Debt*				
240	Matured Interest*				
241	Tax Collections Payable*		0	508	(508)
242	Misc. Current and Accrued Liabilities	41	1582	61	(1521)
243	Oblig. Under Cap. Leases-Current				
	TOTAL CURRENT ACCRUED LIABILITIES (231-243)		1018619	1100995	(82364)
	DEFERRED CREDITS:				
252	Cust. Adv. for Const.				
253	Other Deferred Credits				
254	Other Regulatory Liabilities				
255	Accum. Def. Investment Tax Credits				
256	Def. Gains from Dispos. of Utility Plant				
257	Unamort. Gain on Reacqu. Debt				
281	Accum. Def. Income Taxes-Accelerated Amortization	39			
282	Accum. Def. Income Taxes-Liberalized Depreciation	40			
283	Accum. Def. Income Taxes-Other	40			
	TOTAL DEFERRED CREDITS (252-283)				
	TOTAL LIABILITIES PLUS PROPRIETARY CAPITAL AND OTHER CREDITS		4326454	3490951	935503

* Major Only
 + Nonmajor Only

SCHEDULE: 4A

NOTES TO BALANCE SHEET

SCHEDULE: 5

INCOME STATEMENT			
Acct. No.	Account Title	Page No.	Amount (in dollars)
UTILITY OPERATING INCOME:			
400	Operating Revenues	42	302,195
OPERATING EXPENSES:			
401	Operation Expense	43-53	213,423
402	Maintenance Expense	43-53	
403	Depreciation Expense*		
403.1	Deprec. & Depl. Exp.†		78,190
404	Amortization of Limited-Term Gas Plant†		
404.1	Amort. & Depl. of Prod. Nat. Gas Land & Land Rights*		
404.2	Amort. of Undergr. Storage Land & Land Rights*		
404.3	Amort. of Other Limited-Term Gas Plant*		
405	Amortization of Other Gas Plant		
406	Amortization of Gas Plant Acquisition Adjust.		
407.1	Amortization of Extraordinary Property Losses, Unrecov. Plant & Reg. Study Costs		
407.2	Amort. of Conversion Exp.		
408.1	Taxes Other Than Income Taxes, Utility Operating Income	54	12,135
409.1	Income Taxes, Utility Operating Income		
410.1	Provision for Deferred Income Tax, Utility Operating Income		
411.1	Income Taxes Deferred-Credit, Utility Operating Income		
411.4	Investment Tax Credits Adjust., Utility Operations		
	TOTAL OPERATING EXPENSES (401-411.4)		233,388
	NET OPERATING INCOME = (400) Less (401-411.4)		68,807
OTHER OPERATING INCOME:			
411.6	Gains from Disposition of Utility Property		
411.7	Losses from Disp. of Util. Plt.		
411.8	(Less) Gains from Disposition of Allowances		
411.9	Losses from Disposition of Allowances		
412	Rev. from Gas Plt. Lsed. to Oth.		
413	Exp. of Gas Plt. Lsed. to Oth.		
414	Oth. Util. Oper. Inc.		
	TOTAL OTHER OPERATING INCOME (411.6-414)		
OTHER INCOME AND DEDUCTIONS:			
415	Revenues from Merchandising, Jobbing and Contract Work		
416	Costs and Expenses of Merchandising, Jobbing and Contract Work		
417	Revenues from Nonutility Operations		
417.1	Exp. of Nonutil. Oper.		
418	Nonoperating Rental Income		
418.1	Eq. in Earnings of Sub. Co.*		< 219,089 >
419	Interest and Dividend Income		39,018
419.1	Allowance for Funds Used During Construction		16,116
421	Miscellaneous Nonoperating Income		4,900
421.1	Gains from Disposition of Property		706,586

* Major Only
 † Nonmajor Only

SCHEDULE: 5

INCOME STATEMENT			
Acct. No.	Account Title	Page No.	Amount (in dollars)
421.2	Loss on Disp. of Prop.		< 383 >
425	Miscellaneous Amortization		
426.1	Donations		< 1495 >
426.2	Life Insurance		< 7411 >
426.3	Penalties		
426.4	Expend. for Certain Civic, Political and Related Activ.		
426.5	Other Ded.		
	TOTAL OTHER INCOME AND DEDUCTIONS (415-426.5)		537,142
	TAXES ON OTHER INCOME AND DEDUCTIONS:		
408.2	Taxes Other Than Income Taxes, Other Income and Deductions		
409.2	Incomes Taxes, Other Income and Deductions		
410.2	Provision for Deferred Income Taxes, Other Income and Ded.		
411.2	Income Taxes Deferred in Prior Years-Cr., Other Income and Ded.		
411.5	Investment Tax Credits Adjustments, Nonutility Operations		
420	Investment Tax Credits		
	TOTAL TAXES ON OTHER INCOME AND DEDUCTIONS (408.2-420)		
	NET OTHER INCOME AND DEDUCTIONS		
	INTEREST CHARGES:		
427	Interest on Long-Term Debt		45,300
428	Amortization of Debt Discount and Expense		280
428.1	Amort. of Loss on Reacq. Debt		
429	Amortization of Premium on Debt-Cr.		
429.1	Amort. of Gain on Reacq. Debt-Cr.		
430	Interest on Debt to Associated Companies		
431	Other Interest Expense		
432	Allow. for Funds Used Dur. Const.-Cr. Borrowed Funds		
	NET INTEREST CHARGES (427-432)		
	INCOME BEFORE EXTRAORDINARY ITEMS		455,80
	EXTRAORDINARY ITEMS:		
434	Extraordinary Income		
435	Extraordinary Deductions		
409.3	Income Taxes, Extraordinary Items		
	TOTAL EXTRAORDINARY ITEMS (433-409.3)		
	NET INCOME		117,887.7

* Major Only
 + Nonmajor Only

Annual Report of KN G Energy Inc Year Ended December 31, 2002

SCHEDULE: 5A

NOTES TO INCOME STATEMENT

SCHEDULE: 8

UTILITY PLANT IN SERVICE - ACCOUNT 101					
(in dollars)					
Account (a)	Balance at the End of Previous Year (b)	Additions During Year (c)	Retirements During Year (d)	Adjustments Dr. or (Cr.) (e)	Balance at the End of Current Year (f)
INTANGIBLE PLANT:					
301	Organization				
302	Franchise and Consents				
303	Miscellaneous Intangible Plant				
	TOTAL INTANGIBLE PLANT (301-303)				
PRODUCTION PLANT NATURAL GAS PRODUCTION AND GATHERING PLANT:					
325.1	Producing Lands				
325.2	Producing Leaseholds				
325.3	Gas Rights				
325.4	Rights-of-Way				
325.5	Other Land and Land Rights				
326	Gas Well Structures				
327	Field Compressor Station Structures				
328	Field Meas. & Reg. Sta. Structures				
329	Other Structures				
330	Producing Gas Wells-Well Construction				
331	Producing Gas Wells-Well Equipment				
332	Field Lines				
333	Field Compressor Station Equipment				
334	Field Meas. & Reg. Sta. Equipment				
335	Drilling and Cleaning Equipment				

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* Major Only

SCHEDULE: 8

UTILITY PLANT IN SERVICE - ACCOUNT 101 (in dollars)					
Account (a)	Balance at the End of Previous Year (b)	Additions During Year (c)	Retirements During Year (d)	Adjustments Dr. or (Cr.) (e)	Balance at the End of Current Year (f)
336	Purification Equipment				
337	Other Equipment				
338	Unsuccessful Exploration & Devel. Costs				
	TOTAL NATURAL GAS PRODUCTION AND GATHERING PLANT (325.1-338)				
	PRODUCTS EXTRACTION PLANT:				
340	Land and Land Rights				
341	Structures and Improvements				
342	Extraction and Refining Equipment				
343	Pipe Lines				
344	Extracted Products Storage Equipment				
345	Compressor Equipment				
346	Gas Meas. & Reg. Equipment				
347	Other Equipment				
	TOTAL PRODUCTS EXTRACTION PLANT (340-346)				
	TOTAL NAT. GAS PRODUCTION PLANT MED. GAS PROD. PLT.-SUBMIT SUPPL. STATE TOTAL PRODUCTION PLANT				
	NAT. GAS STORAGE & PROC. PLANT UNDER. STOR. PLANT:				
350.1	Land				
350.2	Rights-of-Way				
351	Structures and Improvements				
352	Wells				

* Major Only

SCHEDULE: 8

UTILITY PLANT IN SERVICE - ACCOUNT 101 (in dollars)						
Account (a)	Balance at the End of Previous Year (b)	Additions During Year (c)	Retirements During Year (d)	Adjustments Dr. or (Cr.) (e)	Balance at the End of Current Year (f)	
352.1	Storage Leaseholds and Rights					
352.2	Reservoirs					
352.3	Non-recoverable Natural Gas					
353	Lines					
354	Compressor Station Equipment					
355	Measuring and Reg. Equipment					
356	Purification Equipment					
357	Other Equipment					
	TOTAL NAT. GAS STORAGE PROC. PLANT UNDER. STORAGE PLANT (350.1-357)					
	OTHER STORAGE PLANT:					
360	Land and Land Rights					
361	Structures and Improvements					
362	Gas Holders					
363	Purification Equipment*					
363.1	Liquefaction Equipment*					
363.2	Vaporizing Equipment*					
363.3	Compressor Equipment*					
363.4	Meas. and Reg. Equipment*					
363.5	Other Equipment					
	TOTAL OTHER STORAGE PLANT (360-363.5)					

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* Major Only

Annual Report of RNG Energy Inc.

Year Ended December 31, 2002

SCHEDULE: 8

UTILITY PLANT IN SERVICE - ACCOUNT 101 (in dollars)						
Account (a)		Balance at the End of Previous Year (b)	Additions During Year (c)	Retirements During Year (d)	Adjustments Dr. or (Cr.) (e)	Balance at the End of Current Year (f)
BASE LOAD LIQUEFIED NATURAL GAS, TERMINALING AND PROCESSING PLANT:						
364.1	Land and Land Rights*					
364.2	Structures and Improvements*					
364.3	LNG Processing Terminal Equipment*					
364.4	LNG Transportation Equipment*					
364.5	Measuring and Regulating Equipment*					
364.6	Compressor Station Equipment*					
364.7	Communications Equipment*					
364.8	Other Equipment*					
	TOTAL BASE LOAD LIQUEFIED NATURAL GAS, TERMINALING AND PROC. PLANT (364.1-364.8)					
	TOTAL NAT. GAS STORAGE AND PROC. PLANT (342-364.8)					
TRANSMISSION PLANT:						
365.1	Land and Land Rights					
365.2	Rights-of-Way					
366	Structures and Improvements					
367	Mains					
368	Compressor Station Equipment					
369	Measuring and Reg. Sta. Equipment					
370	Communication Equipment					
371	Other Equipment					
	TOTAL TRANSMISSION PLANT (365.1-371)					

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* Major Only

SCHEDULE: 8

UTILITY PLANT IN SERVICE - ACCOUNT 101						
(in dollars)						
Account (a)	Balance at the End of Previous Year (b)	Additions During Year (c)	Retirements During Year (d)	Adjustments Dr. or (Cr.) (e)	Balance at the End of Current Year (f)	
DISTRIBUTION PLANT:						
374	Land and Land Rights	19,384	172,449		191,833	
375	Structures and Improvements					
376	Mains	1,126,370	69,268		1,195,638	
377	Compressor Station Equipment					
378	Meas. and Reg. Sta. Equip.-General	113,323	1,240		114,563	
379	Meas. and Reg. Sta. Equip.-City Gate	88,680			88,680	
380	Services	301,855	23,311		325,166	
381	Meters	246,622	20,827		267,449	
382	Meter Installations					
383	House Regulators	4,653			4,653	
384	House Reg. Installations					
385	Industrial Meas. and Reg. Sta. Equip.					
386	Other Prop. on Customers' Premises					
387	Other Equip.					
	TOTAL DISTRIBUTION PLANT (374-387)	1,900,887	287,095		2,187,982	
GENERAL PLANT:						
389	Land and Land Rights					
390	Structures and Improvements	246,301	1,976		248,277	
391	Office Furniture and Equipment	19,445	993		20,338	
392	Transportation Equipment	75,490	26,180		100,718	
393	Stores Equipment					

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* Major Only

Annual Report of

KNG Energy Inc.

Year Ended December 31, 2003

SCHEDULE: 8

UTILITY PLANT IN SERVICE - ACCOUNT 101 (in dollars)					
Account (a)	Balance at the End of Previous Year (b)	Additions During Year (c)	Retirements During Year (d)	Adjustments Dr. or (Cr.) (e)	Balance at the End of Current Year (f)
394 Tools, Shop and Garage Equipment	26,759	621			27,380
395 Laboratory Equipment					
396 Power Operated Equipment	64,062				64,062
397 Communication Equipment	4544	6,209			10,753
398 Miscellaneous Equipment					
399 Other Tangible Property					
TOTAL GENERAL PLANT (389-399)	436,590	35,880	942		471,528
TOTAL UTILITY PLANT IN SERVICE (342-399)	2,337,477	322,975	942		2,659,510

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* Major Only

SCHEDULE: 9

ACCUMULATED PROVISION FOR DEPRECIATION - ACCOUNT 108* (110+)					
(Please check if the Company's Depreciation Expense is Calculated: <input type="checkbox"/> Monthly <input type="checkbox"/> Quarterly <input type="checkbox"/> Annually)					
Account No.	Account Title (a)	Accumulated Depreciation Balance First of Year (b)	Rate % Used (c)	Accruals During Year (d)	Original Cost of Plant Retired (e)
PRODUCTION PLANT					
NATURAL GAS PROD. AND GATHERING PLANT:					
326	Gas Well Structures				
327	Field Compressor Station Structures				
328	Field Meas. & Reg. Sta. Structures				
329	Other Structures				
330	Producing Gas Wells-Well Construction				
331	Producing Gas Wells-Well Equipment				
332	Field Lines				
333	Field Compressor Station Equipment				
334	Field Meas. & Reg. Sta. Equipment				
335	Drilling and Cleaning Equipment				
336	Purification Equipment				
337	Other Equipment				
338	Unsuccessful Exploration & Devel. Costs				
	TOTAL PRODUCTION NATURAL GAS PROD. AND GATHERING PLANT (326-338)				
PRODUCTS EXTRACTION PLANT:					
341	Structures and Improvements				
342	Extraction and Refining Equipment				
343	Pipe Lines				
344	Extracted Products Storage Equipment				
345	Compressor Equipment				
346	Gas Meas. & Reg. Equipment				
347	Other Equipment				
	TOTAL PRODUCTS EXTRACTION PLANT(341-347)				
	TOTAL NAT. GAS PRODUCTION PLANT				
	MFD. GAS PROD. FLT.-SUBMIT SUPPL. STATE				
	TOTAL PRODUCTION PLANT				

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* Major Only, * Non Major Only, Column (b) and Columns (d) thru (f) from Accounting Records, Column (e) for information only, not part of this calculation.
 Note: Listed below are specifics that need to be identified in Annual Reports for minimum acceptable standards in Depreciation:
 1 List the current accrual rates being used to calculate depreciation expense in Column C.
 2 Identify the source of these accrual rates (PUCO Case No. _____). (If Accrual Rate changes during the year should be identified with effective date of the change _____).
 3 Clearly mark on the Depreciation Schedule how depreciation expense was calculated, i.e., monthly, quarterly, semi-annually, or annually.
 Continue on next page

Annual Report of

KNB Energy Inc.

Year Ended December 31, 2002

SCHEDULE: 9

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ACCUMULATED PROVISION FOR DEPRECIATION - ACCOUNT 108* (110+)						
(Please check if the Company's Depreciation Expense is Calculated: <input type="checkbox"/> Monthly <input type="checkbox"/> Quarterly <input checked="" type="checkbox"/> Annually)						
Account No.	Account Title (a)	Cost of Removal (f)	Salvage (g)	Other Addition or Deductions		Balance End of Year (j)=(b)+(d)-(e)-(f)+(g)+(h)-(i)
				Credit (h)	Debit (i)	
PRODUCTION PLANT						
NATURAL GAS PROD. AND GATHERING PLANT:						
326	Gas Well Structures					
327	Field Compressor Station Structures					
328	Field Meas. & Reg. Sta. Structures					
329	Other Structures					
330	Producing Gas Wells-Well Construction					
331	Producing Gas Wells-Well Equipment					
332	Field Lines					
333	Field Compressor Station Equipment					
334	Field Meas. & Reg. Sta. Equipment					
335	Drilling and Cleaning Equipment					
336	Purification Equipment					
337	Other Equipment					
338	Unsuccessful Exploration & Devel. Costs-					
	TOTAL PRODUCTION NAT. GAS PROD. AND GATHERING PLANT (326-338)					
PRODUCTS EXTRACTION PLANT:						
341	Structures and Improvements					
342	Extraction and Refining Equipment					
343	Pipe Lines					
344	Extracted Products Storage Equipment					
345	Compressor Equipment					
346	Gas Meas. & Reg. Equipment					
347	Other Equipment					
	TOTAL PRODUCTS EXTRACTION PLANT (341-347)					
	TOTAL NAT. GAS PRODUCTION PLANT					
	MFD. GAS PROD. FLT.-SUBMIT SUPPL. STATE					
	TOTAL PRODUCTION PLANT					

* Major Only, + Non Major Only, Column (b) and Columns (d) thru (i) from Accounting Records, Column (e) for information only, not part of this calculation.

Note: Listed below are specifics that need to be identified in Annual Reports for minimum acceptable standards in Depreciation:

- 1 List the current accrual rates being used to calculate depreciation expense in Column C.
- 2 Identify the source of these accrual rates (PUCO Case No. _____). (If Accrual Rate changes during the year should be identified with effective date of the change _____).
- 3 Clearly mark on the Depreciation Schedule how depreciation expense was calculated, i.e., monthly, quarterly, semi-annually, or annually.

SCHEDULE: 9

ACCUMULATED PROVISION FOR DEPRECIATION - ACCOUNT 108* (110+)

(Please check if the Company's Depreciation Expense is Calculated: Monthly Quarterly Annually)

Account No.	Account Title (a)	Accumulated Depreciation Balance First of Year (b)	Rate % Used (c)	Accruals During Year (d)	Original Cost of Plant Retired (e)
	<u>NAT. GAS STOR. & PROC. PLANT UNDER STOR. PLANT:</u>				
351	Structures and Improvements				
352	Wells				
352.1	Storage Leaseholds and Rights				
352.2	Reservoirs				
352.3	Non-recoverable Natural Gas				
353	Lines				
354	Compressor Station Equipment				
355	Measuring and Reg. Equipment				
356	Purification Equipment				
357	Other Equipment				
	TOTAL UNDERGROUND STORAGE & PROC. PLANT UNDER STOR. PLANT (351-357)				
	<u>OTHER STORAGE PLANT:</u>				
361	Structures and Improvements				
362	Gas Holders				
363	Purification Equipment*				
363.1	Liquefaction Equipment*				
363.2	Vaporizing Equipment*				
363.3	Compressor Equip.				
363.4	Meas. and Reg. Equipment*				
363.5	Other Equipment				
	TOTAL OTHER STORAGE PLANT (361-363.5)				
	<u>BASE LOAD LIQUEFIED NATURAL GAS TERMINALING AND PROCESSING PLANT:</u>				
364.2	Structures and Improvements*				
364.3	LNG Processing Terminal Equipment*				
364.4	LNG Transportation Equipment*				

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* Major Only, + Non Major Only, Column (b) and Columns (d) thru (f) from Accounting Records, Column (e) for information only, not part of this calculation.

Note: Listed below are specifics that need to be identified in Annual Reports for minimum acceptable standards in Depreciation:

- 1 List the current accrual rates being used to calculate depreciation expense in Column C.
- 2 Identify the source of these accrual rates (PUCO Case No. _____). (If Accrual Rate changes during the year should be identified with effective date of the change _____).
- 3 Clearly mark on the Depreciation Schedule how depreciation expense was calculated, i.e., monthly, quarterly, semi-annually, or annually.

Continue on next page

Annual Report of

KWG Energy Inc.

Year Ended December 31, 2002

SCHEDULE: 9

ACCUMULATED PROVISION FOR DEPRECIATION - ACCOUNT 108* (110+)

(Please check if the Company's Depreciation Expense is Calculated: Monthly Quarterly Annually)

Account No.	Account Title (a)	Cost of Removal (f)	Salvage (g)	Other Addition or Deductions		Balance End of Year (j)=(b)+(d)-(e)- (f)+(g)+(h)-(i)
				Debit (h)	Credit (i)	
	<u>NAT. GAS STOR. & PROC. PLANT UNDER STOR. PLANT:</u>					
351	Structures and Improvements					
352	Wells					
352.1	Storage Leaseholds and Rights					
352.2	Reservoirs					
352.3	Non-recoverable Natural Gas					
353	Lines					
354	Compressor Station Equipment					
355	Measuring and Reg. Equipment					
356	Purification Equipment					
357	Other Equipment					
	TOTAL UNDERGROUND STORAGE & PROC. PLANT UNDER STOR. PLANT (351-357)					
	<u>OTHER STORAGE PLANT:</u>					
361	Structures and Improvements					
362	Gas Holders					
363	Purification Equipment*					
363.1	Liquefaction Equipment*					
363.2	Vaporizing Equipment*					
363.3	Compressor Equip.					
363.4	Meas. and Reg. Equipment*					
363.5	Other Equipment					
	TOTAL OTHER STORAGE PLANT (361-363.5)					
	<u>BASE LOAD LIQUEFIED NATURAL GAS TERMINALING AND PROCESSING PLANT:</u>					
364.2	Structures and Improvements*					
364.3	LNG Processing Terminal Equipment*					
364.4	LNG Transportation Equipment*					

* Major Only, + Non Major Only, Column (b) and Columns (d) thru (i) from Accounting Records, Column (e) for information only, not part of this calculation.

Note: Listed below are specifics that need to be identified in Annual Reports for minimum acceptable standards in Depreciation:

- 1 List the current accrual rates being used to calculate depreciation expense in Column C.
- 2 Identify the source of these accrual rates (PUCO Case No. _____). (If Accrual Rate changes during the year should be identified with effective date of the change _____).
- 3 Clearly mark on the Depreciation Schedule how depreciation expense was calculated, i.e., monthly, quarterly, semi-annually, or annually.

SCHEDULE: 9

ACCUMULATED PROVISION FOR DEPRECIATION - ACCOUNT 108* (110+)

(Please check if the Company's Depreciation Expense is Calculated: Monthly Quarterly Annually)

Account No.	Account Title (a)	Accumulated Depreciation Balance First of Year (b)	Rate % Used (c)	Accruals During Year (d)	Original Cost of Plant Retired (e)
364.5	Measuring and Regulating Equipment ⁺				
364.6	Compressor Station Equipment ⁺				
364.7	Communications Equipment ⁺				
364.8	Other Equipment ⁺				
	TOTAL BASE LOAD LIQUEFIED NATURAL GAS, TERM. AND PROCESSING PLANT (364.2-364.8)				
	TOTAL NAT. GAS STORAGE AND PROC. PLANT				
	TRANSMISSION PLANT:				
365.1	Land and Land Rights				
365.2	Rights-of-Way				
366	Structures and Improvements				
367	Mains				
368	Compressor Station Equipment				
369	Measuring and Reg. Sta. Equipment				
370	Communication Equipment				
371	Other Equipment				
	TOTAL TRANSMISSION PLANT (365.1-371)				
	DISTRIBUTION PLANT:				
374	Land and Land Rights				
375	Structures and Improvements				
376	Mains	161203	2.18	25352	35
377	Compressor Station Equipment				
378	Meas. and Reg. Sta. Equip.-General	15418	3.33	3832	3503
379	Meas. and Reg. Sta. Equip.-City Gate	20521	3.05	2196	
380	Services	30911	4.58	14443	
381	Meters	25907	2.09	5338	

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* Major Only, + Non Major Only, Column (b) and Columns (d) thru (i) from Accounting Records, Column (e) for information only, not part of this calculation.
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- 1 List the current accrual rates being used to calculate depreciation expense in Column C.
- 2 Identify the source of these accrual rates (PUCO Case No. _____). (If Accrual Rate changes during the year should be identified with effective date of the change _____)
- 3 Clearly mark on the Depreciation Schedule how depreciation expense was calculated, i.e., monthly, quarterly, semi-annually, or annually.

Continue on next page

SCHEDULE: 9

ACCUMULATED PROVISION FOR DEPRECIATION - ACCOUNT 108* (110+)

(Please check if the Company's Depreciation Expense is Calculated: Monthly Quarterly Annually)

Account No.	Account Title (a)	Cost of Removal (f)	Salvage (g)	Other Addition or Deductions		Balance End of Year (j)=(b)+(d)-(e)-(f)+(g)+(h)-(i)
				Debit (h)	Credit (i)	
364.5	Measuring and Regulating Equipment*					
364.6	Compressor Station Equipment*					
364.7	Communications Equipment*					
364.8	Other Equipment*					
	TOTAL BASE LOAD LIQUEFIED NATURAL GAS, TERM. AND PROCESSING PLANT (364.2-364.8)					
	TOTAL NAT. GAS STORAGE AND PROC. PLANT					
	TRANSMISSION PLANT:					
365.1	Land and Land Rights					
365.2	Rights-of-Way					
366	Structures and Improvements					
367	Mains					
368	Compressor Station Equipment					
369	Measuring and Reg. Sta. Equipment					
370	Communication Equipment					
371	Other Equipment					
	TOTAL TRANSMISSION PLANT (365.1-371)					
	DISTRIBUTION PLANT:					
374	Land and Land Rights					
375	Structures and Improvements					
376	Mains					
377	Compressor Station Equipment					196,555
378	Meas. and Reg. Sta. Equip.-General					17,452
379	Meas. and Reg. Sta. Equip.-City Gate					23,707
380	Services					95,394
381	Meters					31,244

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 1 List the current accrual rates being used to calculate depreciation expense in Column C.
 2 Identify the source of these accrual rates (PUCO Case No. _____). (If Accrual Rate changes during the year should be identified with effective date of the change _____).
 3 Clearly mark on the Depreciation Schedule how depreciation expense was calculated, i.e., monthly, quarterly, semi-annually, or annually.

SCHEDULE: 9

ACCUMULATED PROVISION FOR DEPRECIATION - ACCOUNT 108* (110+)					
(Please check if the Company's Depreciation Expense is Calculated: <input type="checkbox"/> Monthly <input type="checkbox"/> Quarterly <input type="checkbox"/> Annually)					
Account No.	Account Title (a)	Accumulated Depreciation Balance First of Year (b)	Rate % Used (c)	Accruals During Year (d)	Original Cost of Plant Retired (e)
382	Meter Installations				
383	House Regulators	983	3.33	134	
384	House Reg. Installations				
385	Industrial Meas. and Reg. Sta. Equip.				
386	Other Prop. on Customers' Premises				
387	Other Equipment				
	TOTAL DISTRIBUTION PLANT (374-387)	305143		52226	
	GENERAL PLANT:				
390	Structures and Improvements	210519	2.43	10230	
391	Office Furniture and Equipment	7734	4.75	1795	
392	Transportation Equipment	23211	11.98	11030	560
393	Stores Equipment				
394	Tools, Shop and Garage Equipment	4906	5.28	1608	
395	Laboratory Equipment				
396	Power Operated Equipment	18868	6.92	4512	
397	Communication Equipment	2647	7.92	705	
398	Miscellaneous Equipment				
399	Other Tangible Property				
	TOTAL GENERAL PLANT (390-399)	105485		25965	560
	TOTAL GAS PLANT				
	PLANT HELD FOR FUTURE USE				
	GAS PLANT LSD. TO OTHERS				
	TOTAL ACCUM. PROVISION (352.2-399)	409028		78191	560

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* Major Only, + Non Major Only, Column (b) and Columns (d) thru (f) from Accounting Records, Column (e) for information only, not part of this calculation.
 Note: Listed below are specifics that need to be identified in Annual Reports for minimum acceptable standards in Depreciation:
 1 List the current accrual rates being used to calculate depreciation expense in Column C.
 2 Identify the source of these accrual rates (PUCO Case No. _____). (If Accrual Rate changes during the year should be identified with effective date of the change _____).
 3 Clearly mark on the Depreciation Schedule how depreciation expense was calculated, i.e., monthly, quarterly, semi-annually, or annually.

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Annual Report of

KN6 Energy, Inc.

Year Ended December 31, 2002

SCHEDULE: 9

ACCUMULATED PROVISION FOR DEPRECIATION - ACCOUNT 108* (110 ⁺)						
(Please check if the Company's Depreciation Expense is Calculated: <input type="checkbox"/> Monthly <input type="checkbox"/> Quarterly <input type="checkbox"/> Annually)						
Account No.	Account Title (a)	Cost of Removal (f)	Salvage (g)	Other Addition or Deductions		Balance End of Year (j)=(b)+(d)-(e)-(f)+(g)+(h)-(i)
				Debit (h)	Credit (i)	
382	Meter Installations					310.4
383	House Regulators					111.7
384	House Reg. Installations					
385	Industrial Meas. and Reg. Sta. Equip.					
386	Other Prop. on Customers' Premises					
387	Other Equipment					
	TOTAL DISTRIBUTION PLANT (374-387)					355,469
	GENERAL PLANT:					
390	Structures and Improvements					32,749.
391	Office Furniture and Equipment					9,520.
392	Transportation Equipment					53,681.
393	Stores Equipment					
394	Tools, Shop and Garage Equipment					8,509.
395	Laboratory Equipment					
396	Power Operated Equipment					23,380.
397	Communication Equipment					3,251.
398	Miscellaneous Equipment					
399	Other Tangible Property					
	TOTAL GENERAL PLANT (390-399)					131,190
	TOTAL GAS PLANT					
	PLANT HELD FOR FUTURE USE					
	GAS PLANT LSD. TO OTHERS					
	TOTAL ACCUM. PROVISION (326-399)					486,659

* Major Only, + Non Major Only, Column (b) and Columns (d) thru (i) from Accounting Records, Column (e) for information only, not part of this calculation.

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- 1 List the current accrual rates being used to calculate depreciation expense in Column C.
- 2 Identify the source of these accrual rates (PUCO Case No.). (If Accrual Rate changes during the year should be identified with effective date of the change _____).
- 3 Clearly mark on the Depreciation Schedule how depreciation expense was calculated, i.e., monthly, quarterly, semi-annually, or annually.

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SCHEDULE: 10

SPECIAL FUNDS - ACCOUNTS 125*, 126*, 128*, 129+ (in dollars) N/A					
Name of Fund (a)	Balance at End of Previous Year (b)	Principal Additions Principle (c)	Income (d)	Deductions (e)	Balance at End of Current Year (f)=(b)+(c) +(d)-(e)
TOTALS	\$	\$	\$	\$	\$

* Major Only
+ Nonmajor Only

Annual Report of KWG Energy, Inc. Year Ended December 31, 2002

SCHEDULE: 11

PREPAYMENTS - ACCOUNT 165 (in dollars)				
Description (a)	Balance at End of Previous Year (b)	Debits (c)	Credits (d)	Balance at End of Current Year (e)=(b)+(c)-(d)
Prepaid Insurance	13,342		626	13,968
Prepaid Rents				
Prepaid Taxes				
Prepaid Interest				
Other Payments (Specify)				
TOTALS	\$	\$	\$	\$

SCHEDULE: 12

MISC. CURRENT AND ACCRUED ASSETS - ACCOUNT 174 (in dollars)				
Description (a)	Balance at End of Previous Year (b)	Debits (c)	Credits (d)	Balance at End of Current Year (e)=(b)+(c)-(d)
				N/A
TOTALS	\$	\$	\$	\$

SCHEDULE: 13

EXTRAORDINARY PROPERTY LOSSES - ACCOUNT 182.1 (in dollars) N/A				
Description (a)	Balance at End of Previous Year (b)	Debits (c)	Credits (d)	Balance at End of Current Year (e)=(b)+(c)-(d)
TOTAL EXTRAORDINARY PROPERTY LOSSES	\$	\$	\$	\$

SCHEDULE: 14

UNRECOVERED PLANT AND REGULATORY STUDY COST - ACCOUNT 182.2 (in dollars) N/A				
Description (a)	Balance at End of Previous Year (b)	Debits (c)	Credits (d)	Balance at End of Current Year (e)=(b)+(c)-(d)
TOTAL UNRECOVERED PLANT AND REGULATORY STUDY COST	\$	\$	\$	\$

SCHEDULE: 15

MISCELLANEOUS DEFERRED DEBITS - ACCOUNT 186 (in dollars) N/A				
Description (a)	Balance at End of Previous Year (b)	Debits (c)	Credits (d)	Balance at End of Current Year (e)=(b)+(c)-(d)
TOTAL MISCELLANEOUS DEFERRED DEBITS	\$	\$	\$	\$

SCHEDULE: 16

RESEARCH DEVELOPMENT AND DEMONSTRATION EXPENDITURES (MAJOR ONLY) - ACCOUNT 188 (in dollars) N/A				
Description (a)	Balance at End of Previous Year (b)	Debits (c)	Credits (d)	Balance at End of Current Year (e)=(b)+(c)-(d)
TOTAL RESEARCH DEVELOPMENT AND DEMONSTRATION EXPENDITURES	\$	\$	\$	\$

Annual Report of KNG Energy Inc.

Year Ended December 31, 2002

SCHEDULE: 17

CAPITAL STOCK - ACCOUNTS 201 & 204

Class and Description of Capital Stock	Par or Stated Value Per Share (b)	Shares Authorized (c)	Shares Issued and Outstanding (d)	Total Par Value of Stock Issues (e)=(b)x(d)	Dividends Declared Per Share For Year (f)	Total Dividends Declared (g)
<u>COMMON:</u>	NON PAR	9,000	8,591	2,783,800		
<u>PREFERRED:</u>		1,000	422	255,400		
TOTALS	\$			\$	\$	\$

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SCHEDULE: 18

LONG-TERM DEBT - ACCOUNTS 221, 222*, 223, 224, 225, 226

1. List in account number order in column (a) a description of the long-term obligation, including those maturing in the coming year.
2. In the remaining columns (b) - (i) respondent shall furnish the appropriate data.

Description of Obligation (a)	Nominal Date of Issue (b)	Date of Maturity (c)	Face Amount Outstanding (d)	Unamortized Premium or Discount (e)	Stated Rate (f)	Yield Rate (g)	Short-Term Portion (h)	Long-Term Portion (i)
Mortgage Bank Note	11/98	2012	151,077		7%			
Bank Note Payable	10/98	10/07	299,129		8.25%			
Truck loan	1/00	1/05	13,058		9.99%			
			463,264				69,318	393,946

SCHEDULE: 19

DEFERRED INCOME TAX - ACCOUNT 190				
(in dollars)				
Description (a)	Balance at End of Previous Year (b)	Debits (c)	Credits (d)	Balance at End of Current Year (e)=(b)+(c)-(d)
Federal Income Taxes	0	20,000		20,000
TOTAL DEFERRED INCOME TAX ACCT. 190	\$	\$	\$	\$ 20,000

SCHEDULE: 20

DEFERRED INCOME TAX - ACCOUNT 281				
(in dollars)				
Description (a)	Balance at End of Previous Year (b)	Debits (c)	Credits (d)	Balance at End of Current Year (e)=(b)-(c)+(d)
TOTAL DEFERRED INCOME TAX ACCT. 281	\$	\$	\$	\$

SCHEDULE: 21

DEFERRED INCOME TAX - ACCOUNT 282				
(in dollars)				
Description (a)	Balance at End of Previous Year (b)	Debits (c)	Credits (d)	Balance at End of Current Year (e)=(b)-(c)+(d)
TOTAL DEFERRED INCOME TAX ACCT. 282	\$	\$	\$	\$

N/A

SCHEDULE: 22

DEFERRED INCOME TAX - ACCOUNT 283				
(in dollars)				
Description (a)	Balance at End of Previous Year (b)	Debits (c)	Credits (d)	Balance at End of Current Year (e)=(b)-(c)+(d)
TOTAL DEFERRED INCOME TAX ACCT. 283	\$	\$	\$	\$

N/A

SCHEDULE: 23

MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES - ACCOUNT 242 (in dollars)				
Description (a)	Balance at End of Previous Year (b)	Debits (c)	Credits (d)	Balance at End of Current Year (e)=(b)-(c)+(d)
Ohio Bureau of Workers Comp.	61		13	74
FUTA	0	527		< 527 >
SUTA	0		13	13
FICA TAXES	0		1981	1981
School Tax	0		41	41
TOTALS	\$ 61	\$ 527	\$ 2048	\$ 1582

SCHEDULE: 24

GAS OPERATING REVENUES					
(in dollars)					
Account No.	Account Title	Cubic Feet Sold Ohio	Cubic Feet Entire System	Revenues Ohio	Revenues Entire System
	SALES OF GAS:				
480	Residential Sales	51,907,000	51,907,000	404,552	404,552
481	Commercial & Industrial Sales				
	Small (or Comm.)	34,130,000	34,130,000	257,852	257,852
	Large (or Indus.)	17,635,000	17,635,000	146,700	146,700
482	Other Sales to Public Authorities			179,834	179,834
483	Sales for Resale	73,208,000	73,208,000	434,696	434,696
484	Interdepartmental Sales				
485	Intracompany Transfers				
	Total Sales to Ultimate Consumers (480-485)				
	TOTAL SALES OF GAS	445,930,000	445,930,000	2,895,442	2,895,442
	OTHER OPERATING REVENUES:				
487	Forfeited Discounts				
488	Miscellaneous Service Revenues			76,012	76,012
489	Revenue from Trans. of Gas of Others	92,903,000	92,903,000	49,741	49,741
489.1	Revenues from Transportation of Gas of Others through Gathering Facilities				
489.2	Revenues from Transportation of Gas of Others through Transmission Facilities				
489.3	Revenues from Transportation of Gas of Others through Distribution Facilities				
489.4	Revenues from Storing Gas of Others				
490	Sales of Prod. Extracted from Nat. Gas				
491	Rev. from Nat. Gas Processed by Others				
492	Incidental Gasoline and Oil Sales				
493	Rent from Gas Property				
494	Interdepartmental Rents				
495	Other Gas Revenues				
	TOTAL OTHER OPERATING REVENUES (485-495)	92,903,000	92,903,000	125,753	125,753
496	Less provision for Rate Refunds	()	()	()	()
	TOTAL GAS OPERATING REVENUES NET OF PROV. FOR REF. (480-496)	528,933,000	528,833,000	3,021,195	3,021,195

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SCHEDULE: 25 MAJOR (Page 1 of 7)

GAS OPERATING EXPENSE ACCOUNTS			
(in dollars)			
Account No.	Account Title	Ohio	Entire System
	PRODUCTION EXPENSES		N/A
	MANUFACTURED GAS PRODUCTION EXPENSE		
	MANUFACTURED GAS PROD. - (SUBMIT SUPPL. STATE. 700-743)		
	NATURAL GAS PRODUCTION & GATHERING OPERATION:		
750	Operation Supv. & Eng.		
751	Production Maps and Records		
752	Gas Wells Exp.		
753	Field Lines Exp.		
754	Field Compress. Sta. Exp.		
755	Field Compress. Sta. Fuel & Pwr.		
756	Field Meas. & Reg. Sta. Exp.		
757	Purification Exp.		
758	Gas Well Royalties		
759	Other Expenses		
760	Rents		
	TOTAL OPERATION (750-760)		
	MAINTENANCE		
761	Maint. Supv. & Eng.		
762	Maint. of Struct. & Improve.		
763	Maint. of Prod. Gas Wells		
764	Maint. of Field Lines		
765	Maint. of Field Compress. Sta. Equip.		
766	Maint. of Field Meas. & Reg. Sta. Equip.		
767	Maint. of Purification Equip.		
768	Maint. of Drilling & Cleaning Equip.		
769	Maint. of Other Equip.		
	TOTAL MAINTENANCE (761-769)		
	TOTAL NATURAL GAS PRODUCTION AND GATHERING (750-769)		
	PRODUCTS EXTRACTION OPERATION:		
770	Oper. Supv. & Eng.		
771	Oper. Labor		
772	Gas Shrinkage		
773	Fuel		
774	Power		
775	Materials		
776	Oper. Supplies & Exp.		
777	Gas Process. by Others		
778	Royalties on Products Extracted		
779	Marketing Exp.		

SCHEDULE: 25 MAJOR (Page 2 of 7)

GAS OPERATING EXPENSE ACCOUNTS (in dollars)			
Account No.	Account Title	Ohio	Entire System
780	Products Purchased for Resale		
781	Variation in Products Inventory		
782	Extracted Prod. Used by the Utility-Cr.		
783	Rents		
	TOTAL OPERATION (770-783)		
	MAINTENANCE		
784	Maint. Supv. & Eng.		
785	Maint. of Structures & Improvements		
786	Maint. of Extraction & Refining Equip.		
787	Maint. of Pipe Lines		
788	Maint. of Extracted Products Storage Equip.		
789	Maint. of Compress. Equip.		
790	Maint. of Gas Meas. & Reg. Equip.		
791	Maint. of Other Equip.		
	TOTAL MAINTENANCE (784-791)		
	TOTAL PRODUCTS EXTRACTION (770-791)		
	EXPLORATION AND DEVELOPMENT OPERATION:		
795	Delay Rents		
796	Nonprod. Well Drilling		
797	Abandoned Leases		
798	Other Exploration		
	TOTAL EXPLORATION AND DEVELOPMENT, OPERATION (795-798)		
	OTHER GAS SUPPLY EXPENSES OPERATION:		
800	Nat. Gas Well Head Purchases		
800.1	Nat. Gas Well Head Purchases, Intracompany Trans.		
801	Nat. Gas Field Line Purchases		
802	Nat. Gas Gasoline Plant Outlet Purchases		
803	Nat. Gas Transmission Line Purchases		
804	Nat. Gas City Gate Purchases		
804.1	Liquefied Nat. Gas Purchases		
805	Other Gas Purchases		
805.1	Purchased Gas Cost Adjust.		
805.2	Incremental Gas Cost Adjust.		
	TOTAL PURCHASED GAS (800-805.2)		
806	Exchange Gas		
807.1	Well Exp.-Purchased Gas		
807.2	Oper. of Purchased Gas Meas. Sta.		
807.3	Maint. of Purchased Gas Meas. Sta.		
807.4	Purchased Gas Calculations Exp.		

SCHEDULE: 25 MAJOR (Page 3 of 7)

GAS OPERATING EXPENSE ACCOUNTS (in dollars)			
Account No.	Account Title	Ohio	Entire System
807.5	Other Purchased Gas Exp.		
	TOTAL PURCHASED GAS EXPENSES (806-807.5)		
808.1	Gas Withdrawn from Storage-Debit		
808.2	Gas Delivered to Storage-Cr.		
809.1	Withdrawals of Liqu. Nat. Gas for Process.-Debit		
809.2	Deliveries of Nat. Gas for Process.-Cr.		
	GAS USED IN UTILITY OPERATIONS-CR.:		
810	Gas Used for Compress. Sta. Fuel-Cr.		
811	Gas Used for Prod. Extract.-Cr.		
812	Gas Used for Other Utility Oper.-Cr.		
812.1	Gas Used in Util. Oper.-Cr.		
	TOTAL GAS USED IN UTILITY OPERATIONS-CR. (810-812.1)		
813	Other Gas Supply Expenses		
	TOTAL OTHER GAS SUPPLY EXP., OPERATION (800-813)		
	TOTAL PRODUCTION EXPENSE (750-813)		
	NAT. GAS STORAGE, TERMINALING AND PROCESSING EXPENSES UNDERGROUND STORAGE EXP. OPERATION:		
814	Oper. Supv. & Eng.		
815	Maps and Records		
816	Wells Exp.		
817	Lines Exp.		
818	Compress. Sta. Exp.		
819	Compress. Sta. Fuel & Power		
820	Meas. & Reg. Sta. Exp.		
821	Purification Exp.		
822	Exploration and Develop.		
823	Gas Losses		
824	Other Exp.		
825	Storage Well Royalties		
826	Rents		
	TOTAL OPERATION (814-826)		
	MAINTENANCE		
830	Maint. Supv. & Eng.		
831	Maint. of Structures & Improve.		
832	Maint. of Reservoirs & Wells		
833	Maint. of Lines		
834	Maint. of Compress. Sta. Equip.		
835	Maint. of Meas. & Reg. Sta. Equip.		
836	Maint. of Purification Equip.		
837	Maint. of Other Equip.		
839	Maint. of Local Stor. Plant ⁺		

SCHEDULE: 25 MAJOR (Page 4 of 7)

GAS OPERATING EXPENSE ACCOUNTS			
(in dollars)			
Account No.	Account Title	Ohio	Entire System
	TOTAL MAINTENANCE (830-839)		
	TOTAL UNDERGROUND STORAGE EXP. (814-839)		
	OTHER STORAGE EXPENSES OPERATION:		
840	Oper. Supv. & Eng.		
841	Oper. Labor & Exp.		
842	Rents		
842.1	Fuel		
842.2	Power		
842.3	Gas Losses		
	TOTAL OPERATION (840-842.3)		
	MAINTENANCE		
843.1	Maint. Supv. & Eng.		
843.2	Maint. of Structures & Improve.		
843.3	Maint. of Gas Holders		
843.4	Maint. of Purification Equip.		
843.5	Maint. of Liquefaction Equip.		
843.6	Maint. of Vaporizing Equip.		
843.7	Maint. of Compress. Equip.		
843.8	Maint. of Meas. & Reg. Equip.		
843.9	Maint. of Other Equip.		
	TOTAL MAINTENANCE (843.1-843.9)		
	TOTAL OTHER STORAGE EXP. (840-843.9)		
	LIQUEFIED NAT. GAS TERMINALING & PROCESS. EXPENSES OPERATION:		
844.1	Oper. Supv. & Eng.		
844.2	LNG Process. Terminal Labor & Exp.		
844.3	Liquefaction Process. Labor & Exp.		
844.4	Liquefaction Trans. Labor & Exp.		
844.5	Meas. & Reg. Labor & Exp.		
844.6	Compress. Sta. Labor and Exp.		
844.7	Communication System Exp.		
844.8	System Control & Load Dispatch.		
845.1	Fuel		
845.2	Power		
845.3	Rents		
845.5	Wharfage Receipts-Cr.		
845.6	Process. Liquefied or Vapor. Gas by Others		
846.1	Gas Losses		
846.2	Other Exp.		
	TOTAL OPERATION (844.1-846.2)		

Annual Report of KW6 Energy, Inc. Year Ended December 31, 2002

SCHEDULE: 25 MAJOR (Page 5 of 7)

GAS OPERATING EXPENSE ACCOUNTS (in dollars)			
Account No.	Account Title	Ohio	Entire System
	MAINTENANCE		
847.1	Maint. Supv. & Eng.		
847.2	Maint. of Structures & Improve.		
847.3	Maint. of LNG Process. Terminal Equip.		
847.4	Maint. of LNG Trans. Equip.		
847.5	Maint. of Meas. & Reg. Equip.		
847.6	Maint. of Compress. Sta. Equip.		
847.7	Maint. of Communication Equip.		
847.8	Maint. of Other Equip.		
	TOTAL MAINTENANCE (847.1-847.8)		
	TOTAL LIQUEFIED NAT. GAS TERMINALING AND PROC. EXP. (844.1-847.8)		
	TOTAL NAT. GAS STORAGE (814-847.8)		
	TRANSMISSION EXPENSES OPERATION:		
850	Oper. Supv. & Eng.		
851	System Control & Load Dispatch.		
852	Comm. System Exp.		
853	Compress. Sta. Labor & Exp.		
854	Gas for Compress. Sta. Fuel		
855	Other Fuel & Power for Compress. Sta.		
856	Mains Exp.		
857	Meas. & Reg. Sta. Exp.		
858	Trans. & Compress. of Gas by Others		
859	Other Exp.		
860	Rents		
	TOTAL OPERATION (850-860)		
	MAINTENANCE		
861	Maint. Supv. & Eng.		
862	Maint. of Structures & Improve.		
863	Maint. of Mains		
864	Maint. of Compressor Sta. Equip.		
865	Maint. of Meas. & Reg. Sta. Equip.		
866	Maint. of Comm. Equip.		
867	Maint. of Other Equip.		
	TOTAL MAINTENANCE (861-867)		
	TOTAL TRANSMISSION EXPENSES (850-867)		
	DISTRIBUTION EXPENSES OPERATION:		
870	Oper. Supv. & Eng.		
871	Dist. Load Dispatch.		
872	Compress. Sta. Labor and Exp.		

Annual Report of KN6 Energy, Inc. Year Ended December 31, 2002

SCHEDULE: 25 MAJOR (Page 6 of 7)

GAS OPERATING EXPENSE ACCOUNTS (in dollars)			
Account No.	Account Title	Ohio	Entire System
873	Compress. Sta. Fuel & Power		
874	Mains & Services Exp.		
875	Meas. & Reg. Sta. Exp.-General		
876	Meas. & Reg. Sta. Exp.-Industrial		
877	Meas. & Reg. Sta. Exp.-City Gas Check Sta.		
878	Meter and House Reg. Exp.		
879	Customer Install. Exp.		
880	Other Exp.		
881	Rents		
	TOTAL OPERATION (870-881)		
	MAINTENANCE		
885	Maint. Supv. & Eng.		
886	Maint. of Structures & Improve.		
887	Maint. of Mains		
888	Maint. of Compress. Sta. Equip.		
889	Maint. of Meas. & Reg. Sta. Equip.-Gen.		
890	Maint. of Meas. & Reg. Sta. Equip.-Indus.		
891	Maint. of Meas. & Reg. Sta. Equip.-City Gate Check Station		
892	Maint. of Services		
893	Maint. of Meters & House Reg.		
894	Maint. of Other Equip.		
	TOTAL MAINTENANCE (885-894)		
	TOTAL DISTRIBUTION EXP. (870-894)		
	CUSTOMER ACCOUNTS EXP.:		
901	Supervision		
902	Meter Reading Exp.		
903	Customer Records & Collection Exp.		
904	Uncollectible Accts.		
905	Misc. Customer Accounts Exp.		
	TOTAL CUSTOMER ACCOUNTS EXP. (901-905)		
	CUSTOMER SERVICE & INFORM. EXP.:		
907	Supervision		
908	Customer Assist. Exp.		
909	Information & Instructional Exp.		
910	Misc. Cust. Serv. & Info. Exp.		
	TOTAL CUSTOMER SERVICE & INFORMATION EXP. (907-910)		

Annual Report of KN6 Energy Inc. Year Ended December 31, 2002

SCHEDULE: 25 MAJOR (Page 7 of 7)

GAS OPERATING EXPENSE ACCOUNTS (in dollars)			
Account No.	Account Title	Ohio	Entire System
	SALES EXPENSES:		
911	Supervision		
912	Demonstrating and Selling Exp.		
913	Advertising Exp.		
916	Misc. Sales Exp.		
	TOTAL SALES EXPENSES (911-916)		
	ADMINISTRATIVE AND GENERAL EXPENSES		
920	Admin. & Gen. Salaries		
921	Office Supplies & Other Exp.		
922	Admin. Exp. Trans.-Cr.		
923	Outside Services Employed		
924	Property Insurance		
925	Injuries and Damages		
926	Employee Pensions & Benefits		
927	Franchise Requirements		
928	Reg. Comm. Exp.		
929	Duplicate Charges-Cr.		
930.1	General Advertising Exp.		
930.2	Misc. General Exp.		
931	Rents		
935	Maint. of Gen. Plant		
	TOTAL ADMIN. & GENERAL EXP. (920-935)		
	TOTAL OPERATING EXPENSES (750-935)		

Annual Report of KNG Energy, Inc. Year Ended December 31, 2002

SCHEDULE: 25A NONMAJOR (Page 1 of 4)

GAS OPERATING EXPENSE ACCOUNTS (in dollars)			
Account No.	Account Title	Ohio	Entire System
	NATURAL GAS PRODUCTION EXPENSES		
	NATURAL GAS PRODUCTION AND GATHERING OPERATION:		
750	Operation Supv. & Eng.		
755	Field Compress. Sta. Fuel & Pwr.		
758	Gas Well Royalties		
759	Other Expenses		
760	Rents		
	TOTAL OPERATION (750-760)		
	MAINTENANCE		
763	Maint. of Prod. Gas Wells		
764	Maint. of Field Lines		
769.1	Maint. of Other Plant		
	TOTAL MAINTENANCE (763-769.1)		
	TOTAL NATURAL GAS PRODUCTION AND GATHERING (750-769.1)		
	PRODUCTS EXTRACTION OPERATION:		
776	Oper. Supplies & Exp.		
	TOTAL OPERATION (776)		
	MAINTENANCE		
792	Maint. of Prod. Extraction Plant		
	TOTAL MAINTENANCE (792)		
	TOTAL PRODUCTS EXTRACTION (776-792)		
	EXPLORATION AND DEVELOPMENT OPERATION:		
795	Delay Rents		
796	Nonprod. Well Drilling		
797	Abandoned Leases		
798	Other Exploration		
	TOTAL EXPLORATION AND DEVELOPMENT, OPERATION (795-798)		
	OTHER GAS SUPPLY EXPENSES OPERATION:		
799	Natural Gas Purchases	1,814,461	1,814,461
800.1	Nat. Gas Well Head Purchases, Intracompany Trans.		
803	Nat. Gas Transmission Line Purchases		
805	Other Gas Purchases		

SCHEDULE: 25A NONMAJOR (Page 2 of 4)

GAS OPERATING EXPENSE ACCOUNTS (in dollars)			
Account No.	Account Title	Ohio	Entire System
805.1	Purchased Gas Cost Adjust.		
805.2	Incremental Gas Cost Adjust.		
	TOTAL PURCHASED GAS (799-805.2)		
807	Purchased Gas Exp.		
808.1	Gas Withdrawn from Storage-Debit		
808.2	Gas Delivered to Storage-Cr.		
812.1	Gas Used in Utility Oper.-Cr.		
813	Other Gas Supply Expenses		
	TOTAL OTHER GAS SUPPLY EXP., OPERATION (807-813)	181,446	181,446
	TOTAL PRODUCTION EXP. (750-813)		
	NAT. GAS STORAGE, TERMINALING AND PROCESSING EXP. UNDERGROUND STORAGE EXPENSE OPERATION:		
814	Oper. Supv. & Eng.		
824	Other Exp.		
825	Storage Well Royalties		
826	Rents		
827	Oper. Supplies & Exp.		
	TOTAL OPERATION (814-827)		
	MAINTENANCE		
832	Maint. of Reservoirs & Wells		
838	Maint. of Other Undrgrd. Stor. Plant		
839	Maint. of Local Stor. Plant		
	TOTAL MAINTENANCE (832-839)		
	TOTAL UNDERGROUND STORAGE EXP. (814-839)		
	TRANSMISSION EXPENSES OPERATION:		
850	Oper. Supv. & Eng.		
853.1	Compress Sta. Fuel & Power		
857.1	Oper. Supplies & Exp.		
858	Trans. & Compress. of Gas by Others	39,662	39,662
860	Rents		
	TOTAL OPERATION (850-860)	39,662	39,662
	MAINTENANCE		
863	Maint. of Mains		
864	Maint. of Compressor Sta. Equip.		

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SCHEDULE: 25A NONMAJOR (Page 3 of 4)

GAS OPERATING EXPENSE ACCOUNTS (in dollars)			
Account No.	Account Title	Ohio	Entire System
868	Maint. of Other Plant		
	TOTAL MAINTENANCE (863-868)		
	TOTAL TRANSMISSION EXPENSES (850-868)		
	DISTRIBUTION EXPENSES		
	OPERATION:		
870	Oper. Supv. & Eng.		
874	Mains & Services Exp.		
878	Meter and House Reg. Exp.		
879	Customer Install. Exp.		
880.1	Misc. Dist. Exp.		
881	Rents		
	TOTAL OPERATION (870-881)		
	MAINTENANCE		
892.1	Maint. of Lines		
893	Maint. of Meters & House Reg.		
895	Maint. of Other Plant		
	TOTAL MAINTENANCE (892.1-895)		
	TOTAL DISTRIBUTION EXP. (870-895)		
	CUSTOMER ACCOUNTS EXPENSES		
	OPERATION:		
901	Supervision		
902	Meter Reading Exp.		
903	Customer Records & Collection Exp.		
904	Uncollectible Accts.		
	TOTAL CUSTOMER ACCT. EXP., OPERATION (902-904)		
	CUSTOMER SERVICE & INFORM. EXPENSES		
	OPERATION:		
906	Cust. Serv. & Info. Expenses		
907	Supervision		
908	Customer assistance expenses		
909	Informational and instructional advertising expenses		
910	Miscellaneous customer service and informational expenses		
	TOTAL CUSTOMER SERVICE & INFORMATION EXP., OPERATION (906-910)		
	SALES EXPENSES:		
917	Sales Exp.		
	TOTAL SALES EXPENSES (917)		

Annual Report of KN6 Energy Inc. Year Ended December 31, 2002

SCHEDULE: 25A NONMAIOR (Page 4 of 4)

GAS OPERATING EXPENSE ACCOUNTS (in dollars)			
Account No.	Account Title	Ohio	Entire System
	ADMINISTRATIVE AND GENERAL EXPENSES OPERATION:		
920	Admin. & Gen. Salaries	179,039	179,039
921	Office Supplies & Other Exp.	20,394	20,394
922	Admin. Exp. Trans.-Cr.	<198,278>	<198,278>
923	Outside Services Employed	132,704	132,704
924	Property Insurance	34,395	34,395
925	Injuries and Damages		
926	Employee Pensions & Benefits	31,517	31,517
927	Franchise Requirements		
928	Reg. Comm. Exp.		
929	Duplicate Charges-Cr.		
930.1	General Advertising Exp.	62,716	62,716
930.2	Misc. General Exp.	27,029	27,029
931	Rents		
933	Trans. Exp.	15,166	15,166
935	Maint. of Gen. Plant	31,868	31,868
	TOTAL ADMIN. & GENERAL EXP., OPERATION (920-935)	280,141	280,141
	TOTAL OPERATING EXPENSES (750-935)	2,154,283	2,154,283

Annual Report of KN6 Energy Inc. Year Ended December 31, 2002

SCHEDULE: 27

ACCOUNT 142.XX - PIP CUSTOMER ACCOUNTS RECEIVABLE (in dollars) N/A						
Month (A)	Balance at End of Previous Year (B)	Transfers From A/C 142 & A/C 144 (C)	Payment From Customers (D)	Transfers To A/C 186/ 182.3 (E)	Other Adjustments (F)	Balance at End of Current Year (G) = (B+C+D+E+F)
January						
February						
March						
April						
May						
June						
July						
August						
September						
October						
November						
December						
TOTAL						

NOTE: THIS SCHEDULE IS TO BE FILLED OUT BY COMPANIES THAT CURRENTLY HAVE PIP TARIFF RIDERS IN EFFECT.

SCHEDULE: 28

ACCOUNT 186.XX/182.3XX PIP CUSTOMER DEFERRED ACCOUNTS RECEIVABLE (in dollars) N/A					
Month (A)	Balance at End of Previous Year PIP Deferred (B)	Transfers From A/C 142.XX (C)	Recoveries Through Tariff Rider (D)	Other Items (Explain Below) (E)	Balance at End of Current Year PIP Deferred (F)=(B+C+D+E)
January					
February					
March					
April					
May					
June					
July					
August					
September					
October					
November					
December					
TOTAL					

NOTE: THIS SCHEDULE IS TO BE FILLED OUT AND THE PIP ACCOUNTING INFORMATION QUESTIONS BELOW ANSWERED BY COMPANIES THAT CURRENTLY HAVE PIP TARIFF RIDERS IN EFFECT.

- 1 What time period are PIP Accounts Receivable balances aged prior to transfer to the PIP Deferred account?
- 2 Do the transfers include Pre-PIP balances?
- 3 What Account do you record aged PIP in?

Annual Report of KNG Energy, Inc. Year Ended December 31, 2002

SCHEDULE: 29

GENERAL INFORMATION - NATURAL GAS				
1. Does the respondent use any process for mixing, reforming or stabilizing the heat content of natural gas?				
Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>				
2. Give location and capacity of mixing, reforming or stabilizing plants.				
3. Give a brief description of the process or processes used.				
4. Volume of gas mixed, reformed or stabilized by separate plants.				
	Plant	Plant	Plant	Plant
Natural Gas Input (M.C.F.)				
Highest Avg. B.T.U. of Input Natural Gas				
Lowest Avg. B.T.U. of Input Natural Gas				
Mixing or Stabilizing Gas Input (M.C.F.)				
Highest Avg. B.T.U. of Mixing or Stabilizing Gas				
Lowest Avg. B.T.U. of Mixing or Stabilizing Gas				
Highest Avg. B.T.U. of Mixed or Stabilized Gas				
Lowest Avg. B.T.U. of Mixed or Stabilized Gas				
Annual Output of Mixed or Stabilized Gas (M.C.F.)				

Annual Report of KUG Energy, Inc. Year Ended December 31, 2002

SCHEDULE: 29

GENERAL INFORMATION - NATURAL GAS	
5. Producing Gas Lands and Leaseholds	
a. Number of acres at beginning at year.	N/A
b. Leases taken (acres).	
c. Leases abandoned (acres).	
d. Acres purchased.	
e. Acres sold.	
f. Acres transferred from non-producing.	
g. Number of acres at end of year.	
h. Number of wells drilled during year:	
	Producing Non-Productive
i. Number of wells drilled deeper during year.	
j. Number of wells purchased during year.	
k. Number of wells abandoned during year.	
l. Number of wells sold during year.	
6. Non-Producing Gas Lands and Leaseholds	
a. Number of acres at beginning of year.	
b. Number of acres acquired during year.	
c. Number of acres abandoned during year.	
d. Number of acres transferred to producing during year.	
e. Number of acres at close of year.	
f. Number of wells drilled during year:	
	Producing Non-Productive

Annual Report of KWB Energy Inc. Year Ended December 31, 2002

SCHEDULE: 29

GENERAL INFORMATION - NATURAL GAS			
7. Number of gas wells owned:			
a. Ohio	N/A		
b. Entire Company			
8. Number of gas wells leased and names of lessors.			
N/A			
9. Number of acres under lease in Ohio as of December 31, 19____.			
N/A			
10. If gas is purchased from other companies during year, state: (attach rider if necessary)			
Name of Company	Number Cubic Feet	Price Per M.	Amount Paid
NOBLE GAS MARKETING	445,930,000	4.21	1,876,409
11. Number of cubic feet produced during year:			
a. Ohio	N/A		
b. Entire Company			
12. Total number of customers as of close of business in December:			
a. Ohio	679		
b. Entire Company	679		
13. If gas is sold to other gas utility companies during year, state: (attach rider if necessary)			
N/A			
Name of Company	Number Cubic Feet	Price Per M.	Amount Paid

Annual Report of KNO Energy Year Ended December 31, 2002

SCHEDULE: 29

GENERAL INFORMATION - NATURAL GAS			
14. Number of cubic feet gas brought into Ohio.			
N/A			
15. Number of cubic feet gas sold outside of Ohio.			
N/A			
16. Number of gallons of gasoline produced during year.			
N/A			
17. Number of new wells drilled during year:			
	Productive	Non-Productive	Total
a. Ohio			
b. Entire Company			

Annual Report of KU6 Energy Inc. Year Ended December 31, 2002

SCHEDULE: 30

EMPLOYEE COMPENSATION							
	Number of Employees as of December 31			Total Compensation for Year Ending December 31	Distribution of Wages		
	Male	Female	Total		Operation & Maintenance Accounts	Construction	Other (Specify)
Part-time Employees	1			1000			1000
Full-time Employees	2	3	5	197,612	41,073	37,464	119,075
TOTAL ALL EMPLOYEES							

SCHEDULE: 31

AFUDC RATE USED DURING YEAR & CALCULATION OF RATE	
AFUDC Rate(s) used during year.	<u>5.25%</u>
Calculation AFUDC rate(s) used:	

SCHEDULE: 32

NUMBER OF CUSTOMERS	
Type of Customers	Number of Customers
Residential	591
Commercial	83
Industrial	5
Transportation	
Public Authorities	
Interdepartmental	
Ultimate Consumers	
Sales for Resale	
Special Contract	
Miscellaneous	
Other:	
TOTAL	679

CCHEDULE: 33

REVENUE CUSTOMERS CONSUMPTION AND GAS TRANSPORTATION

DISCRIPTION	Residential Sales	Residential Transportation	Commercial Sales	Commercial Transportation	Industrial Sales	Industrial Transportation	Other Sales	Other Transportation	Subtotal		TOTAL Sales & Transportation
									Sales	Transportation	
\$ Revenue	404,552	-	257,852	-	230,905	49,741	76,012	-	297,145	49,741	302,195
Sales MCF	51,907	-	34,130	-	359,893	82,903	-	-	445,930	82,903	528,833
Customers	591	-	93	-	4	1	-	-	679	-	-
MCF / Month											
\$ Revenue / MCF	7.79	-	7.55	-	6.42	.60	-	-			
\$Average GCR / MCF											

**STATEMENT OF INTRASTATE GROSS EARNINGS (REVENUE)
FOR OHIO AT CLOSE OF YEAR**

("Intrastate means from one point in Ohio to another point in Ohio,
or wholly within Ohio.")

(For the uses and purposes designated in Revised Code Section 4905.10,
assessment for maintaining the Department of the
Public Utilities Commission of Ohio.)

Acct. No.	Item	Total (in dollars) (1)	Interstate (in dollars) (2)	Intrastate (in dollars) (3) = (1) - (2)
400	Gas Operating Revenues	302,195		302,195
411.6	Gains from Disposition of Utility Property			
412	Revenue from Gas Plant Leased to Others			
414	Other Util. Oper. Income			
415	Revenues from Merch., Jobbing & Contract Work			
417	Revenue from Nonutil. Oper.			
418	Nonoper. Rental Income			
418.1	Equity in Earnings of Subsid. Co.			
419	Interest & Dividend Income	38018		38018
421	Misc. Nonoper. Revenue			
421.1	Gains from Disp. of Prop.			
433	Extraordinary Income			
	SUBTOTAL			
483	Earnings or Receipts from Sales for Resale	(434,676)	(1,000)	(434,676)
	TOTAL			

NOTE: Total Column should agree with Revenue reported on Schedule 5 and Schedule 24.

Annual Report of KN6 Energy, Inc. Year Ended December 31, 2002

SCHEDULE: 35

IN ORDER TO ENSURE THAT PUCO CORRESPONDENCE IS DIRECTED TO THE APPROPRIATE PERSON AT THE CORRECT ADDRESS, PLEASE COMPLETE THE FOLLOWING.

Name, Title, Address, and Phone Number of the Company's Contact Persons to Receive Entries and Orders from the Docketing Division

SANDRA L. ROLLER Chief Operating Officer
Name Title
1700 Westfield Dr. Findlay OH 45840
Address
419 424-3427
Phone Number (Including Area Code)

Name, Title, Address, and Phone Number of Person to whom Invoice should be Directed

Same
Name Title
Address
Phone Number (Including Area Code)

Name and Address of the President

Joseph A. Herz President
Name President
1700 Westfield Dr. Findlay OH 45840
Address

Annual Report of KNG Energy Inc. Year Ended December 31, 2022

VERIFICATION

The foregoing report must be verified by the President or Chief Officer of the company. The oath required may be taken before any person authorized to administer an oath by the laws of the State in which the same is taken.

OATH

State of OHIO
County of HAWCOCK

Sandra L. Roller makes oath and says that
(Insert here the name of the affiant.)

he/she is Chief Operating Officer
(Insert here the official title of deponent)

of KNG Energy Inc.
(Insert here the exact legal title or name of the respondent.)

that he has examined the foregoing report; that to the best of his knowledge, information, and belief, all statements of fact contained in the said report are true and the said report is a correct statement of the business and affairs of the above-named respondent in respect to each and every matter set forth therein during the period from and including 1-1, 2022 to and including 12-31-22 20

Sandra L. Roller
(Signature of affiant.)



1700 Westfield Drive • Findlay, Ohio 45840
419-424-3427 • Fax: (419) 424-3309

July 30, 2003

Ms. Vickie L. Gray
Ohio Consumers' Counsel
10 West Broad Street, Suite 1800
Columbus, OH 43215-3485

Dear Ms. Gray:

I have enclosed a corrected copy of page 63, "Statement of Intrastate Gross Earnings" from KNG Energy's 2002 Annual Report. I did not have the columns totaled in the original filing. The correct gross revenue amount for KNG for 2002 should be \$2,624,517.

I apologize for any inconvenience.

Sincerely,

A handwritten signature in cursive script that reads "Sandra L. Roller".

Sandra L. Roller
KNG Energy, Inc.

Enclosure

Cc: Larry Ringer, PUCO

Revised

Annual Report of RNG Energy Inc Year Ended December 31, 2011

SCHEDULE: 34

**STATEMENT OF INTRASTATE GROSS EARNINGS (REVENUE)
FOR OHIO AT CLOSE OF YEAR**

("Intrastate means from one point in Ohio to another point in Ohio,
or wholly within Ohio.")

(For the uses and purposes designated in Revised Code Section 4905.10,
assessment for maintaining the Department of the
Public Utilities Commission of Ohio.)

Acct. No.	Item	Total (in dollars) (1)	Interstate (in dollars) (2)	Intrastate (in dollars) (3) = (1) - (2)
400	Gas Operating Revenues	30,211,935		30,211,935
411.6	Gains from Disposition of Utility Property			
412	Revenue from Gas Plant Leased to Others			
414	Other Util. Oper. Income			
415	Revenues from Merch., Jobbing & Contract Work			
417	Revenue from Nonutil. Oper.			
418	Nonoper. Rental Income			
418.1	Equity in Earnings of Subsid. Co.			
419	Interest & Dividend Income	3,801,8		3,801,8
421	Misc. Nonoper. Revenue			
421.1	Gains from Disp. of Prop.			
433	Extraordinary Income			
	SUBTOTAL	30,592,13		30,592,13
483	Earnings or Receipts from Sales for Resale	(4,346,96)	()	(4,346,96)
	TOTAL	26,245,17		26,245,17

NOTE: Total Column should agree with Revenue reported on Schedule 5 and Schedule 24.