

NATURAL GAS COMPANIES

ANNUAL REPORT

KNG Energy, Inc.
(Exact legal name of respondent)

If name was changed during year, show also the
previous name and date of change.

1700 Westfield Drive, Findlay, OH 45840
(Address of principal business office at end of year)

TO THE PUBLIC UTILITIES COMMISSION OF OHIO



FOR THE
YEAR ENDED
12/31/2008

Name, title, address and telephone number (including area code) of the person to be contacted concerning this report.

Sandra L. Roller
1700 Westfield Drive, Findlay, Ohio 45840

President

419-424-3427

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 confined 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 that 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 paper theses, 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 60 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 equal to the original totals, when the original totals are rounded to the nearest dollar amount.

History

KNG Energy, Inc.

Period Ending: 12/31/2008

1. **Date of Organization.** 07/25/1990
2. **Date when operations began.** 10/15/1991
3. **Under the laws of what Government, State or Territory organized? If more than one, name all.**
Ohio
4. **If a consolidated or merged company, name all constituent and all merged companies.**
KNG Energy Resources
5. **Date and authority for each consolidation and each merger.**
2/3/1994
6. **State whether respondent is a corporation, a joint stock association, a firm or partnership, or an individual.**
Corporation
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.**
N/A
8. **Where are the books and records of the company kept?**
1700 Westfield Drive, Findlay, Ohio 45840
9. **General description of territory served by respondent.**
Putnam, Hancock, Seneca, Henry, and Wood Counties
10. **Number of locations within Ohio.**
1

Facts Pertaining To Control Of Respondents

KNG Energy, Inc.

12/31/2008

1. Did any individual, association, corporation or corporations, control the respondent at close of year?

No

(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?

No

(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

KNG Energy, Inc.

12/31/2008

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 party, date, consideration, and Commission authorization.

None

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.

None

3. Capital stock and debt issued during the year: Identify the securities, give purpose of issuance, date, consideration received and Commission authorization.

None

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

None

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

None

Voting Powers and Elections

KNG Energy, Inc.

12/31/2008

<u>Name And Address Of Stockholders</u>	<u>Number of Shares Held</u>	<u>Number of Voting</u>	<u>Other Vote Empowered Securities</u>
Ronald Kahle	40	40	0
Charles M. Yeagle	547	547	0
Lynn Taliak	752	752	0
Sandra Dale	298	298	0
Christine Zawisza	47	47	0
John Dale	60	60	0
Charles Dale	737	737	0
Terrence M. Connor	568	568	0
M. Joellen Mechenbier	58	58	0
Dr. Glenn W. Goist	280	240	0
Edward & Joann Ingold	173	173	0
Joann Ingold	40	40	0
Edward Ingold	337	95	0
James Hart	180	180	0
Jeffery Hart	85	85	0
Paul Aquilla	132	132	0
Jared & Tracy Aquilla	70	70	0
Ian Cameron	64	64	0

Kalida Telephone Company	48	48	0
Patricia J. Hemmeigarn	35	10	0
Agas, LTD.	40	40	0
Betsy L. Klein	13	13	0
Andrew L. Klein	24	24	0
Kristina Kosch	32	32	0
A. Scott & Martha Rothey	687	687	0
Employees Shares	101	101	0
Rothey, Bell, & Taub	364	364	0
Ken R. Dasher	160	160	0
Sylvia Alexander Living Trust	120	120	0
Michael Snider	160	160	0
Gary D. Sirak	110	100	0
James H. Hovsepian	70	70	0
Barry & Michelle Adelman	140	130	0
Charles F. & Karen J. Koch	238	238	0
Karen Koch	22	22	0
Charles F. Koch	25	25	0
Marion V. Arbogast	44	44	0
Charles & Carolyn Schneider	64	44	0
Sentry & Co.	190	190	0

Ralph Miller	28	28	0
Joseph A. & Kathleen S. Herz	472	472	0
Thomas L. Klein	514	514	0
Country Club Acres	300	300	0
Richard Kaplan	50	50	0
Steve & Abigail Barnes	50	50	0
Patrick H. Boggs	50	50	0
Robert H. Moyer	40	40	0
L. Don Manley	100	100	0
Ohio Logistics, LTD.	20	20	0
Richard D. Stearns	50	50	0
Allison Klein	24	24	0
Joseph P. Klein	21	21	0
Julie A. Klein	32	32	0
Steven T. Klein	32	32	0
Westminister 1355 Partnership	30	0	0
Rebecca Weasel	45	0	0
Total Listed Above:	9,013	8,591	0

Board of Directors

KNG Energy, Inc.

12/31/2008

Name Of Director	Address Of Director	Served Continuously From	Term Expired or Current Term Will Expire	No. of Meetings Attended During Year
Charles L. Dale	507 Bright Road, Findlay, Ohio 45840	April 11, 1992	October 01, 2010	8
Terrence M. Connor	1688 Powell Road, Powell, Ohio 43065	April 25, 1998	October 01, 2010	8
Thomas L. Klein	200 Glendale Ave., Findlay, Ohio 45840	April 25, 1998	October 01, 2010	8
Ken Dasher	8361 Liberty Union Road, Van Wert, Ohio 45891	June 05, 2003	October 01, 2010	8
James Koehler	655 Fox Run Road, Findlay, Ohio 45840	July 10, 2007	October 01, 2010	8

Name Of Chairman: Thomas L. Klein

Name Of Secretary: Thomas L. Klein

Number Of Board Meetings: 8

Name Of Director by Charter: 5

Number Of Directors Required: 3

PRINCIPAL GENERAL OFFICERS

KNG Energy, Inc.

12/31/2008

Title of General Officer	Department Over Which Jurisdiction is	Name Of Person Holding The Office at End of Year	Office Address (City and State)
President	N/A	Sandra L. Roller	1700 Westfield Drive, Findlay, Ohio 45840
Vice President, Treasurer, Secretary	N/A	Thomas L. Klein	1700 Westfield Drive, Findlay, Ohio 45840
Vice President	N/A	Terrence M. Connor	1700 Westfield Drive, Findlay, Ohio 45840

Balance Sheet Report

Acct No.	Account Title	Beginning Balance	Ending Balance	Increase or Decrease
TOTAL ASSETS AND OTHER DEBITS				
UTILITY PLANT				
101	Gas Plant in Service	\$6,422,261	\$7,346,627	\$924,366
101.1	Property Under Capital Leases	\$0	\$0	\$0
102	Gas Plant Purchased or Sold	\$0	\$0	\$0
103	Experimental Gas Plant Unclassified (Major)	\$0	\$0	\$0
103.1	Gas Plant in Process of Reclassification (nonmajor)	\$0	\$0	\$0
104	Gas Plant Leased to Others	\$0	\$0	\$0
105	Gas Plant Held for Future Use	\$0	\$0	\$0
105.1	Production Prop. Held for Future Use (Major)	\$0	\$0	\$0
106	Completed Constr. Not Classified-Gas (Major)	\$0	\$0	\$0
107	Construction Work in Progress-Gas	\$0	\$0	\$0
108	Accum. Prov. For Deprec. Of Gas Util. Plant	\$0	\$0	\$0
110	Accum. Prov. For Deprec., Depletion & Amort. Of G	(\$884,587)	(\$1,078,536)	(\$193,949)
111	Accum. Prov. For Amort. & Depletion of Gas Util. P.	\$0	\$0	\$0
114	Gas Plant Acquisition Adjustments	\$0	\$0	\$0
115	Accum. Prov. For Amort. Of Gas Plant Acquisition A	\$0	\$0	\$0
116	Other Gas Plant Adjustments	\$0	\$0	\$0
117	Gas Stored Underground-Noncurrent (major)	\$0	\$0	\$0
118	Other Utility Plant	\$0	\$0	\$0
119	Accum. Prov. For Deprec. & Amort. Of Other Util. P	\$0	\$0	\$0
TOTAL NET UTILITY PLANT (101-119)		\$5,537,674	\$6,268,091	\$730,417
OTHER PROPERTY AND INVESTMENTS				
121	Nonutility Property	\$0	\$0	\$0
122	Accumulated Prov. For Deprec. & Amort. Of Nonuti	\$0	\$0	\$0
123	Investment in Assoc. Companies (major)	\$0	\$0	\$0
123.1	Investment in Subsidiary Companies (major)	\$500	\$500	\$0
124	Other Investments	\$0	\$0	\$0
125	Sinking Funds (major)	\$0	\$0	\$0
126	Depreciation Funds (major)	\$0	\$0	\$0
128	Other Special Funds (major)	\$0	\$0	\$0
129	Special Funds (nonmajor)	\$0	\$0	\$0
TOTAL OTHER PROPERTY AND INVESTMENTS (121-129)		\$500	\$500	\$0

Balance Sheet Report

Acct No.	Account Title	Beginning Balance	Ending Balance	Increase or Decrease
CURRENT AND ACCRUED ASSETS				
130	Cash & Working Funds (nonmajor only)	\$0	\$0	\$0
131	Cash (major)	\$749,409	\$1,861,654	\$1,112,245
132	Interest Special Deposits (major)	\$0	\$0	\$0
133	Dividend Special Deposits	\$0	\$0	\$0
134	Other Special Deposits	\$3,662	\$3,662	\$0
135	Working Funds	\$0	\$0	\$0
136	Temporary Cash Investments	\$0	\$0	\$0
141	Notes Receivable	\$0	\$0	\$0
142	Customer Accounts Receivable	\$808,388	\$1,189,016	\$380,628
143	Other Accounts Receivable	\$61,793	\$2,095	(\$59,698)
144	Accum Prov for Uncollectible Accounts (Cr)	\$0	\$0	\$0
145	Notes Receivable from Associated Cos.	\$0	\$0	\$0
146	Accts Receivable from Associated Cos.	\$0	\$0	\$0
151	Fuel Stock	\$0	\$0	\$0
152	Fuel Stock Expense Undistributed (major only)	\$0	\$0	\$0
153	Residuals and Extracted Products	\$0	\$0	\$0
154	Plant Materials and Supplies	\$46,139	\$44,344	(\$1,795)
155	Merchandise	\$0	\$0	\$0
156	Other Materials and Supplies	\$0	\$0	\$0
157	Nuclear Materials and Supplies	\$0	\$0	\$0
158	Allowances	\$0	\$0	\$0
163	Store Expense	\$0	\$0	\$0
164.1	Gas Stored Underground-Current	\$0	\$0	\$0
164.2	Liquified Natural Gas Stored	\$0	\$0	\$0
164.3	Liquified Natural Gas Held for Process	\$0	\$0	\$0
164.4	Gas Stored Underground-Current	\$0	\$0	\$0
165	Prepayments	\$334,432	\$22,550	(\$311,882)
166	Other Advances for Gas	\$0	\$0	\$0
167	Other Advances for Gas (major only)	\$0	\$0	\$0
171	Interest and Dividends Receivable	\$0	\$0	\$0
172	Rents Receivable	\$0	\$0	\$0
173	Accrued Utility Revenues	\$0	\$0	\$0
174	Misc. Current and Accrued Assets	\$0	\$0	\$0
TOTAL CURRENT ACCRUED ASSETS (130-174)		\$2,003,823	\$3,123,321	\$1,119,498

Balance Sheet Report

Acct No.	Account Title	Beginning Balance	Ending Balance	Increase or Decrease
DEFERRED DEBITS				
181	Unamortized Debt Discount and Expense	\$407	\$127	(\$280)
182.1	Extraordinary Property Losses	\$0	\$0	\$0
182.2	Unrecovered Plant & Regulatory Study Cost	\$0	\$0	\$0
182.3	Other Regulatory Assets	\$0	\$0	\$0
183.1	Prelim Nat Gas Survey and Invest Charges	\$0	\$0	\$0
183.2	Other Prelim Survey and Invest Charges	\$0	\$0	\$0
184	Clearing Accounts	\$0	\$0	\$0
185	Temporary Facilities	\$0	\$0	\$0
186	Miscellaneous Deferred Debits	\$0	\$0	\$0
187	Deferred Losses from Disp of Util Plant	\$0	\$0	\$0
188	Research, Devel and Demon Expenditures	\$0	\$0	\$0
189	Unamort Loss on Reacquired Debt	\$0	\$0	\$0
190	Accumulated Deferred Income Taxes	\$0	\$0	\$0
191	Unrecovered Purchased Gas Costs	\$0	\$0	\$0
192.1	Unrecovered Incremental Gas Costs	\$0	\$0	\$0
192.2	Unrecovered Incremental Surcharges	\$0	\$0	\$0
TOTAL DEFERRED DEBITS (181-192.2)		\$407	\$127	(\$280)
TOTAL ASSETS AND OTHER DEBITS		\$7,542,404	\$9,392,039	\$1,849,635
TOTAL LIABILITIES, CAPITAL AND OTHER CREDITS				
PROPRIETARY CAPITAL				
201	Common Stock Issued	\$2,783,800	\$2,787,460	\$3,660
202	Common Stock Subscribed	\$0	\$0	\$0
203	Common Stock Liability for Conversion	\$0	\$0	\$0
204	Preferred Stock Issued	\$255,400	\$255,400	\$0
205	Preferred Stock Subscribed	\$0	\$0	\$0
206	Preferred Stock Liability for Conversion	\$0	\$0	\$0
207	Premium on Capital Stock	\$0	\$0	\$0
208	Donations Received from Shareholders	\$0	\$0	\$0
209	Reduction in Par or Stated Value of Stock	\$0	\$0	\$0
210	Gain on Resale/Cancellation of Reacq. Stock	\$0	\$0	\$0
211	Miscellaneous Paid-in Capital	\$0	\$0	\$0
212	Installments Received on Capital Stock	\$0	\$0	\$0
213	Discount on Capital Stock	\$0	\$0	\$0
214	Capital Stock Expense	(\$87,900)	(\$87,900)	\$0
215	Appropriated Retained Earnings	\$0	\$0	\$0
216	Unappropriated Retained Earnings	\$274,997	\$1,278,172	\$1,003,175
216.1	Unappropriated Undistributed Subsid Earnings	\$0	\$0	\$0
217	Reacquired Capital Stock	(\$2,888)	(\$2,888)	\$0
218	Non-Corporate Proprietorship	\$0	\$0	\$0
219	Accumulated Other Comprehensive Income	\$0	\$0	\$0
TOTAL PROPRIETARY CAPITAL (201-218)		\$3,223,409	\$4,230,244	\$1,006,835

Balance Sheet Report

Acct No.	Account Title	Beginning Balance	Ending Balance	Increase or Decrease
LONG-TERM DEBT				
221	Bonds	\$0	\$0	\$0
222	Reacquired Bonds	\$0	\$0	\$0
223	Advances from Associated Companies	\$0	\$0	\$0
224	Other Long Term Debt	\$154,535	\$2,621,227	\$2,466,692
225	Unamort Premium on Long Term Debt	\$0	\$0	\$0
226	Unamort Discount on Long Term Debt-Dr	\$0	\$0	\$0
TOTAL LONG TERM DEBT (221-226)		\$154,535	\$2,621,227	\$2,466,692
OTHER NONCURRENT LIABILITIES				
227	Oblig Under Capital Leases-Noncurrent	\$0	\$0	\$0
228.1	Accum Provision for Property Insurance	\$0	\$0	\$0
228.2	Accum Provision for Injuries and Damages	\$0	\$0	\$0
228.3	Accum Provision for Pensions and Benefits	\$0	\$0	\$0
228.4	Accum Miscellaneous Operating Provisions	\$0	\$0	\$0
229	Accum Provision for Rate Refunds	\$0	\$0	\$0
230	Asset Retirement Costs	\$0	\$0	\$0
TOTAL OTHER NONCURRENT LIABILITIES (227-229)		\$0	\$0	\$0
CURRENT ACCRUED LIABILITIES				
231	Notes Payable	\$2,685,497	\$0	(\$2,685,497)
232	Accounts Payable	\$394,426	\$717,136	\$322,710
233	Notes Payable to Associated Companies	\$0	\$0	\$0
234	Accounts Payable to Associated Companies	\$0	\$0	\$0
235	Customer Deposits	\$15,849	\$17,549	\$1,700
236	Taxes Accrued	\$157,242	\$316,755	\$159,513
237	Interest Accrued	\$0	\$4,455	\$4,455
238	Dividends Declared	\$0	\$0	\$0
239	Matured Long Term Debt	\$52,731	\$423,178	\$370,447
240	Matured Interest	\$0	\$0	\$0
241	Tax Collections Payable	\$0	\$0	\$0
242	Miscellaneous Current and Accrued Liabilities	\$39,215	\$5,495	(\$33,720)
243	Obligations Under Capital Leases-Current	\$0	\$0	\$0
TOTAL CURRENT ACCRUED LIABILITIES (231-243)		\$3,344,960	\$1,484,568	(\$1,860,392)
DEFERRED CREDITS				
252	Customer Advances for Construction	\$500,000	\$500,000	\$0
253	Other Deferred Credits	\$0	\$0	\$0
254	Other Regulatory Liabilities	\$0	\$0	\$0
255	Accumulated Deferred Investment Tax Credits	\$0	\$0	\$0
256	Deferred Gains from Disposal of Utility Plant	\$0	\$0	\$0
257	Unamortized Gain on Reacquisition of Debt	\$0	\$0	\$0
281	Accum. Deferred Income Taxes-Accel Amort	\$0	\$0	\$0
282	Accum. Deferred Income Taxes-Libr Depr	\$0	\$0	\$0
283	Accum. Deferred Income Taxes-Other	\$319,500	\$556,000	\$236,500
TOTAL DEFERRED CREDITS (252-283)		\$819,500	\$1,056,000	\$236,500

Balance Sheet Report

Acct No.	Account Title	Beginning Balance	Ending Balance	Increase or Decrease
	TOTAL LIABILITIES PLUS PROPRIETARY CAPITAL AND OTHER CREDITS	<u>\$7,542,404</u>	<u>\$9,392,039</u>	<u>\$1,849,635</u>

Notes to Balance Sheet

Acct
No

Notes To Balance Sheet

KNG Energy, Inc.

12/31/2008

101

None

Income Statement Report

Acct No.	Account Title	Revenue Amount	Expense Amount
UTILITY OPERATING INCOME			
400	Operating Revenues	\$8,067,509	
TOTAL OPERATING REVENUE (400)		\$8,067,509	
OPERATING EXPENSES			
401	Operating Expense		\$5,571,639
402	Maintenance Expense		\$0
403	Depreciation Expense		\$0
403.1	Depreciation & Depletion Expense		\$196,567
404	Amortization of Limited Term Utility Plant		\$0
404.1	Amort. and Depl. of Prod. Nat. Gas Land and Land Rights (major)		\$0
404.2	Amort. Of Undergr. Storage Land and Land Rights (major)		\$0
404.3	Amort. Of Other Limited-Term Gas Plant (major)		\$0
405	Amortization of Other Utility Plant		\$0
406	Amortization of Utility Plant - Acq Adj		\$0
407.1	Amort. Of Extraordinary Prop. Losses, Unrecov. Plant and Reg. Study		\$0
407.2	Amort. Of Conversion Exp.		\$0
408.1	Taxes Other Than Income - Util Op Income		\$297,876
409.1	Income Taxes - Utility Operating Income		\$426,000
410.1	Provision for Def Income Tax - Util Op Inc		\$236,500
411.1	Income Taxes Deferred in Prior Years - Cr.		\$0
411.10	Accretion Expense to Operating Expenses		\$0
411.4	ITC Adjustments - Util Operations		\$0
TOTAL OPERATING EXPENSES (401-411.4)			\$6,728,582
NET OPERATING INCOME (400) Less (401-411.4)			\$1,338,927
OTHER OPERATING INCOME			
411.6	Gains from Disposition of Utility Property	\$0	
413	Income from Utility Plant Leased to Others	\$0	
414	Gains(Losses) from Disposition of Utility Plant	\$0	
TOTAL OTHER OPERATING INCOME (411.6-414)		\$0	
OTHER OPERATING DEDUCTIONS			
411.7	Losses from Disposition Of Utility Plant		\$0
411.8	(Less) Gains from Disposition of Allowances		\$0
411.9	Losses from Disposition of Allowances		\$0
TOTAL OTHER OPERATING DEDUCTIONS (411.6-414)			\$0
OTHER INCOME			
415	Revenues from Merchandising, Jobbing, Other	\$6,317	
417	Income from Nonutility Operations	\$0	
418	Nonoperating Rental Income	\$0	
418.1	Eq. In Earnings of Sub Co. (major)	\$0	
419	Interest and Dividend Income	\$33,754	
421	Miscellaneous Nonoperating Income	\$76,348	
421.1	Gains from Disposition of Property	\$0	
TOTAL OTHER INCOME		\$116,419	

Income Statement Report

Acct No.	Account Title	Revenue Amount	Expense Amount
OTHER DEDUCTIONS			
416	Costs of Merchandising, Jobbing, Other		\$0
417.1	Expenses Of Nonutility Operations		\$0
419.1	Allowance for Funds Used During Construction		\$0
421.2	Loss on Disp. Of Prop.		\$0
425	Miscellaneous Amortization		\$0
426.1	Donations		\$3,055
426.2	Life Insurance		\$10,000
426.3	Penalties		\$0
426.4	Expend. For Certain Civic, Political and Related Activities		\$0
426.5	Other Ded., Total Other Inc. Deduc., Total Other Income and Deduc.		\$0
TOTAL OTHER DEDUCTIONS			\$13,055
TAXES ON OTHER INCOME AND DEDUCTIONS			
408.2	Taxes Other Than Income - Oth Inc and Ded		\$0
409.2	Income Taxes - Oth Inc and Ded		\$0
410.2	Provision for Def Income Tax - Oth Inc		\$0
411.2	Income Taxes Deferred in Prior Years - Cr.		\$0
411.5	Investment Tax Credits Adjustments, Nonutility Operations		\$0
420	Investment Tax Credits		\$0
TOTAL TAXES ON OTHER INCOME AND DEDUCTIONS (408.2-420)			\$0
NET OTHER INCOME AND DEDUCTIONS			\$103,364
INTEREST CHARGES			
427	Interest on Long-Term Debt		\$169,290
428	Amortization of Debt Discount and Expense		\$280
428.1	Amortization of Loss on Reacq. Debt		\$0
429	Amortization of Premium on Debt - Cr.		\$0
429.1	Amortization of Gain on Reacq. Debt - Cr.		\$0
430	Interest on Debt to Associated Companies		\$0
431	Other Interest Expense		\$0
432	AFUDC - Cr.		\$0
NET INTEREST CHARGES (427-432)			\$169,570
INCOME BEFORE EXTRAORDINARY ITEMS			\$1,272,721
EXTRAORDINARY ITEMS			
409.3	Income Taxes - Extraordinary Items	\$0	\$0
434	Extraordinary Income	\$0	\$0
435	Extraordinary Deductions	\$0	\$0
TOTAL EXTRAORDINARY ITEMS (433-409.3)			\$0
NET INCOME			\$1,272,721

Notes to Income Statement

Acct
No

Notes To Income Statement

KNG Energy, Inc.
12/31/2008

400 None

Statement of Retained Earnings - Account 216

KNG Energy, Inc.

12/31/2008

<u>Sub Account</u>	<u>SubAccountTitle</u>	<u>Amount</u>
216	Unappropriated Retained Earnings at the Beginning of the period	\$274,997
433	Balance Transferred from Income	\$1,272,721
434	Extraordinary Income	\$0
435	Extraordinary Deductions	\$0
436	Appropriations of Retained Earnings	\$0
437	Dividends Declared - Preferred Stock	\$11,816
438	Dividends Declared - Common Stock	\$257,730
439	Adjustments to Retained Earnings	\$0
		<hr/> \$1,278,172

Partnership Capital Statement - Account 218

KNG Energy, Inc.

12/31/2008

Account No. 218

<u>Description</u>	<u>Amount</u>
Miscellaneous Credits	\$0
Miscellaneous Debits	\$0
Net Income (Loss for Year)	\$0
Partners' Capital Contributions	\$0
Partners' Drawings	\$0
Partnership Capital (Beginning of Year)	\$0
Total Partnership Capital (End Of Year):	<hr/> \$0

Utility Plant In Service - Account 101

Account No 101

Sub Account No	Sub Account Title	Balance First Of Year	Additions During Year	Retirements During Year	Adjustments Debit Or Credit	Balance End of Year
KNG Energy, Inc.						
12/31/2008						
301	Organization	\$0	\$0	\$0	\$0	\$0
302	Franchise and Consents	\$0	\$0	\$0	\$0	\$0
303	Miscellaneous Intangible Plant	\$0	\$0	\$0	\$0	\$0
304	Land and Land Rights	\$0	\$0	\$0	\$0	\$0
305	Structures and Improvements	\$0	\$0	\$0	\$0	\$0
306	Boiler Plant Equipment	\$0	\$0	\$0	\$0	\$0
307	Other Power Equipment	\$0	\$0	\$0	\$0	\$0
308	Coke Ovens	\$0	\$0	\$0	\$0	\$0
309	Producer Gas Equipment	\$0	\$0	\$0	\$0	\$0
310	Water Gas Generating Equipment	\$0	\$0	\$0	\$0	\$0
311	Liquefied Petroleum Gas Equipment	\$0	\$0	\$0	\$0	\$0
312	Oil Gas Generating Equipment	\$0	\$0	\$0	\$0	\$0
313	Generating Equipment--Other Processes	\$0	\$0	\$0	\$0	\$0
314	Coal, Coke, And Ash Handling Equipment	\$0	\$0	\$0	\$0	\$0
315	Catalytic Cracking Equipment	\$0	\$0	\$0	\$0	\$0
316	Other Reforming Equipment	\$0	\$0	\$0	\$0	\$0
317	Purification Equipment	\$0	\$0	\$0	\$0	\$0
318	Residual Refining Equipment	\$0	\$0	\$0	\$0	\$0
319	Gas Mixing Equipment	\$0	\$0	\$0	\$0	\$0
320	Other Equipment	\$0	\$0	\$0	\$0	\$0
325.1	Producing Lands	\$0	\$0	\$0	\$0	\$0
325.2	Producing Leaseholds	\$0	\$0	\$0	\$0	\$0
325.3	Gas Rights	\$0	\$0	\$0	\$0	\$0
325.4	Rights-of-Way	\$0	\$0	\$0	\$0	\$0

Utility Plant In Service - Account 101

Account No 101

Sub Account No	Sub Account Title	Balance First Of Year	Additions During Year	Retirements During Year	Adjustments Debit Or Credit	Balance End of Year
325.5	Other Land and Land Rights	\$0	\$0	\$0	\$0	\$0
326	Gas Well Structures	\$0	\$0	\$0	\$0	\$0
327	Field Compressor Station Structures	\$0	\$0	\$0	\$0	\$0
328	Field Meas. & Reg. Station Structures	\$0	\$0	\$0	\$0	\$0
329	Other Structures	\$0	\$0	\$0	\$0	\$0
330	Producing Gas Wells-Well Construction	\$0	\$0	\$0	\$0	\$0
331	Producing Gas Wells-Well Equipment	\$0	\$0	\$0	\$0	\$0
332	Field Lines	\$0	\$0	\$0	\$0	\$0
333	Field Compressor Station Equipment	\$0	\$0	\$0	\$0	\$0
334	Field Meas. & Reg. Station Equipment	\$0	\$0	\$0	\$0	\$0
335	Drilling and Cleaning Equipment	\$0	\$0	\$0	\$0	\$0
336	Purification Equipment	\$0	\$0	\$0	\$0	\$0
337	Other Equipment	\$0	\$0	\$0	\$0	\$0
338	Unsuccessful Exploration & Development Costs	\$0	\$0	\$0	\$0	\$0
339	Asset Retirement Costs - Production and Gathering	\$0	\$0	\$0	\$0	\$0
340	Land and Land Rights	\$0	\$0	\$0	\$0	\$0
341	Structures and Improvements	\$0	\$0	\$0	\$0	\$0
342	Extraction and Refining Equipment	\$0	\$0	\$0	\$0	\$0
343	Pipe Lines	\$0	\$0	\$0	\$0	\$0
344	Extracted Products Storage Equipment	\$0	\$0	\$0	\$0	\$0
345	Compressor Equipment	\$0	\$0	\$0	\$0	\$0
346	Gas Meas. & Reg. Equipment	\$0	\$0	\$0	\$0	\$0
347	Other Equipment	\$0	\$0	\$0	\$0	\$0
348	Asset Retirement Costs - Extraction	\$0	\$0	\$0	\$0	\$0
350.1	Land	\$0	\$0	\$0	\$0	\$0
350.2	Rights-of-Way	\$0	\$0	\$0	\$0	\$0
351	Structures and Improvements	\$0	\$0	\$0	\$0	\$0

Utility Plant In Service - Account 101

Account No 101

Sub Account No	Sub Account Title	Balance First Of Year	Additions During Year	Retirements During Year	Adjustments Debit Or Credit	Balance End of Year
352	Wells	\$0	\$0	\$0	\$0	\$0
352.1	Storage Leaseholds and Rights	\$0	\$0	\$0	\$0	\$0
352.2	Reservoirs	\$0	\$0	\$0	\$0	\$0
352.3	Non-recoverable Natural Gas	\$0	\$0	\$0	\$0	\$0
353	Lines	\$0	\$0	\$0	\$0	\$0
354	Compressor Station Equipment	\$0	\$0	\$0	\$0	\$0
355	Measuring and Regulating Equipment	\$0	\$0	\$0	\$0	\$0
356	Purification Equipment	\$0	\$0	\$0	\$0	\$0
357	Other Equipment	\$0	\$0	\$0	\$0	\$0
358	Asset Retirement Costs - Underground Storage	\$0	\$0	\$0	\$0	\$0
360	Land and Land Rights	\$0	\$0	\$0	\$0	\$0
361	Structures and Improvements	\$0	\$0	\$0	\$0	\$0
362	Gas Holders	\$0	\$0	\$0	\$0	\$0
363	Purification Equipment	\$0	\$0	\$0	\$0	\$0
363.1	Liquefaction Equipment	\$0	\$0	\$0	\$0	\$0
363.2	Vaporizing Equipment	\$0	\$0	\$0	\$0	\$0
363.3	Compressor Equipment	\$0	\$0	\$0	\$0	\$0
363.4	Meas. and Reg. Equipment	\$0	\$0	\$0	\$0	\$0
363.5	Other Equipment	\$0	\$0	\$0	\$0	\$0
363.6	Asset Retirement Costs - Other Storage	\$0	\$0	\$0	\$0	\$0
364.1	Land and Land Rights	\$0	\$0	\$0	\$0	\$0
364.2	Structures and Improvements	\$0	\$0	\$0	\$0	\$0
364.3	LNG Processing Terminal Equipment	\$0	\$0	\$0	\$0	\$0
364.4	LNG Transportation Equipment	\$0	\$0	\$0	\$0	\$0
364.5	Measuring and Regulating Equipment	\$0	\$0	\$0	\$0	\$0
364.6	Compressor Station Equipment	\$0	\$0	\$0	\$0	\$0
364.7	Communications Equipment	\$0	\$0	\$0	\$0	\$0
364.8	Other Equipment	\$0	\$0	\$0	\$0	\$0

Utility Plant In Service - Account 101

Account No 101

Sub Account No	Sub Account Title	Balance First Of Year	Additions During Year	Retirements During Year	Adjustments Debit Or Credit	Balance End of Year
364.9	Asset Retirement Costs - LNG Terminaling and Processing	\$0	\$0	\$0	\$0	\$0
365.1	Land and Land Rights	\$0	\$0	\$0	\$0	\$0
365.2	Rights-of-Way	\$0	\$0	\$0	\$0	\$0
366	Structures and Improvements	\$0	\$0	\$0	\$0	\$0
367	Mains	\$0	\$0	\$0	\$0	\$0
368	Compressor Station Equipment	\$0	\$0	\$0	\$0	\$0
369	Measuring and Reg. Sta. Equipment	\$0	\$0	\$0	\$0	\$0
370	Communication Equipment	\$0	\$0	\$0	\$0	\$0
371	Other Equipment	\$0	\$0	\$0	\$0	\$0
372	Asset Retirement Costs - Transmission	\$0	\$0	\$0	\$0	\$0
374	Land and Land Rights	\$158,663	\$5,000	\$0	\$0	\$163,663
375	Structures and Improvement	\$0	\$0	\$0	\$0	\$0
376	Mains	\$4,169,571	\$152,757	\$0	\$0	\$4,322,328
377	Compressor Station Equipment	\$0	\$0	\$0	\$0	\$0
378	Meas. and Reg. Sta. Equip.-General	\$199,476	\$1,665	\$0	\$0	\$201,141
379	Meas. and Reg. Sta. Equip.-City Gate	\$500,339	\$144,216	\$0	\$0	\$644,555
380	Services	\$462,245	\$16,624	\$0	\$0	\$478,869
381	Meters	\$363,097	\$25,360	\$1,173	\$0	\$387,284
382	Meter Installations	\$0	\$0	\$0	\$0	\$0
383	House Regulators	\$19,157	\$0	\$0	\$0	\$19,157
384	House Regulator Installations	\$0	\$0	\$0	\$0	\$0
385	Industrial Meas. and Reg. Sta. Equip.	\$0	\$0	\$0	\$0	\$0
386	Other Prop. on Customers' Premises	\$0	\$0	\$0	\$0	\$0
387	Other Equip.	\$0	\$0	\$0	\$0	\$0
388	Asset Retirement Costs - Distribution	\$0	\$0	\$0	\$0	\$0
389	Land and Land Rights	\$0	\$0	\$0	\$0	\$0
390	Structures and Improvements	\$258,387	\$258,590	\$0	\$0	\$516,977

Utility Plant In Service - Account 101

Account No 101

Sub Account No	Sub Account Title	Balance First Of Year	Additions During Year	Retirements During Year	Adjustments Debit Or Credit	Balance End of Year
391	Office Furniture and Equipment	\$19,426	\$8,326	\$893	\$0	\$26,859
392	Transportation Equipment	\$166,779	\$112,957	\$21,705	\$0	\$258,031
393	Stores Equipment	\$0	\$0	\$0	\$0	\$0
394	Tools, Shop and Garage Equipment	\$38,825	\$42,876	\$2,555	\$0	\$79,146
395	Laboratory Equipment	\$0	\$0	\$0	\$0	\$0
396	Power Operated Equipment	\$57,845	\$183,111	\$0	\$0	\$240,956
397	Communication Equipment	\$8,451	\$0	\$790	\$0	\$7,661
398	Miscellaneous Equipment	\$0	\$0	\$0	\$0	\$0
399	Other Tangible Property	\$0	\$0	\$0	\$0	\$0
399.1	Asset Retirement Costs - General	\$0	\$0	\$0	\$0	\$0
		\$6,422,261	\$951,482	\$27,116	\$0	\$7,346,627

Accumulated Provision For Depreciation - Account 108

Name of Other Item	Accumulated Depreciation Balance First of Year (b)	Rate % Used (c)	Accruals During Year (d)	Original Cost Of Plant Retired (e)	Cost of Removal (f)	Salvage (g)	Other Additions or Deductions		Balance End of Year (j)=(b)+(d)-(e)-(f) +(g)+(h)-(i)	
							Added (h)	Subtracted (i)		
KNG Energy, Inc.										
<u>12/31/2008</u>										
301	Organization	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
302	Franchise and Consents	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
303	Miscellaneous Intangible Plant	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
304	Land and Land Rights	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
305	Structures and Improvements	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
306	Boiler Plant Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
307	Other Power Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
308	Coke Ovens	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
309	Producer Gas Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
310	Water Gas Generating Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
311	Liquefied Petroleum Gas Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
312	Oil Gas Generating Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
313	Generating Equipment—Other Processes	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
314	Coal, Coke, And Ash Handling Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
315	Catalytic Cracking Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
316	Other Reforming Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
317	Purification Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
318	Residual Refining Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
319	Gas Mixing Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
320	Other Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
325.1	Producing Lands	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
325.2	Producing Leaseholds	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
325.3	Gas Rights	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
325.4	Rights-of-Way	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
325.5	Other Land and Land Rights	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
326	Gas Well Structures	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
327	Field Compressor Station Structures	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
328	Field Meas. & Reg. Station Structures	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
329	Other Structures	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Name of Other Item	Accumulated	Rate	Accruals	Original	Cost	Salvage	Other Additions or		Balance	
	Depreciation	%	During	Cost Of Plant	of		Deductions			End of Year
	Balance	Used	Year	Retired	Removal	(g)	Added	Subtracted	(j)=(b)+(d)-(e)-(f)	
	First of Year	(c)	(d)	(e)	(f)		(h)	(i)	+(g)+(h)-(i)	
	(b)									
330	Producing Gas Wells-Well Construction	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
331	Producing Gas Wells-Well Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
332	Field Lines	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
333	Field Compressor Station Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
334	Field Meas. & Reg. Station Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
335	Drilling and Cleaning Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
336	Purification Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
337	Other Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
338	Unsuccessful Exploration & Developmer	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
339	Asset Retirement Costs - Production anc	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
340	Land and Land Rights	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
341	Structures and Improvements	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
342	Extraction and Refining Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
343	Pipe Lines	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
344	Extracted Products Storage Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
345	Compressor Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
346	Gas Meas. & Reg. Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
347	Other Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
348	Asset Retirement Costs - Extraction	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
350.1	Land	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
350.2	Rights-of-Way	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
351	Structures and Improvements	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
352	Wells	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
352.1	Storage Leaseholds and Rights	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
352.2	Reservoirs	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
352.3	Non-recoverable Natural Gas	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
353	Lines	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
354	Compressor Station Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
355	Measuring and Regulating Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
356	Purification Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
357	Other Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
358	Asset Retirement Costs - Underground	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
360	Land and Land Rights	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
361	Structures and Improvements	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
362	Gas Holders	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
363	Purification Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Name of Other Item	Accumulated	Rate	Accruals	Original	Cost	Salvage	Other Additions or		Balance	
	Depreciation	%	During	Cost Of Plant	of		Deductions			End of Year
	Balance	Used	Year	Retired	Removal	(g)	Added	Subtracted	(j)=(b)+(d)-(e)-(f)	
	First of Year	(c)	(d)	(e)	(f)		(h)	(i)	+(g)+(h)-(i)	
	(b)									
363.1	Liquefaction Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
363.2	Vaporizing Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
363.3	Compressor Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
363.4	Meas. and Reg. Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
363.5	Other Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
363.6	Asset Retirement Costs - Other Storage	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
364.1	Land and Land Rights	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
364.2	Structures and Improvements	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
364.3	LNG Processing Terminal Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
364.4	LNG Transportation Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
364.5	Measuring and Regulating Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
364.6	Compressor Station Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
364.7	Communications Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
364.8	Other Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
364.9	Asset Retirement Costs - LNG Terminal	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
365.1	Land and Land Rights	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
365.2	Rights-of-Way	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
366	Structures and Improvements	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
367	Mains	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
368	Compressor Station Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
369	Measuring and Reg. Sta. Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
370	Communication Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
371	Other Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
372	Asset Retirement Costs - Transmission	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
374	Land and Land Rights	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
375	Structures and Improvement	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
376	Mains	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
377	Compressor Station Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
378	Meas. and Reg. Sta. Equip.-General	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
379	Meas. and Reg. Sta. Equip.-City Gate	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
380	Services	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
381	Meters	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
382	Meter Installations	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
383	House Regulators	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
384	House Regulator Installations	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
385	Industrial Meas. and Reg. Sta. Equip.	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Name of Other Item	Accumulated	Rate % Used (c)	Accruals During Year (d)	Original Cost Of Plant Retired (e)	Cost of Removal (f)	Salvage (g)	Other Additions or Deductions		Balance End of Year (j)=(b)+(d)-(e)-(f) +(g)+(h)-(i)
	Depreciation Balance First of Year (b)						Added (h)	Subtracted (i)	
386 Other Prop. on Customers' Premises	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
387 Other Equip.	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
388 Asset Retirement Costs - Distribution	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
389 Land and Land Rights	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
390 Structures and Improvements	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
391 Office Furniture and Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
392 Transportation Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
393 Stores Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
394 Tools, Shop and Garage Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
395 Laboratory Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
396 Power Operated Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
397 Communication Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
398 Miscellaneous Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
399 Other Tangible Property	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
399.1 Asset Retirement Costs - General	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0

Name of Other Item	Accumulated	Rate %	Accruals During Year	Original Cost Of Plant Retired	Cost of Removal	Salvage	Other Additions or Deductions		Balance End of Year (j)=(b)+(d)-(e)-(f) +(g)+(h)-(i)
	Depreciation Balance First of Year						Used	Added	
	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	

Accumulated Provision For Depreciation - Reserve Items - Account 108

Account No

Sub Total

Grand Total

\$0

Accumulated Provision For Depreciation - Account 110

Name of Other Item	Accumulated Depreciation Balance First of Year (b)	Rate % Used (c)	Accruals During Year (d)	Original Cost Of Plant Retired (e)	Cost of Removal (f)	Salvage (g)	Other Additions or Deductions		Balance End of Year (j)=(b)+(d)-(e)-(f) +(g)+(h)-(i)	
							Added (h)	Subtracted (i)		
KNG Energy, Inc.										
<u>12/31/2008</u>										
301	Organization	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
302	Franchise and Consents	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
303	Miscellaneous Intangible Plant	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
304	Land and Land Rights	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
305	Structures and Improvements	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
306	Boiler Plant Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
307	Other Power Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
308	Coke Ovens	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
309	Producer Gas Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
310	Water Gas Generating Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
311	Liquefied Petroleum Gas Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
312	Oil Gas Generating Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
313	Generating Equipment—Other Processes	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
314	Coal, Coke, And Ash Handling Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
315	Catalytic Cracking Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
316	Other Reforming Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
317	Purification Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
318	Residual Refining Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
319	Gas Mixing Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
320	Other Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
325.1	Producing Lands	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
325.2	Producing Leaseholds	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
325.3	Gas Rights	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
325.4	Rights-of-Way	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
325.5	Other Land and Land Rights	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
326	Gas Well Structures	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
327	Field Compressor Station Structures	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
328	Field Meas. & Reg. Station Structures	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
329	Other Structures	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Name of Other Item	Accumulated	Rate % Used (c)	Accruals During Year (d)	Original Cost Of Plant Retired (e)	Cost of Removal (f)	Salvage (g)	Other Additions or Deductions		Balance End of Year (j)=(b)+(d)-(e)-(f) +(g)+(h)-(i)
	Depreciation Balance First of Year (b)						Added (h)	Subtracted (i)	
330	Producing Gas Wells-Well Construction	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0
331	Producing Gas Wells-Well Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0
332	Field Lines	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0
333	Field Compressor Station Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0
334	Field Meas. & Reg. Station Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0
335	Drilling and Cleaning Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0
336	Purification Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0
337	Other Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0
338	Unsuccessful Exploration & Developmer	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0
339	Asset Retirement Costs - Production anc	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0
340	Land and Land Rights	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0
341	Structures and Improvements	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0
342	Extraction and Refining Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0
343	Pipe Lines	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0
344	Extracted Products Storage Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0
345	Compressor Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0
346	Gas Meas. & Reg. Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0
347	Other Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0
348	Asset Retirement Costs - Extraction	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0
350.1	Land	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0
350.2	Rights-of-Way	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0
351	Structures and Improvements	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0
352	Wells	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0
352.1	Storage Leaseholds and Rights	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0
352.2	Reservoirs	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0
352.3	Non-recoverable Natural Gas	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0
353	Lines	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0
354	Compressor Station Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0
355	Measuring and Regulating Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0
356	Purification Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0
357	Other Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0
358	Asset Retirement Costs - Underground E	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0
360	Land and Land Rights	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0
361	Structures and Improvements	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0
362	Gas Holders	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0
363	Purification Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0

Name of Other Item	Accumulated	Rate % Used (c)	Accruals During Year (d)	Original Cost Of Plant Retired (e)	Cost of Removal (f)	Salvage (g)	Other Additions or Deductions		Balance End of Year (j)=(b)+(d)-(e)-(f) +(g)+(h)-(i)
	Depreciation Balance First of Year (b)						Added (h)	Subtracted (i)	
363.1	Liquefaction Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0
363.2	Vaporizing Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0
363.3	Compressor Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0
363.4	Meas. and Reg. Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0
363.5	Other Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0
363.6	Asset Retirement Costs - Other Storage	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0
364.1	Land and Land Rights	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0
364.2	Structures and Improvements	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0
364.3	LNG Processing Terminal Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0
364.4	LNG Transportation Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0
364.5	Measuring and Regulating Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0
364.6	Compressor Station Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0
364.7	Communications Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0
364.8	Other Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0
364.9	Asset Retirement Costs - LNG Terminal	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0
365.1	Land and Land Rights	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0
365.2	Rights-of-Way	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0
366	Structures and Improvements	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0
367	Mains	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0
368	Compressor Station Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0
369	Measuring and Reg. Sta. Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0
370	Communication Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0
371	Other Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0
372	Asset Retirement Costs - Transmission	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0
374	Land and Land Rights	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0
375	Structures and Improvement	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0
376	Mains	(\$377,784)	2.18%	(\$92,562)	\$0	\$0	\$0	\$0	(\$470,346)
377	Compressor Station Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0
378	Meas. and Reg. Sta. Equip.-General	(\$41,937)	3.33%	(\$6,670)	\$0	\$0	\$0	\$0	(\$48,607)
379	Meas. and Reg. Sta. Equip.-City Gate	(\$43,642)	3.05%	(\$17,460)	\$0	\$0	\$0	\$0	(\$61,102)
380	Services	(\$185,733)	4.58%	(\$21,551)	\$0	\$0	\$0	\$0	(\$207,284)
381	Meters	(\$54,037)	2.09%	(\$7,841)	(\$1,173)	\$0	\$0	\$0	(\$60,705)
382	Meter Installations	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0
383	House Regulators	(\$3,505)	3.33%	(\$637)	\$0	\$0	\$0	\$0	(\$4,142)
384	House Regulator Installations	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0
385	Industrial Meas. and Reg. Sta. Equip.	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0

Name of Other Item	Accumulated	Rate % Used (c)	Accruals During Year (d)	Original Cost Of Plant Retired (e)	Cost of Removal (f)	Salvage (g)	Other Additions or Deductions		Balance End of Year (j)=(b)+(d)-(e)-(f) +(g)+(h)-(i)
	Depreciation Balance First of Year (b)						Added (h)	Subtracted (i)	
386 Other Prop. on Customers' Premises	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
387 Other Equip.	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
388 Asset Retirement Costs - Distribution	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
389 Land and Land Rights	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
390 Structures and Improvements	(\$63,299)	2.43%	(\$9,420)	\$0	\$0	\$0	\$0	\$0	(\$72,719)
391 Office Furniture and Equipment	(\$4,821)	4.75%	(\$1,099)	(\$893)	\$0	\$0	\$0	\$0	(\$5,027)
392 Transportation Equipment	(\$86,848)	11.88%	(\$25,236)	(\$21,705)	\$0	(\$9,498)	\$0	\$0	(\$99,877)
393 Stores Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
394 Tools, Shop and Garage Equipment	(\$16,365)	5.28%	(\$3,114)	(\$2,555)	\$0	\$0	\$0	\$0	(\$16,924)
395 Laboratory Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
396 Power Operated Equipment	(\$2,144)	6.92%	(\$10,339)	\$0	\$0	(\$15,000)	\$0	\$0	(\$27,483)
397 Communication Equipment	(\$4,472)	7.92%	(\$638)	(\$790)	\$0	\$0	\$0	\$0	(\$4,320)
398 Miscellaneous Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
399 Other Tangible Property	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
399.1 Asset Retirement Costs - General	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total	(\$884,587)		(\$196,567)	(\$27,116)	\$0	(\$24,498)	\$0	\$0	(\$1,078,536)

Name of Other Item	Accumulated	Rate	Accruals	Original	Cost	Salvage	<u>Other Additions or</u>		Balance
	Depreciation	%	During	Cost Of Plant	of		<u>Deductions</u>		End of Year
	Balance	Used	Year	Retired	Removal	(g)	Added	Subtracted	(j)=(b)+(d)-(e)-(f)
	First of Year						(h)	(i)	+(g)+(h)-(i)
	(b)	(c)	(d)	(e)	(f)				

Accumulated Provision For Depreciation - Reserve Items - Account 110

Account No

Name of Other Item	Accumulated	Rate %	Accruals	Original	Cost	Salvage	<u>Other Additions or</u>		Balance
	Depreciation	Used	During	Cost of	of		<u>Deductions</u>		End of Year
	Balance		Year	Plant Retired	Removal	(g)	Added	Subtracted	(j)=(b)+(d)-(e)-(f)+
	First of Year	(c)	(d)	(e)	(f)		(h)	(i)	(g)+(h)-(i)
	(b)								

Sub Total

Grand Total

\$0

Special Funds - Account 125

Account No. 125

Name of Fund (a)	Balance First of Year (b)	Principal Additions Principle (c)	Principal Additions Income (d)	Deductions (e)	Balance End of Year (f)=(b)+(c)+(d)-(e)
KNG Energy, Inc. 12/31/2008					
N/A	\$0	\$0	\$0	\$0	\$0
Totals	\$0	\$0	\$0	\$0	\$0

Special Funds - Account 126

Account No: 126

Name of Fund (a)	Balance First of Year (b)	Principal Additions Principle (c)	Principal Additions Income (d)	Deductions (e)	Balance End of Year (f)=(b)+(c)+(d)-(e)
KNG Energy, Inc.					
12/31/2008					
N/A	\$0	\$0	\$0	\$0	\$0
Totals	\$0	\$0	\$0	\$0	\$0

Special Funds - Account 128

Account No. 128

Name of Fund (a)	Balance First of Year (b)	Principal Additions Principle (c)	Principal Additions Income (d)	Deductions (e)	Balance End of Year (f)=(b)+(c)+(d)-(e)
KNG Energy, Inc. 12/31/2008					
N/A	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0

Special Funds - Account 129

Account No. 129

Name of Fund (a)	Balance First of Year (b)	Principal Additions Principle (c)	Principal Additions Income (d)	Deductions (e)	Balance End of Year (f)=(b)+(c)+(d)-(e)
KNG Energy, Inc. 12/31/2008					
N/A	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0

Prepayments - Account 165

Account No: 165

Description (a)	Beginning Balance (b)	Debits (c)	Credits (d)	Balance End of Year (e)=(b)+(c)-(d)
KNG Energy, Inc.				
12/31/2008				
Prepaid Insurance	\$19,113	\$3,437	\$0	\$22,550
Prepaid Taxes	\$315,319	\$0	\$315,319	\$0
Totals	\$334,432	\$3,437	\$315,319	\$22,550

Misc. Current and Accrued Assets - Account 174

Account No: 174

Description (a)	Beginning Balance (b)	Debits (c)	Credits (d)	Balance End of Year (e)=(b)+(c)-(d)
KNG Energy, Inc. 12/31/2008				
N/A	\$0	\$0	\$0	\$0
Totals	\$0	\$0	\$0	\$0

Extraordinary Property Losses - Account 182.1

Account No: 182.1

Description (a)	Beginning Balance (b)	Debits (c)	Credits (d)	Balance End of Year (e)=(b)+(c)-(d)
KNG Energy, Inc. 12/31/2008				
N/A	\$0	\$0	\$0	\$0
Totals	\$0	\$0	\$0	\$0

Unrecovered Plant and Regulatory Study Costs - Account 182.2

Account No: 182.2

	Beginning Balance (b)	Debits (c)	Credits (d)	Balance End of Year (e)=(b)+(c)-(d)
KNG Energy, Inc.				
12/31/2008				
N/A	\$0	\$0	\$0	\$0
Totals	\$0	\$0	\$0	\$0

Miscellaneous Deferred Debits - Account 186

Account No: 186

Description (a)	Beginning Balance (b)	Debits (c)	Credits (d)	Balance End of Year (e)=(b)+(c)-(d)
KNG Energy, Inc.				
12/31/2008				
N/A	\$0	\$0	\$0	\$0
Totals	\$0	\$0	\$0	\$0

**Research Development and
Demonstration Expense (major) - Account 188**

Account No: 188

Description (a)	Beginning Balance (b)	Debits (c)	Credits (d)	Balance End of Year (e)=(b)+(c)-(d)
KNG Energy, Inc. 12/31/2008				
N/A	\$0	\$0	\$0	\$0
Totals	\$0	\$0	\$0	\$0

Capital Stock - Account 201

Acct No. 201

Class Description Of Capital Stock (Common) (a)	Par Or Stated Value Per Share (Common)	Shares Authorized (Common)	Shares Issued Outstanding (Common)	Total Par Value of Stock Issues	Dividends Declared Per Share For Year (Common)	Total Declared Dividends
KNG Energy, Inc.						
12/31/2008						
Common Stock	\$0.00	0	8,591	\$2,787,460	\$0.00	\$257,730
	<u>\$0.00</u>	<u>0</u>	<u>8,591</u>	<u>\$2,787,460</u>	<u>\$0.00</u>	<u>\$257,730</u>

Capital Stock - Account 204

Acct No.	204						
Class Description Of Capital Stock (Common) (a)	Par Or Stated Value Per Share (Preferred) (b)	Shares Authorized (Preferred) (c)	Shares Issued Outstanding (Preferred) (d)	Total Par Value of Stock Issues (e) = (b) x (d)	Dividends Declared Per Share For Year (Common) (f)	Total Declared Dividends (g)	
KNG Energy, Inc.							
12/31/2008							
Preferred Stock	\$0.00	\$0.00	255,400	\$255,400	\$0.00	\$11,816	
	<u>\$0.00</u>	<u>\$0.00</u>	<u>255,400</u>	<u>\$255,400</u>	<u>\$0.00</u>	<u>\$11,816</u>	

Long Term Debt - Account 221

<u>AccountNo</u>	Beginning	Nominal		Face	Unamortized				Long-
<u>Description of Obligation</u>	Balance	Date of	Date of	Amount	Premium or	Stated	Yield	Short Term	Term
	(a)	Issue	Maturity	Outstanding	Discount	Rate	Rate	Portion	Portion
		(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)

Long Term Debt - Account 222

Account No	Beginning Balance	Nominal Date of Issue	Date of Maturity	Face Amount Outstanding	Unamortized Premium or Discount	Stated Rate	Yield Rate	Short Term Portion	Long- Term Portion
Description of obligation	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)

Long Term Debt - Account 223

Account No:	Beginning	Nominal		Face	Unamortized				Long-
Description of obligation	Balance	Date of	Date of	Amount	Premium or	Stated	Yield	Short Term	Term
	(a)	Issue	Maturity	Outstanding	Discount	Rate	Rate	Portion	Portion
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)

Long Term Debt - Account 224

Account No: 224

Description of Obligation	Beginning Balance (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)
KNG Energy, Inc.									
12/31/2008									
Mortgage	\$68,808	11/1/1998	2012	\$0		5.25%		\$0	\$0
Daimler-Chrysler Loan	\$25,727	5/1/2007	2011	\$25,727				\$10,290	\$15,436
Pipeline Mortgage	\$60,000	4/1/2007	2011	\$60,000				\$20,000	\$40,000
Loan DLP8	\$0	8/21/08	2013	\$2,883,279		5.75%		\$366,860	\$2,516,419
Mortgage	\$0	12/22/2008	2018	\$75,340		5.75%		\$26,028	\$49,372
	<u>\$154,535</u>			<u>\$3,044,346</u>				<u>\$423,178</u>	<u>\$2,621,227</u>

Long Term Debt - Account 225

Account No:	Beginning	Nominal		Face	Unamortized				Long-
Description of Obligation	Balance	Date of	Date of	Amount	Premium or	Stated	Yield	Short Term	Term
	(a)	Issue	Maturity	Outstanding	Discount	Rate	Rate	Portion	Portion
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)

Long Term Debt - Account 226

Account No:	Beginning	Nominal		Face	Unamortized				Long-
Description of Obligation	Balance	Date of	Date of	Amount	Premium or	Stated	Yield	Short Term	Term
	(a)	Issue	Maturity	Outstanding	Discount	Rate	Rate	Portion	Portion
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)

Deferred Income Tax - Account 190

Account No	<u>190</u>				Balance End of Year
Description (a)	Beginning Balance (b)	Debits (c)	Credits (d)	(e) = (b) - (c) + (d)	
KNG Energy, Inc.					
12/31/2008					
<hr/>					
N/A	\$0	\$0	\$0	\$0	
Total	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	

Deferred Income Tax - Account 281

Account No 281

	Beginning Balance (b)	Debits (c)	Credits (d)	Balance End of Year (e) = (b) - (c) + (d)
Description (a)				
KNG Energy, Inc. 12/31/2008 <hr style="border: 0.5px solid black;"/>				
N/A	\$0	\$0	\$0	\$0
Total	\$0	\$0	\$0	\$0

Deferred Income Tax - Account 282

Account No 282

Description (a)	Beginning Balance (b)	Debits (c)	Credits (d)	Balance End of Year (e) = (b) - (c) + (d)
KNG Energy, Inc. 12/31/2008				
N/A	\$0	\$0	\$0	\$0
Total	\$0	\$0	\$0	\$0

Deferred Income Tax - Account 283

Account No 283

Description (a)	Beginning Balance (b)	Debits (c)	Credits (d)	Balance End of Year (e) = (b) - (c) + (d)
KNG Energy, Inc.				
12/31/2008				
Deferred Income Tax	\$319,500	\$0	\$236,500	\$556,000
Total	\$319,500	\$0	\$236,500	\$556,000

Misc. Current and Accrued Liabilities - Account 242
--

Account No. 242

Description (a)	Beginning Balance (b)	Debits (c)	Credits (d)	Balance End of Year (e) = (b) - (c) + (d)
KNG Energy, Inc.				
12/31/2008				
Deferred Revenue	\$12,348	\$9,146	\$0	\$3,202
Gas	\$26,867	\$25,159	\$0	\$1,708
Accrued 401K	\$0	\$0	\$585	\$585
Total	\$39,215	\$34,305	\$585	\$5,495

Gas Operating Revenues

Account No 400

Sub Account No	SubAccountTitle	Cubic Feet Sold Ohio	Cubic Feet Entire System	Revenues Ohio	Revenues Entire System
KNG Energy, Inc.					
12/31/2008					
480	Residential Sales	76,216	76,216	1,111,701	1,111,701
481	Commercial & Industrial Sales	0	0	0	0
481.1	Commercial Sales (Small)	77,546	77,546	1,077,137	1,077,137
481.2	Industrial Sales (large)	272,458	272,458	3,224,578	3,224,578
482	Other Sales to Public Authorities	0	0	0	0
483	Sales for Resale	60,006	60,006	706,308	706,308
484	Interdepartmental Sales	0	0	0	0
485	Intracompany Transfers	0	0	0	0
487	Forfeited Discounts	0	0	0	0
488	Miscellaneous Service Revenues	0	0	24,000	24,000
489	Revenue from Trans of Gas of Others	1,936,618	1,936,618	1,923,785	1,923,785
489.1	Revenues from Transportation of Gas of Others through Gathering Facilities	0	0	0	0
489.2	Revenues from Transportation of Gas of Others through Transmission Facilities	0	0	0	0
489.3	Revenues from Transportation of Gas of Others through Distribution Facilities	0	0	0	0
489.4	Revenues from Storing Gas of Others	0	0	0	0
490	Sales of Prod. Extracted from Nat. Gas	0	0	0	0
491	Rev. from Nat. Gas Processed by Others	0	0	0	0
492	Incidental Gasoline and Oil Sales	0	0	0	0
493	Rent from Gas Property	0	0	0	0
494	Interdepartmental Rents	0	0	0	0
495	Other Gas Revenues	0	0	0	0
496	Provision for Rate Refunds	0	0	0	0
Total Gas Operating Revenues Net of Provision for Refunds (480-496)		2,422,844	2,422,844	8,067,509	8,067,509

Gas Operating Expense Accounts

Account No 401

Sub Acct No	SubAccountTitle	Ohio	Entire System
KNG Energy, Inc.			
12/31/2008			
700	Operation supervision and engineering	\$0	\$0
701	Operation labor	\$0	\$0
702	Boiler fuel	\$0	\$0
703	Miscellaneous steam expenses	\$0	\$0
704	Steam transferred-Credit	\$0	\$0
710	Operation supervision and engineering	\$0	\$0
711	Steam expenses	\$0	\$0
712	Other power expenses	\$0	\$0
713	Coke oven expenses	\$0	\$0
714	Producer gas expenses	\$0	\$0
715	Water gas generating expenses	\$0	\$0
716	Oil gas generating expenses	\$0	\$0
717	Liquefied petroleum gas expenses	\$0	\$0
718	Other process production expenses	\$0	\$0
719	Fuel under coke ovens	\$0	\$0
720	Producer gas fuel	\$0	\$0
721	Water gas generator fuel	\$0	\$0
722	Fuel for oil gas	\$0	\$0
723	Fuel for liquefied petroleum gas process	\$0	\$0
724	Other gas fuels	\$0	\$0
724.1	Fuel	\$0	\$0
725	Coal carbonized in coke ovens	\$0	\$0
726	Oil for water gas	\$0	\$0
727	Oil for oil gas	\$0	\$0
728	Liquefied petroleum gas	\$0	\$0
729	Raw materials for other gas processes	\$0	\$0
729.1	Raw material	\$0	\$0
730	Residuals expenses	\$0	\$0
731	Residuals produced-Credit.	\$0	\$0
732	Purification expenses	\$0	\$0
733	Gas mixing expenses	\$0	\$0
734	Duplicate charges--Credit	\$0	\$0
735	Miscellaneous production expenses	\$0	\$0
736	Rents	\$0	\$0
737	Operation supplies and expenses	\$0	\$0
750	Operation Supv and Eng	\$0	\$0

Gas Operating Expense Accounts

Account No 401

Sub Acct No	SubAccountTitle	Ohio	Entire System
751	Production Maps and Records	\$0	\$0
752	Gas Wells Exp	\$0	\$0
753	Field Lines Exp	\$0	\$0
754	Field Compress Sta Exp	\$0	\$0
755	Field Compress Sta Fuel and Pwr	\$0	\$0
756	Field Meas and Reg Sta Exp	\$0	\$0
757	Purification Exp	\$0	\$0
758	Gas Well Royalties	\$0	\$0
759	Other Expenses	\$0	\$0
760	Rents	\$0	\$0
770	Oper Supv and Eng	\$0	\$0
771	Oper Labor	\$0	\$0
772	Gas Shrinkage	\$0	\$0
773	Fuel	\$0	\$0
774	Power	\$0	\$0
775	Materials	\$0	\$0
776	Oper Supplies and Exp	\$12,572	\$12,572
777	Gas Process by Others	\$0	\$0
778	Royalties on Products Extracted	\$0	\$0
779	Marketing Ex	\$0	\$0
780	Products Purchased for Resale	\$0	\$0
781	Variation in Products Inventory	\$0	\$0
782	Extracted Prod Used by the Utility-Cr	\$0	\$0
783	Rents	\$0	\$0
795	Delay Rents	\$0	\$0
796	Nonprod Well Drilling	\$0	\$0
797	Abandoned Leases	\$0	\$0
798	Other Exploration	\$0	\$0
799	Natural Gas Purchases	\$4,500,576	\$4,500,576
800	Nat Gas Well Head Purchases	\$0	\$0
800.1	Nat Gas Well Head Purchases, Intracompany Trans	\$0	\$0
801	Nat Gas Field Line Purchases	\$0	\$0
802	Nat Gas Gasoline Plant Outlet Purchases	\$0	\$0
803	Nat Gas Transmission Line Purchases	\$0	\$0
804	Nat Gas City Gate Purchases	\$0	\$0
804.1	Liquefied Nat Gas Purchases	\$0	\$0
805	Other Gas Purchases	\$0	\$0
805.1	Purchased Gas Cost Adjust	\$0	\$0
805.2	Incremental Gas Cost Adjust	\$0	\$0
806	Exchange Gas	\$0	\$0

Gas Operating Expense Accounts

Account No 401

Sub Acct No	SubAccountTitle	Ohio	Entire System
807.1	Well Exp -Purchased Gas	\$0	\$0
807.2	Oper of Purchased Gas Meas Sta	\$0	\$0
807.3	Maint of Purchased Gas Meas Sta	\$0	\$0
807.4	Purchased Gas Calculations Ex	\$0	\$0
807.5	Other Purchased Gas Exp	\$0	\$0
808.1	Gas Withdrawn from Storage-Debit	\$0	\$0
808.2	Gas Delivered to Storage-Cr	\$0	\$0
809.1	Withdrawals of Liqu Nat Gas for Process -Debit	\$0	\$0
809.2	Deliveries of Nat Gas for Process -Cr	\$0	\$0
810	Gas Used for Compress Sta Fuelr	\$0	\$0
811	Gas Used for Prod Extract -Cr	\$0	\$0
812	Gas Used for Other Utility Oper -Cr	\$0	\$0
812.1	Gas Used in Util Oper -Cr	\$0	\$0
813	Other Gas Supply Expenses	\$0	\$0
814	Oper Supv and Eng	\$0	\$0
815	Maps and Records	\$0	\$0
816	Wells Exp	\$0	\$0
817	Lines Exp	\$0	\$0
818	Compress Sta Exp	\$0	\$0
819	Compress Sta Fuel and Power	\$0	\$0
820	Meas and Reg Sta Exp	\$0	\$0
821	Purification Exp	\$0	\$0
822	Exploration and Develop	\$0	\$0
823	Gas Losses	\$0	\$0
824	Other Exp	\$0	\$0
825	Storage Well Royalties	\$0	\$0
826	Rents	\$0	\$0
827	Operation supplies and expenses	\$0	\$0
840	Oper Supv and Eng	\$0	\$0
841	Oper Labor and Exp	\$0	\$0
842	Rents	\$0	\$0
842.1	Fuel	\$0	\$0
842.2	Power	\$0	\$0
842.3	Gas Losses	\$0	\$0
844.1	Oper Super and Eng	\$0	\$0
844.2	LNG Process Terminal Labor and Exp	\$0	\$0
844.3	Liquefaction Process Labor and Exp	\$0	\$0
844.4	Liquefach Trans Labor and Exp	\$0	\$0
844.5	Meas and Reg Labor and Exp	\$0	\$0
844.6	Compress Station Labor and	\$0	\$0

Gas Operating Expense Accounts

Account No 401

Sub Acct No	SubAccountTitle	Ohio	Entire System
844.7	Communication System Exp	\$0	\$0
844.8	System Control and Load Dispatch	\$0	\$0
845.1	Fuel	\$0	\$0
845.2	Power	\$0	\$0
845.3	Rents	\$0	\$0
845.5	Wharfage Receipts-Cr	\$0	\$0
845.6	Process Liquefied or Vapor Gas by Others	\$0	\$0
846.1	Gas Losses	\$0	\$0
846.2	Other Exp	\$0	\$0
850	Oper Supv and Eng	\$0	\$0
851	System Control and Load Dispatch	\$0	\$0
852	Comm System Exp	\$0	\$0
853	Compress Sta Labor and Exp	\$0	\$0
853.1	Compressor stataion fuel and power	\$0	\$0
854	Gas for Compress Sta Fuel	\$0	\$0
855	Other Fuel and Power for Compress Sta	\$0	\$0
856	Mains Exp	\$53,126	\$53,126
857	Meas and Reg Sta Exp	\$0	\$0
857.1	Operation supplies and expenses	\$0	\$0
858	Trans and Compress Of Gas by Others	\$335,499	\$335,499
859	Other Exp	\$0	\$0
860	Rents	\$0	\$0
870	Oper and Supv and Eng	\$0	\$0
871	Dist Load Dispatch	\$0	\$0
872	Compress Station Labor and Exp	\$0	\$0
873	Compress Sta Fuel and Power	\$0	\$0
874	Mains and Services Exp	\$2,085	\$2,085
875	Meas and Reg Sta Exp -General	\$0	\$0
876	Meas and Reg Sta Exp -Industrial	\$0	\$0
877	Meas and Reg Sta Exp -City Gas Check Sta	\$0	\$0
878	Meter and House Reg Exp	\$3,096	\$3,096
879	Customer Install Exp	\$0	\$0
880	Other Exp	\$0	\$0
881	Rents	\$0	\$0
901	Supervision	\$0	\$0
902	Meter Reading Exp	\$2,928	\$2,928
903	Customer Records and Collection Exp	\$0	\$0
904	Uncollectible Accts	\$0	\$0
905	Misc Customer Accounts EXP	\$0	\$0
906	Customer service and informational expenses	\$0	\$0

Gas Operating Expense Accounts

Account No 401

Sub Acct No	SubAccountTitle	Ohio	Entire System
907	Supervision	\$0	\$0
908	Customer Assist Exp	\$0	\$0
909	Information and Instructional Exp	\$0	\$0
910	Misc Cust Serv and Info Exp	\$0	\$0
911	Supervision	\$0	\$0
912	Demonstrating and Selling Exp	\$0	\$0
913	Advertising Exp	\$0	\$0
916	Misc Sales Exp	\$0	\$0
917	Sales Expense	\$0	\$0
920	Admin and Gen Salaries	\$347,441	\$347,441
921	Office Supplies and Other Exp	\$38,454	\$38,454
922	Admin Exp Trans - Cr	\$0	\$0
923	Outside Services Employed	\$87,655	\$87,655
924	Property Insurance	\$49,135	\$49,135
925	Injuries and Damages	\$0	\$0
926	Employee Pensions and Benefits	\$27,835	\$27,835
927	Franchise Requirements	\$0	\$0
928	Reg Comm Exp	\$0	\$0
929	Duplicate Charges-Cr	\$0	\$0
930.1	General Advertising Exp	\$8,624	\$8,624
930.2	Misc General Exp	\$102,613	\$102,613
931	Rents	\$0	\$0
Total OperatingExpenses (750-935)		\$5,571,639	\$5,571,639

Gas Maintenance Expense Accounts

Account No 402

Sub Acct No	SubAccountTitle	Ohio	EntireSystem
KNG Energy, Inc.			
12/31/2008			
705	Maintenance supervision and engineering	\$0	\$0
706	Maintenance of structures and improvements	\$0	\$0
707	Maintenance of boiler plant equipment	\$0	\$0
708	Maintenance of other steam production plant	\$0	\$0
740	Maintenance supervision and engineering	\$0	\$0
741	Maintenance of structures and improvements	\$0	\$0
742	Maintenance of production equipment	\$0	\$0
743	Maintenance of production plant	\$0	\$0
761	Maint Supv and Eng	\$0	\$0
762	Maint of Struct and Improvmt	\$0	\$0
763	Maint of Prod Gas Wells	\$0	\$0
764	Maint of Field Lines	\$0	\$0
765	Maint of Field Compress Sta Equip	\$0	\$0
766	Maint of Field Meas and Reg Station Equip	\$0	\$0
767	Maint of Purification Equip	\$0	\$0
768	Maint of Drilling and Cleaning Equip	\$0	\$0
769	Maint of Other Equip	\$0	\$0
769.1	Maintenance of other plant	\$0	\$0
784	Maintenance Supervisor and Eng	\$0	\$0
785	Maint of Structures and Improvemnts	\$0	\$0
786	Maint of Extraction and Refining Equip	\$0	\$0
787	Maint of Pipe Lines	\$0	\$0
788	Maint of Extracted Products Storage Equip	\$0	\$0
789	Maint of Compress Equip	\$0	\$0
790	Maint of Gas Meas and Reg Equip	\$0	\$0
791	Maint of Other Equip	\$0	\$0
792	Maintenance of product extraction plant	\$0	\$0
830	Maint Supv and Eng	\$0	\$0
831	Maint of Structures and Improvmt	\$0	\$0
832	Maint of Reservoirs and Wells	\$0	\$0
833	Maint of Lines	\$0	\$0
834	Maint of Compress Station Equip	\$0	\$0
835	Maint of Meas and Reg Equip	\$0	\$0
836	Maint of Purification Equip	\$0	\$0
837	Maint of Other Equip	\$0	\$0
839	Maint of Local Storge Plant+	\$0	\$0

Gas Maintenance Expense Accounts

Account No 402

Sub Acct No	SubAccountTitle	Ohio	EntireSystem
843.1	Maint Supv and Eng	\$0	\$0
843.2	Maint of Structures and Improve	\$0	\$0
843.3	Maint of Gas Holders	\$0	\$0
843.4	Maint Of Purification Equip	\$0	\$0
843.5	Maint of Liquefaction Equip	\$0	\$0
843.6	Maint of Vaporizing Equip	\$0	\$0
843.7	Maint of Compress Equip	\$0	\$0
843.8	Maint of Meas and Reg Equip	\$0	\$0
843.9	Maint of Other Equip	\$0	\$0
847.1	Maint Supv and Eng	\$0	\$0
847.2	Maint of Structures and Improvmnt	\$0	\$0
847.3	Maint of LNG Process Terminal Equip	\$0	\$0
847.4	Maint of LNG Trans Equip	\$0	\$0
847.5	Maint of Meas and Reg Equip	\$0	\$0
847.6	Maint of Compress Sta Equip	\$0	\$0
847.7	Maint of Communication Equip	\$0	\$0
847.8	Maint of Other Equip	\$0	\$0
861	Maint Supv and Eng	\$0	\$0
862	Maint of Structures and Improve	\$0	\$0
863	Maint of Mains	\$0	\$0
864	Maint of Compressor Station Equip	\$0	\$0
865	Maint of Meas and Reg Station Equip	\$0	\$0
866	Maint of Commun Equip	\$0	\$0
867	Maint of Other Equip	\$0	\$0
868	Maint of other plant	\$0	\$0
885	Maint Supv and Eng	\$0	\$0
886	Maint of Structures and Improvemnts	\$0	\$0
887	Maint of Mains	\$0	\$0
888	Maint of Compress Station Equip	\$0	\$0
889	Maint of Meas and Reg Sta Equip - Gen	\$0	\$0
890	Maint of Meas and Reg Sta Equip -Indus	\$0	\$0
891	Maint of Meas and Reg Sta Equip -City Gate C	\$0	\$0
892	Maint of Services	\$0	\$0
892.1	Maintenance of Lines	\$0	\$0
893	Maint of Meters and House Reg	\$0	\$0
894	Maint of Other Equip	\$0	\$0
933	Transportation expenses	\$0	\$0
935	Maint of General Plant	\$0	\$0
Total Maintenance Expense		\$0	\$0

Gas Maintenance Expense Accounts

Account No 402

Sub
Acct

No SubAccountTitle

Ohio

EntireSystem

Taxes Other Than Income Taxes 408.1
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Account No. 408.1

<u>Type of Tax (Specify)</u>	<u>Amount</u>
KNG Energy, Inc.	
<u>12/31/2008</u>	
FICA	\$24,075
FUTA	355
Gross Receipts Tax	206,726
MCF Tax	13,378
Payroll Tax Clearing	0
Property Tax	49,860
State Unemployment Tax	380
Workers Compensation	3,102
Total:	\$297,876

Account 142-xx
PIP Customer Accounts Receivable

Month	Beginning Balance	Transfers From Acct 142 and Acct 144	Payment From Customers	Transfers To Acct 186 and 182.3	Other Adjustments	Ending Balance
KNG Energy, Inc.						
12/31/2008						
January	0	0	0	0	0	0
February	0	0	0	0	0	0
March	0	0	0	0	0	0
April	0	0	0	0	0	0
May	0	0	0	0	0	0
June	0	0	0	0	0	0
July	0	0	0	0	0	0
August	0	0	0	0	0	0
September	0	0	0	0	0	0
October	0	0	0	0	0	0
November	0	0	0	0	0	0
December	0	0	0	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

PIP Customer Deferred Accounts Receivable

KNG Energy, Inc.

12/31/2008

<p>1. What time period are PIP Accounts Receivable balances aged prior to transfers to the PIP Deferred account?</p> <p>N/A</p>	<p>2. Do the transfers include Pre-PIP balances?</p> <p>N/A</p>	<p>3. What Account do you record aged PIP in?</p> <p>N/A</p>
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Month	Balance At End Of Previous Year PIP Deferred	Transfer From Acct 142_xx	Recover Thru Tariff Rider	Other Items	Ending Balance PIP Deferred (f) = (b+ c + d + e)
January	0	0	0	0	\$0
February	0	0	0	0	\$0
March	0	0	0	0	\$0
April	0	0	0	0	\$0
May	0	0	0	0	\$0
June	0	0	0	0	\$0
July	0	0	0	0	\$0
August	0	0	0	0	\$0
September	0	0	0	0	\$0
October	0	0	0	0	\$0
November	0	0	0	0	\$0
December	0	0	0	0	\$0
		0	0	0	

General Information - Natural Gas

KNG Energy, Inc.
12/31/2008

1. Does the respondent use any process for mixing, reforming or stabilizing the heat content of natural gas?

No

2. Give location and capacity of mixing, reforming or stabilizing plants.

N/A

3. Give a brief description of the process(es) used.

N/A

4. Volume of gas mixed, reformed or stabilized, by separate plants

Plant Number

Natural Gas Input MCF

Highest Avg BTU of Input Nat Gas

LowestAvgBTUofInputNatGas

MixingorStabilGasInputMCF

HighestAvgBTUofMixorStabilGas

LowestAvgBTUofMixorStabilGas

HighestAvgBTUofMixdorStabilGas

LowestAvgBTUofMixdorStabilGas

AnnualOutputofMixdorStabilGasMCF

5.a. Number of acres at beginning of the year. 0

5.b. Leases taken (acres). 0

5.c. Leases abandoned (acres). 0

5.d. Acres purchased. 0

5.e. Acres sold 0

5.f. Acres transferred from non-producing. 0

5.g. Number of acres at end of year. 0

5.h.1. Number of Producing wells drilled during year: 0

5.h.2. Number of non-productive wells drilled during year. 0

5.i. Number of wells drilled deeper during year. 0

5.j. Number of wells purchased during year. 0

Employee Compensation

KNG Energy, Inc.
12/31/2008

<u>Employee P or F</u>	<u>Male</u>	<u>Female</u>	<u>Total</u>	<u>Operation and Maintenance</u>	<u>Construction Wages</u>	<u>Other Wages</u>	<u>Total Compensation for Year Ending December 31</u>
full-time	4	2	6	\$288,812	\$33,629	\$0	\$322,441
part-time	0	0	0	\$0	\$0	\$0	\$0
Totals	4	2	6	288,812	33,629	0	322,441

**AFUDC Rate Used During Year
and Calculation of Rate**

KNG Energy, Inc.
12/31/2008

AFUDC Rate Used During Year: N/A

Calculation AFUDC Rate Used:

N/A

Number of Customers

KNG Energy, Inc.
12/31/2008

<u>Type of Customers</u>	<u>Number of Customers</u>
Commercial	132
Industrial	5
Interdepartmental	0
Miscellaneous	0
Other	0
Public Authorities	0
Residential	1,001
Sales for Resale	0
Special Contract	1
Transportation	3
Ultimate Consumers	0
Total	<hr/> 1,142

Revenue, Customers, Consumption, and Gas Transportation

KNG Energy, Inc.

12/31/2008

Description	Revenue	Sales MCF	Number of Customers	MCF / Month	Revenue/ MCF	Average GCR/MCF
Commercial Sales	\$1,077,137	77,546	132	6,462	\$13.89	\$0.00
Commercial Transportation	\$0	0	0	0	\$0.00	\$0.00
Industrial Sales	\$3,930,886	332,464	5	27,705	\$11.82	\$0.00
Industrial Transportation	\$1,923,785	1,936,618	3	161,385	\$0.99	\$0.00
Other Sales	\$24,000	0	1	0	\$0.00	\$0.00
Other Transportation	\$0	0	0	0	\$0.00	\$0.00
Residential Sales	\$1,111,701	76,216	1,001	6,351	\$14.59	\$0.00
Residential Transportation	\$0	0	0	0	\$0.00	\$0.00
	\$8,067,509	2,422,844	1,142	201,903		

Statement of Intrastate Gross Earnings

KNG Energy, Inc.

12/31/2008

Acct No	Account Title	Total Dollars (a)	Interstate Dollars (b)	Intrastate Dollars (3) = (1) -(2)
400	Operating Revenues	8,067,509	0	8,067,509
411.6	Gains from Disposition of Utility Property	0	0	0
412	Revenue from Gas Plant Leased to Others	0	0	0
414	Gains(Losses) from Disposition of Utility Plant	0	0	0
415	Revenues from Merchandising, Jobbing, Other	6,317	0	6,317
417	Income from Nonutility Operations	0	0	0
418	Nonoperating Rental Income	0	0	0
418.1	Eq. In Earnings of Sub Co. (major)	0	0	0
419	Interest and Dividend Income	33,754	0	33,754
421	Miscellaneous Nonoperating Income	76,348	0	76,348
421.1	Gains from Disposition of Property	0	0	0
434	Extraordinary Income	0	0	0
483	Sales for Resale	(706,308)	0	(706,308)
TOTAL		7,477,620	0	7,477,620

Contact Persons

KNG Energy, Inc.

12/31/2008

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

Sandra L. Roller

Title:

President

Address:

1700 Westfield Drive, Findlay, Ohio
45840

Phone:

419-424-3427

Name, Title, Address, and Phone Number of Person to Whom Invoice Should be Directed
--

Name:

Sandra L. Roller

Title:

President

Address:

1700 Westfield Drive, Findlay, Ohio
45840

Phone:

419-424-3427

Name and Address of the President
--

President Name

Sandra L. Roller

President Address

1700 Westfield Drive, Findlay, Ohio
45840



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KNG Energy, Inc.
Findlay, Ohio

We have compiled the accompanying balance sheets of KNG Energy, Inc. as of December 31, 2008 and 2007, and the related statements of income and retained earnings for the years then ended in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

Our compilation was limited to presenting in the form prescribed by the Public Utilities Commission of Ohio information that is the representation of management. We have not audited or reviewed the financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

These financial statements are presented in accordance with the requirements of the Public Utilities Commission of Ohio, which differ from generally accepted accounting principles. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Pry Professional Group

Findlay, Ohio
April 27, 2009

This foregoing document was electronically filed with the Public Utilities

Commission of Ohio Docketing Information System on

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in

Case No(s). 09-0001-AU-UNC

Summary: Annual Report 2008 Annual Report for KNG Energy, Inc. electronically filed by Mrs. Nichole M Clement on behalf of KNG Energy, Inc.