

**DELTA NATURAL GAS COMPANY, INC.
CASE NO. 2021-00185**

**SECOND PSC DATA REQUEST
DATED JULY 12, 2021**

1. Refer to the Application, Tab 4, page 7 of 50, proposed revisions to the Character of Service section of the Interruptible Service Rate Schedule. Confirm that the proposed revisions just clarify the nature of the service and do not change how the rate schedule will be enforced.

Response:

Delta confirms that the proposed revisions to the Character of Service section of the Interruptible Service Rate Schedule just clarify the nature of the service.

Sponsoring Witness: John B. Brown

**DELTA NATURAL GAS COMPANY, INC.
CASE NO. 2021-00185**

**SECOND PSC DATA REQUEST
DATED JULY 12, 2021**

2. Refer to the Application, Tab 4, page 10 of 50. Explain if the language for the \$0.30 Energy Assistance Program Tariff Rider fee should state “Residential Farm Tap rates” and not just “Residential rates.”

Response:

Delta agrees the language should state “Residential Farm Tap rates.”

Sponsoring Witness: John B. Brown

**DELTA NATURAL GAS COMPANY, INC.
CASE NO. 2021-00185**

**SECOND PSC DATA REQUEST
DATED JULY 12, 2021**

3. Refer to the Application, Tab 4, page 10 of 50, regarding the change of ownership section under the Farm Tap Service rate schedule. Explain why a new owner should be held responsible for an existing account balance from a previous owner.

Response:

The proposed tariff language is designed to prevent a customer from simply changing the name on the account to avoid a delinquent balance, which is why the proposed revision states that this term applies to a transfer of ownership when there is a requested continuance of service. Relatedly, Diversified Gas and Oil, which is Delta's source of supply for its farm tap customers in the former Peoples KY's service territory, contains the same provision in its approved tariff that was approved in March 2021.

Sponsoring Witness: John B. Brown

**DELTA NATURAL GAS COMPANY, INC.
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4. Refer to the Application, Tab 4, page 19 of 50, Special Charges.
 - a. Provide detailed cost support for the following special charges:
 - (1) Collection Charge;
 - (2) Reconnection Charge;
 - (3) Bad Check Charge; and
 - (4) Request Test Charge.
 - b. For any charges above that include labor, explain whether the service is performed by Delta employees or contract labor.

Response:

- a. Delta has not proposed to revise its collection charge, reconnection charge, bad check charge, or request test charge in this proceeding. The collection charge, reconnection charge, and bad check charge have not been revised since Case No. 2007-00089. The request test charge has not been revised since at least 1980. In addition, Delta has never had a late payment fee. These actions demonstrate that Delta has a long history of moderating increases in its special charges. Cost support for each of the charges except for (4) Request Test Charge is attached. There were no (4) Request Tests during the entire Base Period.
- b. The service is performed by Delta employees.

Sponsoring Witness: John B. Brown

DELTA NATURAL GAS CO., INC.
Special Charge Cost
Year Ended December 31, 2020

PSC 2-4

		HOURLY RATE	RECONNECT- DISCONNECT		COLLECTION		BAD CHECK	
			HOURS	AMOUNT/ HR	HOURS	AMOUNT/ HR	HOURS	AMOUNT/ HR
I.	Field Expense							
	Labor (1) (2)	\$ 36.02	1.5	\$ 54.03	0.5	\$ 18.01	0	\$ -
II.	Clerical & Office Expense (3)							
	Supplies/ postage			3.00		3.00		3.00
	Other charges - bank fees, etc.							15.00
	Labor (4)	16.88	1.5	\$ 25.32	0.5	\$ 8.44	0.25	\$ 4.22
III.	Miscellaneous Expense (5)							
	Transportation (6)	3.61	1.5	\$ 5.41	0.5	\$ 1.80		\$ -
	TOTAL EXPENSE			\$ 87.76		\$ 31.25		\$ 22.22

- (1) Labor hours are an average estimated by operations personnel
- (2) Labor rate based on operations labor total annual salary, taxes and benefits as of 12/31/20
- (3) Depreciation for office equipment not included
- (4) Labor rate based on clerical labor total annual salary, taxes and benefits as of 12/31/20
- (5) Depreciation for tools not included
- (6) Average cost of transportation per hour worked

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5. Refer to the Application, Tab 4, page 30 of 50, Company-Owned Service Line Extensions and Connections.

a. Confirm that Delta furnishes and installs at its own expense, the service line from its main to the meter, including the curb stop and curb box if used, in accordance with 807 KAR 5:022, Section 4(2)(a)1.

b. Provide an explanation for the text changes to the Company-Owned Service Line Extensions and Connection section.

Response:

a. Confirmed, to the extent that the service line extension is 100 feet or less, in accordance with 807 KAR 5:022, Section 4(1)(a).

b. The purpose of the proposed text changes is to make it easier for customers to obtain the information. In Delta's tariff that is currently on file with the Commission, the rules and regulations for Company-Owned Service Lines are on Sheet No. 26, while the rules and regulations for Distribution Main Extensions are on Sheet No. 34. The proposed text changes to the Company-Owned Service Line Extensions and Connections combines all of the applicable rules and regulations into one section so that customers can more readily ascertain the terms and conditions. In addition, Delta has proposed text changes that include additional language from the applicable Commission regulations, again to simplify the process for customers seeking this information.

Sponsoring Witness: John B. Brown

**DELTA NATURAL GAS COMPANY, INC.
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6. Refer to the Application, Tab 66. File the revenue summary for both base and forecasted periods in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.

Response:

The Excel spreadsheet is attached.

Sponsoring Witness: William Steven Seelye

**DELTA NATURAL GAS COMPANY, INC.
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7. Refer to the Direct Testimony of John B. Brown (Brown Testimony), page 9, lines 6-9. Confirm whether Delta's sharp decline in ROE from 7.6 percent in 2020 to 0.21 percent projected in 2021 is in part a byproduct of the merger between Delta and Peoples Gas of Kentucky LLC (Peoples).

Response:

No. The calculation of 7.6 percent ROE for 2020 is on the combined income statements of Delta and Peoples and thus includes the actual losses incurred by Peoples during 2020. Much of the approximately \$922,000 increase in Gross Margins from approximately \$32,570,000 in 2020 to the 2022 test year of approximately \$33,492,000 is due to the anticipated increase in revenue from Peoples resulting from the rate increase implemented in May 2021.

Sponsoring Witness: John B. Brown

**DELTA NATURAL GAS COMPANY, INC.
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DATED JULY 12, 2021**

8. Refer to the Brown Testimony, page 9, lines 12–21. Regarding Delta’s large volume transportation service customers, provide the annual number of customers and their corresponding annual usage lost over the past ten years.

Response:

See the attached for number of transportation service customers and volumes transported over the past ten years. The bypass mentioned in the Brown testimony referred to the bypass occurring with off-system transportation volumes in 2020 as noted on the attached schedule.

Sponsoring Witness: John B. Brown

Delta Natural Gas Company, Inc.

PSC-2 #8

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
On-System Transportation										
Accounts	111	113	110	104	107	103	102	102	122	133
Volumes (MCF)	4,787,548	4,848,911	5,139,553	4,823,936	5,197,817	5,057,399	4,919,664	4,976,162	4,987,667	4,787,070
Volume Increase / Decrease		61,363	290,643	(315,617)	373,881	(140,419)	(137,735)	56,498	11,505	(200,598) (1)
Off-System Transportation										
Accounts	8	7	7	7	8	9	6	6	7	7
Volumes (Dth)	13,405,825	12,586,133	13,277,860	12,936,412	13,267,081	14,039,403	13,534,650	11,353,262	12,689,190	9,542,803
Volume Increase/Decrease		(819,692)	691,727	(341,448)	330,669	772,322	(504,753) (2)	(2,181,388) (2)	1,335,928 (3)	(3,146,387) (4)

- (1)** Most of the over 200,000 mcf drop for 2020 was caused by a few customers. A glass plant experienced a 62,200 Mcf reduction while a tire plant experienced a 30,000 Mcf reduction.
- (2)** The drops in off-system transportation during 2017 and 2018 were due to reduced sales volumes from Delgasco and decreased production by producers moving gas off Delta's system. Local production in the area continues to decline.
- (3)** The increase during 2019 was due to increased sales volumes from Delgasco and unexpected production delivered at Gabbard Fork.
- (4)** The volume reduction in 2020 was a combination of producers bypassing Delta's system and a large drop in sales volume from Delgasco.

DELTA NATURAL GAS COMPANY, INC.
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DATED JULY 12, 2021

9. Refer to the Brown Testimony, page 13, lines 1–2. Expand upon the additional self-service options and the corresponding efficiencies that will occur with the SAP data platform.

Response:

By being on PNG's SAP system, Delta now has the ability to implement PNG's customer self-service portal (referred to as Peoples e-Account). The Delta version of e-Account would have the same functionality as PNG but would be branded for Delta (company name, logos, contact info, etc.) The e-Account portal offers customers a variety of self-service capabilities including:

- Maintenance of customer account information such as bill-to address, contact phone numbers, email address, e-billing preferences, marketing info opt in/out, payment methods, property information, and notification preferences.
- View current and previous bill images and billing/payment history.
- Make payments via credit card, debit card, or ACH.
- Enroll in mobile wallet payment via moBills.
- Set up recurring payments and/or enroll in auto-draft payments.
- Enroll in budget billing.
- Initiate a payment arrangement.
- View and compare monthly usage and billing history over the past two years.
- Generate a statement of account showing all historical financial activity for the account.
- Receive email and/or text notifications for bills, payment reminders, and other events.
- Correspond electronically with Customer Service.
- Start, transfer, and stop service.
- Access information on gas-saving tips, assistance programs, and other useful topics.

The customer self-service portal can be accessed via browser as well as iOS and Android mobile devices.

Enabling customers to perform the above functions themselves is expected to eliminate the need for calls to Customer Service reps to complete the same tasks.

Sponsoring Witness: John B. Brown

DELTA NATURAL GAS COMPANY, INC.
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DATED JULY 12, 2021

10. Refer to the Brown Testimony, page 14. Regarding the unification of the Gas Cost Recovery (GCR) rate reports of Delta and Peoples' prior customers.

a. Provide a timeline and explain in detail the method that will be used to consolidate the GCR rates for Delta and Peoples. Be sure to discuss the calculation of the Expected Gas Cost, Actual Cost Adjustment, and the Balancing Adjustment calculations in detail.

b. Provide an example of the proposed unified GCR rate report that Delta plans to use in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.

c. Explain how Delta plans to reconcile the previous quarters' under/over-recoveries of gas cost that are tracked through the Actual Cost and Balancing Adjustment amounts of the two systems, so that no system's customers subsidize past gas cost of the other system.

d. State the provider of natural gas for each system currently and after the proposed transaction. The response should include details concerning the sources of system gas supply and gas transportation arrangements following the transfer, and include copies of all executed contracts, as well as all possible sources of supply that were considered but not chosen.

e. Provide a list of suppliers, the expected rates, and 12 months of historical Mcf sales and purchase volume information for both systems for the 12 months ended period of June 30, 2021.

f. Provide any invoices received from the gas suppliers for each month following the acquisition, plus all other gas purchase invoices received by each of the systems in the remainder of the 12-month ended period of June 30, 2021.

DELTA NATURAL GAS COMPANY, INC.
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g. Also, refer to Delta's GCR in Case No. 2020-004082 for rates effective January 25, 2021, and Peoples GCR in Case No. 2020-004183 for rates effective February 1, 2021.

(1) Given that Peoples use different effective dates for its GCR rate reports than Delta, explain which dates Delta would use once the GCR rate reports were to be consolidated.

(2) Assuming Delta's GCR rate is unified in this proceeding, provide the effective date of the first combined GCR rate report.

(3) State when Delta and Peoples currently bill their customers each month. Explain whether Delta changed Peoples billing period to match Delta's billing period.

(4) Explain whether Delta or Peoples currently prorate their billing and GCR rates when the date for service billed to customers and the meter reading date is different from the Commission approved effective date for services rendered.

Response:

- a. Delta will file a consolidated GCR for Delta's and Peoples' former customers on or before March 25, 2022, for the GCR that would go into effect for the upcoming quarter, which will go into effect on April 25, 2022, or will file consistent with the timing of the first quarterly filing following a final Order in this proceeding. The explanations and examples provided in this response assume a consolidated filing on or before March 25, 2022, for consistency.

As with Peoples' GCR, Delta's GCR consists of the following components: (1) Expected Gas Cost (EGC), (2) Supplier Refund (RA), (3) Actual Adjustment (AA), and (4) Balance Adjustment.

The EGC provides for the recovery of expected gas costs. Beginning with the GCR that will go into effect on April 25, 2022, the quarterly EGC will be calculated for the combined Delta and former Peoples' customers. The EGC will be calculated by dividing the expected quarterly gas costs (purchased and transportation gas costs plus gas from storage and uncollectible costs) for Delta's current customers and the former Peoples customers by the sales for both Delta and the former Peoples customers.

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The RA provides for recovery of any pipeline supplier refunds. This component is normally zero, but in the event that suppliers provide refunds for past purchases prior to the combination of the April 25, 2022, then any such refunds will be identified separately for Delta's and the former Peoples' customers.

The AA provides for over/under recovery of actual gas costs compared to revenues collected through the EGC component of the GCR. The total AA billed at any given time is the sum of four quarterly AA components. To ensure that Delta's and Peoples' customers are not responsible for past over/under recoveries of gas costs billed under the respective EGCs for the two utilities, fully separated AA components will continue to be maintained for two quarters after the implementation of the combined EGC that will go into effect on April 25, 2022. Therefore, the first combined AA quarterly component will be implemented on October 24, 2022. Therefore, beginning with the GCR that goes into effect on October 24, 2022, Delta will calculate one of the three quarterly AA components combined for both Delta's current customers and former Peoples' customers. Specifically, The AA amount for the consolidated quarterly AA component will be based on the difference between total combined EGC revenue for the applicable three-month period ended January 31, 2021, and total gas supply costs for the same three-month period. Individual AA components for Delta and former Peoples customer will continue to be used until an effective date of July 25, 2023, at which time the AA will only reflect over/under recoveries related to consolidated EGCs.

The BA provides for over/under recovery of amounts recovered through the AA, and any residual under- or over-recovered BA amounts. Delta proposes to maintain separate BA calculations until after all BA amounts applicable to the separate AAs for the two companies expire in July 2023, allowing for a one quarter gap to calculate the over/under recovery of the consolidated BA.

The GCR should be fully consolidated for an effective date of January 24, 2024. The attached schedule shows a timeline for consolidating each component of the GCR.

- b. Attached is a sample Excel spreadsheet template that will be used to calculate the GCR factor for the first quarter after the order in this proceeding, which is anticipated to be filed on or before March 25, 2022.
- c. Delta will combine the EGC component in the first GCR filing after the order in this proceeding but will maintain separate AA and BA components until the components fully reflect merged over/under recoveries associated with the EGC that would be implemented on April 25, 2022. See response to part a.

DELTA NATURAL GAS COMPANY, INC.
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- d. For its north operations, Delta currently purchases natural gas from Symmetry Energy Solutions, an asset manager for Delta, with transmission provided by Texas Eastern, Tennessee Gas Pipeline, and TC Energy (Columbia Pipeline). For its south operations, Delta purchases natural gas from Midwest Energy Services, with transmission provided by TC Energy. Delta also purchases gas for residential customers served by Delta along the Vinland and Greystone gathering systems. The gas supply contracts for Delta are attached.

For the former Peoples KY operations, Delta purchases natural gas from Diversified Energy Marketing LLC. The Gas supply contracts and assignments for the former Peoples operations are attached and are being provided pursuant to a petition for confidential protection.

- e. See attachments, which are being provided pursuant to a petition for confidential protection.
- f. See attachments, which are being provided pursuant to a petition for confidential protection.

g.

- (1) Delta's effective dates will be used. The meter reading and billing cycles for the former Peoples customers will be modified to match Delta's.
- (2) The effective date for the initial consolidated GCR filing will be April 25, 2022, which will be submitted on or before March 25, 202 or Delta will file a consolidated GCR consistent with the timing of the first quarterly filing following a final Order in this proceeding. See response to part a.
- (3) Currently, Delta bills its customers on two billing cycles, with meter readings for the first billing cycle occurring during the first week of the month (which may begin prior to the first day of the month) and with meter readings for second billing cycle occurring at the end of the month. Peoples also currently bills its customers on two billing cycles, with reading for the first billing cycle occurring during the second week of the month and with meter readings for the for the second billing cycle occurring at the end of the month. Prior to the implementation of the first consolidated GCR, Delta plans to utilize Delta's billing cycles and GCR filing dates for both Delta and Peoples.
- (4) Delta does not currently prorate its GCR billings. For Delta, the GCR is implemented on a date designed to avoid proration. Peoples currently prorates its GCR billings. To avoid proration, Delta plans to utilize the same GCR filing dates and billing cycles for both Delta and Peoples. See response to part a and g(2).

**DELTA NATURAL GAS COMPANY, INC.
CASE NO. 2021-00185**

**SECOND PSC DATA REQUEST
DATED JULY 12, 2021**

Sponsoring Witness: John Brown / William Steven Seelye

**Delta Natural Gas Company
Timeline for Implementing Consolidated GCR for Peoples and Delta**

Year	Billing Month	Effective Date	EGC	RA	AA	BA	Comment
2022	February	1/24/2022	Separate	****	Separate	Separate	
	March						
	April						
	May	4/25/2022	Consolidated	****	Separate	Separate	
	June						
	July						
	August	7/25/2022	Consolidated	****	Separate	Separate	
	September						
	October						
	November	10/24/2022	Consolidated	****	Separate *	Separate	
	December						
	2023 January						
February	1/23/2023	Consolidated	****	Separate **	Separate		
March							
April							
May	4/24/2023	Consolidated	****	Separate ***	Separate		
June							
July							
August	7/25/2023	Consolidated	****	Consolidated	Separate		
September							
October							
November	10/25/2023	Consolidated	****	Consolidated	Separate		
December							
2024 January							
February	1/24/2024	Consolidated	****	Consolidated	Consolidated	<<-- Fully Consolidated	
March							
April							
May	4/24/2024	Consolidated	****	Consolidated	Consolidated	<<-- Fully Consolidated	
June							
July							

* One combined quarterly AA component and three separate AA components
 ** Two combined quarterly AA components and two separate AA components
 *** Three combined quarterly AA components and one separate AA components
 **** Dependent on past refund period



Tennessee Gas Pipeline Company, L.L.C.
a Kinder Morgan company

8/31/2018

DELTA NATURAL GAS COMPANY INC
3617 LEXINGTON ROAD
WINCHESTER, KY, 40391-9797

Attention: BRIAN RAMSEY

Re: Extension of Long-Term Service Agreement
Gas Storage Agreement Contract Number **2362-FSMATGP**

Dear BRIAN RAMSEY:

I am writing regarding the above-referenced gas storage agreement between DELTA NATURAL GAS COMPANY INC ("Shipper") and Tennessee Gas Pipeline Company, L.L.C. ("Tennessee") relating to the firm storage by Tennessee of certain quantities of gas ("Service Package").

The term provision of the Service Package provides that any right to extend the Service Package Shipper may have shall be governed by Article V, Section 4 of the General Terms and Conditions of Tennessee's FERC Gas Tariff. Our records indicate that the Service Package will automatically extend for a term of five years effective November 1, 2019, unless Shipper notifies Tennessee in writing to the contrary by close of business on October 31, 2018. Therefore, in accordance with Article V, Section 4 of Tennessee's General Terms and Conditions, **please indicate your decision below, and return a copy of this election form to my attention by e-mail to:** [REDACTED]

TGP Contract Number 2362-FSMATGP

1. Election to Extend at Tennessee's Maximum Rates

For the Service Package Extension Term (five years) and Storage Quantity

For an Alternate Extension Term Than Provided for in the Service Package
Proposed Extended Term: _____

(A Right of First Refusal ("ROFR") open season may be required at Tennessee's option if Alternate Extension Term is less than five years.)

For a Reduced Service Package Storage Quantity
Maximum Daily Withdrawal Quantity (MDWQ): _____ Dth/day
Maximum Space Quantity (MSQ): _____ Dth

8/31/2018

DELTA NATURAL GAS COMPANY INC

Page No. 2

2. _____ Election to Extend at Less Than Tennessee's Maximum Rate*

Proposed Rate: _____


Proposed Extended Term: _____

(A Right of First Refusal ("ROFR") open season may be required at Tennessee's option if election to extend at less than max rate is chosen)

(You will be contacted by your TGP Account Director.)

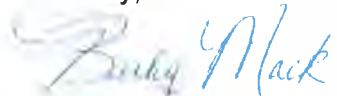
3. _____ Election to Terminate

DELTA NATURAL GAS COMPANY INC

BY: 
NAME: Donald C. Chesapeake
TITLE: V. P. Gas Supply
DATE: 9/10/2018

If you have any questions or need further assistance, please contact me at 

Sincerely,



Becky G. Mack
Account Director

* Tennessee has the right to establish a minimum rate for the ROFR open season that could be up to the maximum applicable rate.



Tennessee Gas Pipeline Company, L.L.C.
a Kinder Morgan company

8/31/2018

DELTA NATURAL GAS COMPANY INC
3617 LEXINGTON ROAD
WINCHESTER, KY, 40391-9797

Attention: BRIAN RAMSEY

Re: Extension of Long-Term Service Agreement
Gas Storage Agreement Contract Number **2363-FSMATGP**

Dear BRIAN RAMSEY:

I am writing regarding the above-referenced gas storage agreement between DELTA NATURAL GAS COMPANY INC ("Shipper") and Tennessee Gas Pipeline Company, L.L.C. ("Tennessee") relating to the firm storage by Tennessee of certain quantities of gas ("Service Package").

The term provision of the Service Package provides that any right to extend the Service Package Shipper may have shall be governed by Article V, Section 4 of the General Terms and Conditions of Tennessee's FERC Gas Tariff. Our records indicate that the Service Package will automatically extend for a term of five years effective November 1, 2019, unless Shipper notifies Tennessee in writing to the contrary by close of business on October 31, 2018. Therefore, in accordance with Article V, Section 4 of Tennessee's General Terms and Conditions, **please indicate your decision below, and return a copy of this election form to my attention by e-mail to:** [REDACTED]

TGP Contract Number 2363-FSMATGP

1. Election to Extend at Tennessee's Maximum Rates

For the Service Package Extension Term (five years) and Storage Quantity

For an Alternate Extension Term Than Provided for in the Service Package

Proposed Extended Term: _____

(A Right of First Refusal ("ROFR") open season may be required at Tennessee's option if Alternate Extension Term is less than five years.)

For a Reduced Service Package Storage Quantity
Maximum Daily Withdrawal Quantity (MDWQ): _____ Dth/day
Maximum Space Quantity (MSQ): _____ Dth

8/31/2018

DELTA NATURAL GAS COMPANY INC

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2. _____ Election to Extend at Less Than Tennessee's Maximum Rate*

Proposed Rate: _____

Proposed Extended Term _____

(A Right of First Refusal ("ROFR") open season may be required at Tennessee's option if election to extend at less than max rate is chosen)

(You will be contacted by your TGP Account Director.)

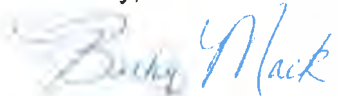
3. _____ Election to Terminate

DELTA NATURAL GAS COMPANY INC

BY: *Donald C. Cartwright*
NAME: *Donald C. Cartwright*
TITLE: *V.P. Gas Supply*
DATE: *9/10/2018*

If you have any questions or need further assistance, please contact me at [REDACTED]

Sincerely,



Becky G. Mack
Account Director

* Tennessee has the right to establish a minimum rate for the ROFR open season that could be up to the maximum applicable rate.



Tennessee Gas Pipeline Company, L.L.C.
a Kinder Morgan company

8/31/2018

DELTA NATURAL GAS COMPANY INC
3617 LEXINGTON ROAD
WINCHESTER, KY,40391-9797

Attention: BRIAN RAMSEY

Re: Extension of Long-Term Service Agreement
Gas Storage Agreement Contract Number **2364-FSMATGP**

Dear BRIAN RAMSEY:

I am writing regarding the above-referenced gas storage agreement between DELTA NATURAL GAS COMPANY INC ("Shipper") and Tennessee Gas Pipeline Company, L.L.C. ("Tennessee") relating to the firm storage by Tennessee of certain quantities of gas ("Service Package").

The term provision of the Service Package provides that any right to extend the Service Package Shipper may have shall be governed by Article V, Section 4 of the General Terms and Conditions of Tennessee's FERC Gas Tariff. Our records indicate that the Service Package will automatically extend for a term of five years effective November 1, 2019, unless Shipper notifies Tennessee in writing to the contrary by close of business on October 31, 2018. Therefore, in accordance with Article V, Section 4 of Tennessee's General Terms and Conditions, **please indicate your decision below, and return a copy of this election form to my attention by e-mail to:** [REDACTED]

TGP Contract Number 2364-FSMATGP

- 1. Election to Extend at Tennessee's Maximum Rates
 - For the Service Package Extension Term (five years) and Storage Quantity
 - For an Alternate Extension Term Than Provided for in the Service Package
Proposed Extended Term: _____
 - (A Right of First Refusal ("ROFR") open season may be required at Tennessee's option if Alternate Extension Term is less than five years.)*
 - For a Reduced Service Package Storage Quantity
Maximum Daily Withdrawal Quantity (MDWQ): _____ Dth/day
Maximum Space Quantity (MSQ): _____ Dth

8/31/2018

DELTA NATURAL GAS COMPANY INC

Page No. 2

2. _____ Election to Extend at Less Than Tennessee's Maximum Rate*

Proposed Rate: _____


Proposed Extended Term: _____

(A Right of First Refusal ("ROFR") open season may be required at Tennessee's option if election to extend at less than max rate is chosen)

(You will be contacted by your TGP Account Director.)

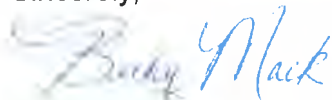
3. _____ Election to Terminate

DELTA NATURAL GAS COMPANY INC

BY: 
NAME: Donald C. Cartwright
TITLE: V.P. Gas Supply
DATE: 9/10/18

If you have any questions or need further assistance, please contact me at [REDACTED]

Sincerely,



Becky G. Mack
Account Director

* Tennessee has the right to establish a minimum rate for the ROFR open season that could be up to the maximum applicable rate.



Tennessee Gas Pipeline Company, L.L.C.
a Kinder Morgan company

8/31/2018

DELTA NATURAL GAS COMPANY INC
3617 LEXINGTON ROAD
WINCHESTER, KY,40391-9797

Attention: BRIAN RAMSEY

Re: Extension of Long-Term Service Agreement
Gas Storage Agreement Contract Number **2365-FSPATGP**

Dear BRIAN RAMSEY:

I am writing regarding the above-referenced gas storage agreement between DELTA NATURAL GAS COMPANY INC ("Shipper") and Tennessee Gas Pipeline Company, L.L.C. ("Tennessee") relating to the firm storage by Tennessee of certain quantities of gas ("Service Package").

The term provision of the Service Package provides that any right to extend the Service Package Shipper may have shall be governed by Article V, Section 4 of the General Terms and Conditions of Tennessee's FERC Gas Tariff. Our records indicate that the Service Package will automatically extend for a term of five years effective November 1, 2019, unless Shipper notifies Tennessee in writing to the contrary by close of business on October 31, 2018. Therefore, in accordance with Article V, Section 4 of Tennessee's General Terms and Conditions, **please indicate your decision below, and return a copy of this election form to my attention by e-mail to:** [REDACTED]

TGP Contract Number 2365-FSPATGP

- 1. Election to Extend at Tennessee's Maximum Rates
 - For the Service Package Extension Term (five years) and Storage Quantity
 - For an Alternate Extension Term Than Provided for in the Service Package
Proposed Extended Term: _____

(A Right of First Refusal ("ROFR") open season may be required at Tennessee's option if Alternate Extension Term is less than five years.)

- For a Reduced Service Package Storage Quantity
Maximum Daily Withdrawal Quantity (MDWQ): _____ Dth/day
Maximum Space Quantity (MSQ): _____ Dth

8/31/2018

DELTA NATURAL GAS COMPANY INC

Page No. 2

2. _____ Election to Extend at Less Than Tennessee's Maximum Rate*

Proposed Rate: _____


Proposed Extended Term: _____

(A Right of First Refusal ("ROFR") open season may be required at Tennessee's option if election to extend at less than max rate is chosen)

(You will be contacted by your TGP Account Director.)

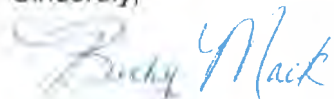
3. _____ Election to Terminate

DELTA NATURAL GAS COMPANY INC

BY: 
NAME: Donald C. Cartwright
TITLE: V.P. Gas Supply
DATE: 9/10/2018

If you have any questions or need further assistance, please contact me at 

Sincerely,



Becky G. Mack
Account Director

* Tennessee has the right to establish a minimum rate for the ROFR open season that could be up to the maximum applicable rate.



Tennessee Gas Pipeline Company, L.L.C.
a Kinder Morgan company

8/31/2018

DELTA NATURAL GAS COMPANY INC
3617 LEXINGTON ROAD
WINCHESTER, KY, 40391-9797

Attention: BRIAN RAMSEY

Re: Extension of Long-Term Service Agreement
Gas Storage Agreement Contract Number **2366-FSPATGP**

Dear BRIAN RAMSEY:

I am writing regarding the above-referenced gas storage agreement between DELTA NATURAL GAS COMPANY INC ("Shipper") and Tennessee Gas Pipeline Company, L.L.C. ("Tennessee") relating to the firm storage by Tennessee of certain quantities of gas ("Service Package").

The term provision of the Service Package provides that any right to extend the Service Package Shipper may have shall be governed by Article V, Section 4 of the General Terms and Conditions of Tennessee's FERC Gas Tariff. Our records indicate that the Service Package will automatically extend for a term of five years effective November 1, 2019, unless Shipper notifies Tennessee in writing to the contrary by close of business on October 31, 2018. Therefore, in accordance with Article V, Section 4 of Tennessee's General Terms and Conditions, **please indicate your decision below, and return a copy of this election form to my attention by e-mail to:** [REDACTED]

TGP Contract Number 2366-FSPATGP

1. Election to Extend at Tennessee's Maximum Rates

For the Service Package Extension Term (five years) and Storage Quantity

For an Alternate Extension Term Than Provided for in the Service Package
Proposed Extended Term: _____

(A Right of First Refusal ("ROFR") open season may be required at Tennessee's option if Alternate Extension Term is less than five years.)

For a Reduced Service Package Storage Quantity
Maximum Daily Withdrawal Quantity (MDWQ): _____ Dth/day
Maximum Space Quantity (MSQ): _____ Dth

8/31/2018

DELTA NATURAL GAS COMPANY INC

Page No. 2

2. _____ Election to Extend at Less Than Tennessee's Maximum Rate*


Proposed Rate: _____
Proposed Extended Term: _____

(A Right of First Refusal ("ROFR") open season may be required at Tennessee's option if election to extend at less than max rate is chosen)

(You will be contacted by your TGP Account Director.)

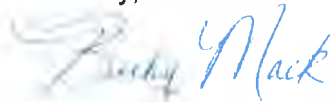
3. _____ Election to Terminate

DELTA NATURAL GAS COMPANY INC

BY: 
NAME: Douglas C. Cartwright
TITLE: V.P. Gas Supply
DATE: 9/10/2018

If you have any questions or need further assistance, please contact me at [REDACTED]

Sincerely,



Becky G. Mack
Account Director

* Tennessee has the right to establish a minimum rate for the ROFR open season that could be up to the maximum applicable rate.



Tennessee Gas Pipeline Company, L.L.C.
a Kinder Morgan company

8/31/2018

DELTA NATURAL GAS COMPANY INC
3617 LEXINGTON ROA
WINCHESTER, KY 40391-9797

Attention: BRIAN RAMSEY

Re: Extension of Long-Term Service Agreement
Pursuant to Article V, Section 4 of Tennessee Gas Pipeline Company, L.L.C.
General Terms and Conditions of its FERC Gas Tariff
Gas Transportation Agreement Contract Number **2448-FTGTGP**

Dear BRIAN RAMSEY:

I am writing regarding the above-referenced gas transportation agreement between DELTA NATURAL GAS COMPANY INC ("Shipper") and Tennessee Gas Pipeline Company, L.L.C. ("Tennessee") relating to the firm transportation by Tennessee of certain quantities of gas ("Service Package").

The term provision of the Service Package provides that any right to extend the Service Package Shipper may have shall be governed by Article V, Section 4 of the General Terms and Conditions of Tennessee's FERC Gas Tariff. Our records indicate that the Service Package will automatically extend for a term of five years effective November 1, 2019, unless Shipper notifies Tennessee in writing to the contrary by close of business on October 31, 2018. Therefore, in accordance with Article V, Section 4 of Tennessee's General Terms and Conditions, **please indicate your decision below, and return a copy of this election form to my attention by email at [REDACTED]**

TGP Contract Number 2448-FTGTGP

1. Election to Extend at Tennessee's Maximum Rates

For the Service Package Extension Term (five years) and Transportation Quantity

For an Alternate Extension Term Than Provided for in the Service Package

Proposed Extended Term: _____

(A Right of First Refusal ("ROFR") open season may be required at Tennessee's option if Alternate Extension Term is less than five years.)

For a Reduced Service Package Transportation Quantity†
Transportation Quantity: _____ Dth per day

8/31/2018

DELTA NATURAL GAS COMPANY INC

Page 2

2. _____ Election to Extend at Less Than Tennessee's Maximum Rate*

Proposed Rate: _____

Proposed Extended Term: _____

(A Right of First Refusal ("ROFR") open season may be required at Tennessee's option if election to extend at less than max rate is chosen)

(You will be contacted by your TGP Account Director.)

3. _____ Election to Terminate

DELTA NATURAL GAS COMPANY INC

BY: 

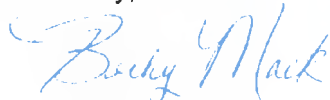
NAME: Donald C. Cartwright

TITLE: V.P. Gas Supply

DATE: 9/10/2018

If you have any questions or need further assistance, please contact me at 

Sincerely,



Becky G. Mack
Account Director

† If shipper contemplates electing a Reduced Transportation Service Package Quantity, on other than a normal pro rata basis across the Service Package, please contact your Account Director as soon as possible to discuss implementation of such a reduction. Otherwise, Tennessee will implement a binding reduction on a pro rata basis. Any non-pro rata reduction must have the same zone makeup as the Service Package.

* Tennessee has the right to establish a minimum rate for the ROFR open season that could be up to the maximum applicable rate.



Tennessee Gas Pipeline Company, L.L.C.
a Kinder Morgan company

8/31/2018

DELTA NATURAL GAS COMPANY INC
3617 LEXINGTON ROA
WINCHESTER, KY 40391-9797

Attention: BRIAN RAMSEY

Re: Extension of Long-Term Service Agreement
Pursuant to Article V, Section 4 of Tennessee Gas Pipeline Company, L.L.C.
General Terms and Conditions of its FERC Gas Tariff
Gas Transportation Agreement Contract Number **2515-FTGTGP**

Dear BRIAN RAMSEY:

I am writing regarding the above-referenced gas transportation agreement between DELTA NATURAL GAS COMPANY INC ("Shipper") and Tennessee Gas Pipeline Company, L.L.C. ("Tennessee") relating to the firm transportation by Tennessee of certain quantities of gas ("Service Package").

The term provision of the Service Package provides that any right to extend the Service Package Shipper may have shall be governed by Article V, Section 4 of the General Terms and Conditions of Tennessee's FERC Gas Tariff. Our records indicate that the Service Package will automatically extend for a term of five years effective November 1, 2019, unless Shipper notifies Tennessee in writing to the contrary by close of business on October 31, 2018. Therefore, in accordance with Article V, Section 4 of Tennessee's General Terms and Conditions, **please indicate your decision below, and return a copy of this election form to my attention by email at** [REDACTED]

TGP Contract Number 2515-FTGTGP

1. Election to Extend at Tennessee's Maximum Rates

For the Service Package Extension Term (five years) and Transportation Quantity

For an Alternate Extension Term Than Provided for in the Service Package

Proposed Extended Term: _____
(A Right of First Refusal ("ROFR") open season may be required at Tennessee's option if Alternate Extension Term is less than five years.)

For a Reduced Service Package Transportation Quantity†
Transportation Quantity: _____ Dth per day

8/31/2018

DELTA NATURAL GAS COMPANY INC

Page 2

2. _____ Election to Extend at Less Than Tennessee's Maximum Rate*

Proposed Rate: _____

Proposed Extended Term: _____

(A Right of First Refusal ("ROFR") open season may be required at Tennessee's option if election to extend at less than max rate is chosen)

(You will be contacted by your TGP Account Director.)

3. _____ Election to Terminate

DELTA NATURAL GAS COMPANY INC

BY: 

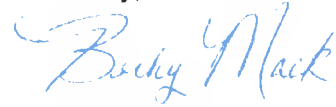
NAME: Donald C. Cartwright

TITLE: V. P. Gas Supply

DATE: 9/10/2018

If you have any questions or need further assistance, please contact me at 

Sincerely,



Becky G. Mack
Account Director

† If shipper contemplates electing a Reduced Transportation Service Package Quantity, on other than a normal pro rata basis across the Service Package, please contact your Account Director as soon as possible to discuss implementation of such a reduction. Otherwise, Tennessee will implement a binding reduction on a pro rata basis. Any non-pro rata reduction must have the same zone makeup as the Service Package.

* Tennessee has the right to establish a minimum rate for the ROFR open season that could be up to the maximum applicable rate.



Tennessee Gas Pipeline Company, L.L.C.
a Kinder Morgan company

8/31/2018

DELTA NATURAL GAS COMPANY INC
3617 LEXINGTON ROA
WINCHESTER, KY 40391-9797

Attention: BRIAN RAMSEY

Re: Extension of Long-Term Service Agreement
Pursuant to Article V, Section 4 of Tennessee Gas Pipeline Company, L.L.C.
General Terms and Conditions of its FERC Gas Tariff
Gas Transportation Agreement Contract Number **2516-FTGTGP**

Dear BRIAN RAMSEY:

I am writing regarding the above-referenced gas transportation agreement between DELTA NATURAL GAS COMPANY INC ("Shipper") and Tennessee Gas Pipeline Company, L.L.C. ("Tennessee") relating to the firm transportation by Tennessee of certain quantities of gas ("Service Package").

The term provision of the Service Package provides that any right to extend the Service Package Shipper may have shall be governed by Article V, Section 4 of the General Terms and Conditions of Tennessee's FERC Gas Tariff. Our records indicate that the Service Package will automatically extend for a term of five years effective November 1, 2019, unless Shipper notifies Tennessee in writing to the contrary by close of business on October 31, 2018. Therefore, in accordance with Article V, Section 4 of Tennessee's General Terms and Conditions, **please indicate your decision below, and return a copy of this election form to my attention by email at [REDACTED]**.

TGP Contract Number 2516-FTGTGP

- 1. Election to Extend at Tennessee's Maximum Rates
 - For the Service Package Extension Term (five years) and Transportation Quantity
 - For an Alternate Extension Term Than Provided for in the Service Package
Proposed Extended Term: _____
(A Right of First Refusal ("ROFR") open season may be required at Tennessee's option if Alternate Extension Term is less than five years.)
 - For a Reduced Service Package Transportation Quantity†
Transportation Quantity: _____ Dth per day

8/31/2018

DELTA NATURAL GAS COMPANY INC

Page 2

2. _____ Election to Extend at Less Than Tennessee's Maximum Rate*

Proposed Rate: _____

Proposed Extended Term: _____

(A Right of First Refusal ("ROFR") open season may be required at Tennessee's option if election to extend at less than max rate is chosen)

(You will be contacted by your TGP Account Director.)

3. _____ Election to Terminate

DELTA NATURAL GAS COMPANY INC

BY: 

NAME: Donald C. Cartwright

TITLE: V.P. Gas Supply

DATE: 9/10/2018

If you have any questions or need further assistance, please contact me at 

Sincerely,



Becky G. Mack
Account Director

† If shipper contemplates electing a Reduced Transportation Service Package Quantity, on other than a normal pro rata basis across the Service Package, please contact your Account Director as soon as possible to discuss implementation of such a reduction. Otherwise, Tennessee will implement a binding reduction on a pro rata basis. Any non-pro rata reduction must have the same zone makeup as the Service Package.

* Tennessee has the right to establish a minimum rate for the ROFR open season that could be up to the maximum applicable rate.



Tennessee Gas Pipeline Company, L.L.C.
a Kinder Morgan company

8/31/2018

DELTA NATURAL GAS COMPANY INC
3617 LEXINGTON ROA
WINCHESTER, KY 40391-9797

Attention: BRIAN RAMSEY

Re: Extension of Long-Term Service Agreement
Pursuant to Article V, Section 4 of Tennessee Gas Pipeline Company, L.L.C.
General Terms and Conditions of its FERC Gas Tariff
Gas Transportation Agreement Contract Number **2555-FTGTGP**

Dear BRIAN RAMSEY:

I am writing regarding the above-referenced gas transportation agreement between DELTA NATURAL GAS COMPANY INC ("Shipper") and Tennessee Gas Pipeline Company, L.L.C. ("Tennessee") relating to the firm transportation by Tennessee of certain quantities of gas ("Service Package").

The term provision of the Service Package provides that any right to extend the Service Package Shipper may have shall be governed by Article V, Section 4 of the General Terms and Conditions of Tennessee's FERC Gas Tariff. Our records indicate that the Service Package will automatically extend for a term of five years effective November 1, 2019, unless Shipper notifies Tennessee in writing to the contrary by close of business on October 31, 2018. Therefore, in accordance with Article V, Section 4 of Tennessee's General Terms and Conditions, **please indicate your decision below, and return a copy of this election form to my attention by email at** [REDACTED]

TGP Contract Number 2555-FTGTGP

- 1. Election to Extend at Tennessee's Maximum Rates
 - For the Service Package Extension Term (five years) and Transportation Quantity
 - For an Alternate Extension Term Than Provided for in the Service Package
 - Proposed Extended Term: _____
 - (A Right of First Refusal ("ROFR") open season may be required at Tennessee's option if Alternate Extension Term is less than five years.)*
 - For a Reduced Service Package Transportation Quantity[†]
 - Transportation Quantity: _____ Dth per day

8/31/2018

DELTA NATURAL GAS COMPANY INC

Page 2

2. _____ Election to Extend at Less Than Tennessee's Maximum Rate*

Proposed Rate: _____

Proposed Extended Term: _____

(A Right of First Refusal ("ROFR") open season may be required at Tennessee's option if election to extend at less than max rate is chosen)

(You will be contacted by your TGP Account Director.)

3. _____ Election to Terminate

DELTA NATURAL GAS COMPANY INC

BY: 

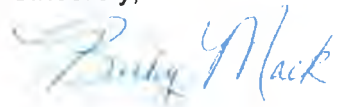
NAME: Donald C. Cartwright

TITLE: V. P. Gas Supply

DATE: 9/10/2018

If you have any questions or need further assistance, please contact me at [REDACTED]

Sincerely,



Becky G. Mack
Account Director

† If shipper contemplates electing a Reduced Transportation Service Package Quantity, on other than a normal pro rata basis across the Service Package, please contact your Account Director as soon as possible to discuss implementation of such a reduction. Otherwise, Tennessee will implement a binding reduction on a pro rata basis. Any non-pro rata reduction must have the same zone makeup as the Service Package.

* Tennessee has the right to establish a minimum rate for the ROFR open season that could be up to the maximum applicable rate.



Tennessee Gas Pipeline Company, L.L.C.
a Kinder Morgan company

8/31/2018

DELTA NATURAL GAS COMPANY INC
3617 LEXINGTON ROA
WINCHESTER, KY 40391-9797

Attention: BRIAN RAMSEY

Re: Extension of Long-Term Service Agreement
Pursuant to Article V, Section 4 of Tennessee Gas Pipeline Company, L.L.C.
General Terms and Conditions of its FERC Gas Tariff
Gas Transportation Agreement Contract Number **2747-FTATGP**

Dear BRIAN RAMSEY:

I am writing regarding the above-referenced gas transportation agreement between DELTA NATURAL GAS COMPANY INC ("Shipper") and Tennessee Gas Pipeline Company, L.L.C. ("Tennessee") relating to the firm transportation by Tennessee of certain quantities of gas ("Service Package").

The term provision of the Service Package provides that any right to extend the Service Package Shipper may have shall be governed by Article V, Section 4 of the General Terms and Conditions of Tennessee's FERC Gas Tariff. Our records indicate that the Service Package will automatically extend for a term of five years effective November 1, 2019, unless Shipper notifies Tennessee in writing to the contrary by close of business on October 31, 2019. Therefore, in accordance with Article V, Section 4 of Tennessee's General Terms and Conditions, **please indicate your decision below, and return a copy of this election form to my attention by email at [REDACTED]**.

TGP Contract Number 2747-FTATGP

1. Election to Extend at Tennessee's Maximum Rates

For the Service Package Extension Term (five years) and Transportation Quantity

For an Alternate Extension Term Than Provided for in the Service Package

Proposed Extended Term: _____

(A Right of First Refusal ("ROFR") open season may be required at Tennessee's option if Alternate Extension Term is less than five years.)

For a Reduced Service Package Transportation Quantity[†]
Transportation Quantity: _____ Dth per day

8/31/2018

DELTA NATURAL GAS COMPANY INC

Page 2

2. _____ Election to Extend at Less Than Tennessee's Maximum Rate*

Proposed Rate: _____

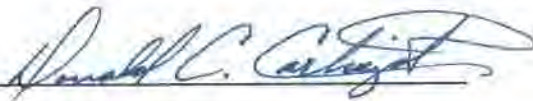
Proposed Extended Term: _____

(A Right of First Refusal ("ROFR") open season may be required at Tennessee's option if election to extend at less than max rate is chosen)

(You will be contacted by your TGP Account Director.)

3. _____ Election to Terminate

DELTA NATURAL GAS COMPANY INC

BY: 

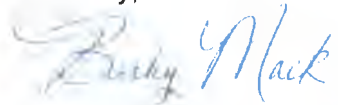
NAME: Donald C. Cartwright

TITLE: V.P. GAS SUPPLY

DATE: 9/10/2018

If you have any questions or need further assistance, please contact me at [REDACTED]

Sincerely,



Becky G. Mack
Account Director

† If shipper contemplates electing a Reduced Transportation Service Package Quantity, on other than a normal pro rata basis across the Service Package, please contact your Account Director as soon as possible to discuss implementation of such a reduction. Otherwise, Tennessee will implement a binding reduction on a pro rata basis. Any non-pro rata reduction must have the same zone makeup as the Service Package.

* Tennessee has the right to establish a minimum rate for the ROFR open season that could be up to the maximum applicable rate.



Tennessee Gas Pipeline Company, L.L.C.
a Kinder Morgan company

8/31/2018

DELTA NATURAL GAS COMPANY INC
3617 LEXINGTON ROA
WINCHESTER, KY 40391-9797

Attention: BRIAN RAMSEY

Re: Extension of Long-Term Service Agreement
Pursuant to Article V, Section 4 of Tennessee Gas Pipeline Company, L.L.C.
General Terms and Conditions of its FERC Gas Tariff
Gas Transportation Agreement Contract Number **9069-FTGTGP**

Dear BRIAN RAMSEY:

I am writing regarding the above-referenced gas transportation agreement between DELTA NATURAL GAS COMPANY INC ("Shipper") and Tennessee Gas Pipeline Company, L.L.C. ("Tennessee") relating to the firm transportation by Tennessee of certain quantities of gas ("Service Package").

The term provision of the Service Package provides that any right to extend the Service Package Shipper may have shall be governed by Article V, Section 4 of the General Terms and Conditions of Tennessee's FERC Gas Tariff. Our records indicate that the Service Package will automatically extend for a term of five years effective November 1, 2019, unless Shipper notifies Tennessee in writing to the contrary by close of business on October 31, 2018. Therefore, in accordance with Article V, Section 4 of Tennessee's General Terms and Conditions, **please indicate your decision below, and return a copy of this election form to my attention by email at [REDACTED]**.

TGP Contract Number 9069-FTGTGP

1. Election to Extend at Tennessee's Maximum Rates

For the Service Package Extension Term (five years) and Transportation Quantity

For an Alternate Extension Term Than Provided for in the Service Package

Proposed Extended Term: _____

(A Right of First Refusal ("ROFR") open season may be required at Tennessee's option if Alternate Extension Term is less than five years.)

For a Reduced Service Package Transportation Quantity[†]
Transportation Quantity: _____ Dth per day

8/31/2018

DELTA NATURAL GAS COMPANY INC

Page 2

2. _____ Election to Extend at Less Than Tennessee's Maximum Rate*

Proposed Rate: _____

Proposed Extended Term: _____

(A Right of First Refusal ("ROFR") open season may be required at Tennessee's option if election to extend at less than max rate is chosen)

(You will be contacted by your TGP Account Director.)

3. _____ Election to Terminate

DELTA NATURAL GAS COMPANY INC

BY: 

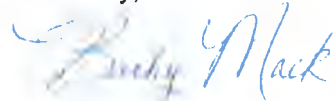
NAME: Donald C. Cartwright

TITLE: V.P. Gas Supply

DATE: 9/10/2018

If you have any questions or need further assistance, please contact me at 

Sincerely,



Becky G. Mack
Account Director

† If shipper contemplates electing a Reduced Transportation Service Package Quantity, on other than a normal pro rata basis across the Service Package, please contact your Account Director as soon as possible to discuss implementation of such a reduction. Otherwise, Tennessee will implement a binding reduction on a pro rata basis. Any non-pro rata reduction must have the same zone makeup as the Service Package.

* Tennessee has the right to establish a minimum rate for the ROFR open season that could be up to the maximum applicable rate.

AMENDMENT TO CONTRACT FOR GAS SALES AND DELIVERY SERVICE

This AMENDMENT TO CONTRACT FOR GAS SALES AND DELIVERY SERVICE (this "*Amendment*") is made and entered into effective the 1st day of February, 2021 by and between DELTA NATURAL GAS COMPANY, a Kentucky corporation with offices located at 3617 Lexington Road, Winchester, Kentucky 40391-9797 ("*Buyer*") and VINLAND ENERGY OPERATIONS, LLC, a Delaware limited liability company with offices located at 2704 Old Rosebud Road, Suite 320, Lexington, Kentucky 40509 ("*Seller*"). Buyer and Seller are each sometimes hereafter referred to as a "*Party*" and collectively as "*Parties*."

Recitals

WHEREAS, Buyer and Columbia Natural Resources, Inc. ("*CNR*") entered into that certain Contract for Gas Sales and Delivery Service dated October 25, 1999 (as amended, the "*Contract*"); and

WHEREAS, Seller is the successor to CNR's rights and obligations under the Contract; and

WHEREAS, by a letter agreement dated June 11, 2012 Buyer and Seller amended Section 6.1 of the Contract; and

WHEREAS, the Parties desire to amend the Contract as provided herein.

NOW THEREFORE, in consideration of the mutual agreements contained herein, and other good and valuable consideration the receipt and sufficiency of all of which is hereby acknowledged, and agreeing to be bound, the Parties agree as follows:

1. AMENDMENTS TO CONTRACT.

A. Section 2.1 of the Contract is deleted in its entirety and replaced with the following:

2.1 "Agreed Index" shall mean the index provided by the New York Mercantile Exchange for gas delivered to Henry Hub. "Agreed Index Price" shall mean the price reported for the Agreed Index as "NYMEX Close" in the first publication each Month of *Inside FERC's Gas Market Report*.

B. Section 2.20 is deleted in its entirety and replaced with the following:

2.20 "Total Heating Value" shall mean the number of BTUs reported by Seller as being contained in one Cubic Foot of gas delivered by Seller during any Billing Cycle as measured at least once during that period at the discharge side Seller's Knox Compressor Station and/or such other appropriate location as may be agreed upon by both parties. Seller shall provide Buyer with documentation of Seller's measurement and determination of the Total Heating Value for each Billing Cycle. Buyer shall have the right to verify Seller's measurement and

determination of the Total Heating Value for any Billing Cycle by performing its own testing of a gas sample from the discharge side of the Knox Compressor Station. Should Buyer desire to take such a sample, it will provide Seller notice of same. The parties shall cooperate to agree upon a mutually-convenient date and time for the taking of such sample at which representatives of both the Buyer and the Seller can be present. No sample shall be taken by Buyer without the presence of a representative of Seller unless Seller cannot accommodate Buyer's request within twenty-one (21) days of Buyer's notice. All sampling and testing by Buyer or its representative shall be at the sole cost and risk of Buyer, and such sampling and testing shall not unreasonably interfere with Seller's operations.

C. A new sentence is added at the end of Section 3.2 as follows:

Notwithstanding the provisions of this Section 3.2, until February 28, 2026, Seller shall not seek to abandon any of the Gathering Facilities without the Buyer's prior, express written consent.

D. A new section is added to ARTICLE V as follows:

5.3 Notwithstanding the forgoing, neither party will seek a termination of this Agreement to be effective prior to February 28, 2026.

E. Section 6.1 of the Contract, as amended, is hereby deleted in its entirety and replaced with the following:

6.1 For each Dth of Gas sold and delivered hereunder, Buyer agrees to pay Seller the Agreed Contract Price.

F. Section 6.3 of the Contract is hereby deleted in its entirety and replaced with the following:

6.3 In the event that the Agreed Index should be discontinued or no longer published in *Inside FERC's Gas Market Report*, Seller and Buyer shall do the following: (i) if the Agreed Index has not been discontinued, but is no longer published in *FERC's Gas Market Report*, the parties shall select a replacement publication of the Agreed Index, and the Agreed Price shall be the price reported for the Agreed Index in the first issue of the replacement publication each Month; (ii) if the Agreed Index has been discontinued, the parties shall select a replacement index and a replacement publication by mutual agreement. If Seller and Buyer are unable to agree on a replacement index, each party shall select a replacement from among the following indices: (a) *Natural Gas Intelligence, Gas Price Index*, Average Spot Gas Price for 30-Day Supply Transactions delivered Henry Hub; (b) *Natural Gas Week*, Gas Price Report for Spot Prices delivered into Henry Hub under the subheading

“Bid Week for (Month).” Such designation shall be provided in writing to the other party within 30 days of the last publication of the original Agreed Index. If the parties agree on one of the two alternative indices listed above, the Agreed Index Price shall be the price reported for the replacement index reported in the first issue of the chosen publication each month. If the parties cannot agree on one of the two replacement indices listed above, the Agreed Price shall be the average of the two replacement indices listed above as reported in the first issue of the applicable publication each month. If all the replacement indices listed above should cease to be published, the parties will attempt to select a replacement index by mutual agreement. If Seller and Buyer are unable to agree upon a replacement index, the selection of replacement index shall be resolved pursuant to the dispute resolution procedures set forth in Article XIV herein.

G. Section 8.3 of the Contract is hereby deleted in its entirety and replaced with the following:

8.3 Reserved.

H. Section 10.1 of the Contract is hereby deleted in its entirety and replaced with the following:

10.1 Buyer agrees to provide to Seller the quantities of gas, in Mcf, delivered by Seller for each Billing Cycle on or before the tenth (10th) day of the month following the meter reading and/or chart calculations for such period. Seller shall remit to Buyer an invoice based on the gas volumes provided by Seller and the Total Heating Value of such gas. Buyer shall remit payment to Seller within ten (10) days of receiving the invoice from Seller. Checks, payable to the order of Seller, in payment of such invoice shall be mailed to Seller at the address specified in Article XV herein.

I. Section 15.2 of the Contract is hereby deleted in its entirety and replaced with the following:

15.2 All notices and payments shall be sent or hand delivered to the Seller at the address shown below:

Vinland Energy Operations
2704 Old Rosebud Road, Suite # 320
Lexington, Kentucky 40509
Attn: Accounts Receivable

[REDACTED]
[REDACTED]
[REDACTED]

2. **DEFINED TERMS.** Capitalized terms which are not separately defined in this Amendment shall have the meaning provided for such term in the Contract.


3. **MODIFICATIONS.** Except as expressly amended and modified herein, the Contract remains unchanged and in full force and effect, and the Parties do hereby ratify and affirm the same. If there is a conflict between the terms of this Amendment and the terms of the Agreement, the terms of this Amendment shall control.

4. **COUNTERPARTS.** This Amendment may be executed in one or more original counterparts, each of which shall constitute an original, and all of which together shall constitute but one and the same instrument. An electronically transmitted or facsimile of a signature shall have the same legal effect as an originally drawn signature.

IN WITNESS WHEREOF, the undersigned have executed this Amendment to Contract for Gas Sales and Delivery Service as of the day and year first above written.


BUYER:

DELTA NATURAL GAS COMPANY,
a Kentucky corporation

By: 
Name: Donald C. Cartwright
Its: U. P. GAS SUPPLY

SELLER:

VINLAND ENERGY OPERATIONS, LLC,
a Delaware limited liability company

By: 
Name: Michael J. Robinson
Its: President & CEO

**AMENDMENT
TO THE GAS SALES AGREEMENT**

THIS AMENDMENT TO GAS SALES AGREEMENT (“Amendment”) is made and entered into as of **March 11, 2021** (“Effective Date”), by and between the **DELTA NATURAL GAS COMPANY, INC.**, hereinafter referred to as Buyer, and **SYMMETRY ENERGY SOLUTIONS, LLC**, hereinafter referred to as Seller. Buyer and Seller may be referred to herein individually as a “Party” and collectively as the “Parties”.

WITNESSETH:

WHEREAS, Buyer and Seller are parties to that certain **Columbia Gulf Transmission and Columbia Gas Transmission Gas Sales Agreement** dated **May 1, 2003**, as amended (the "Agreement"); and

WHEREAS, the Parties desire to further amend the Agreement as hereinafter set forth.

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the Parties agree to and do hereby modify the Agreement as hereinafter provided:

1. Commencing on the Effective Date of this Amendment, the term of this Agreement is hereby extended through and including April 30, 2022. Thereafter, the term will renew for successive two (2) year periods unless terminated by either Party upon written notice given not less than sixty (60) Days prior to the end of the current term.
2. Unless otherwise specifically defined in this Amendment, capitalized terms used herein shall have the meaning given thereto in the Agreement.
3. Except as herein modified or amended, all terms and provisions of the Agreement, as previously amended, remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the Effective Date first written above in multiple counterparts, each of which constitutes and original.

DELTA NATURAL GAS COMPANY, INC.

SYMMETRY ENERGY SOLUTIONS, LLC

By: _____
Name: _____
Title: _____

By: Brian Harrison
Brian Harrison, Vice President

Important—Certificate not valid unless completed.

RESALE CERTIFICATE

Check Applicable Block
Blanket
Single Purchase

I hereby certify that Delta Natural Gas Company, Inc. Winchester, KY
Name of Business Address
holds a valid Sales and Use Tax Permit, Account No. 45085, issued pursuant to the sales and use tax law and is engaged in the business of selling, leasing or renting, industrial processing or manufacturing the following:

Natural Gas
I further certify that the tangible personal property or digital property described herein which I shall purchase from CenterPoint Energy Services Houston, TX
Name of Seller Address

will be resold in the regular course of business, or leased or rented, as provided by Regulation 103 KAR 28:051, or used, as provided in KRS 139.470(10), in the manufacture or industrial processing of tangible personal property or digital property which will be resold. In the event any property purchased under this certificate is used for any purpose other than retention, demonstration or display while holding it for sale, lease or rental in the regular course of business, it is understood that I am required by law to report and pay the tax measured by the purchase price of such property. Description of property to be purchased:
Natural Gas

Under penalties of perjury, I swear or affirm that the information on this certificate is true and correct as to every material matter

[Signature]
Authorized Signature (Owner, Partner or Corporate Officer)

Chief Operating Officer – Treasurer and Secretary
Title
August 21, 2017
Date

CAUTION TO SELLER: Contractors or other persons registered under a consumer number in the 900,000 series may not issue a resale certificate for any purchase. Sellers accepting certificates from such persons will be held liable for the sales or use tax.
NOTE: Any person who makes improper use of this certificate is subject to such penalties as provided by law including the criminal provisions of KRS 139.990(1).



Service Agreement No. 43828

Revision No. 4

FTS-1 SERVICE AGREEMENT

THIS AGREEMENT is made and entered into this 22 day of May, 2020, by and between COLUMBIA GULF TRANSMISSION, LLC ("Transporter") and DELTA NATURAL GAS COMPANY, INC., CUMBERLAND DIVISION ("Shipper").

WITNESSETH: That in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

Section 1. Service to be Rendered. Transporter shall perform and Shipper shall receive the service in accordance with the provisions of the effective FTS-1 Rate Schedule and applicable General Terms and Conditions of Transporter's FERC Gas Tariff, Third Revised Volume No.1 ("Tariff"), on file with the Federal Energy Regulatory Commission ("Commission"), as the same may be amended or superseded in accordance with the rules and regulations of the Commission herein contained. The maximum obligations of Transporter to deliver gas hereunder to or for Shipper, the designation of the points of delivery at which Transporter shall deliver or cause gas to be delivered to or for Shipper, and the points of receipt at which the Shipper shall deliver or cause gas to be delivered, are specified in Appendix A, as the same may be amended from time to time by agreement between Shipper and Transporter, or in accordance with the rules and regulations of the Commission.

Section 2. Term. Service under this Agreement shall commence as of November 1, 2020, and shall continue in full force and effect until October 31, 2023. Shipper and Transporter agree to avail themselves of the Commission's pre-granted abandonment authority upon termination of this Agreement, subject to any right of first refusal Shipper may have under the Commission's Regulations and Transporter's Tariff.

Section 3. Rates. Shipper shall pay the charges and furnish the Retainage as described in the above-referenced Rate Schedule, unless otherwise agreed to by the parties in writing and specified as an amendment to this Service Agreement. Transporter may agree to discount its rate to Shipper below Transporter's maximum rate, but not less than Transporter's minimum rate. Such discounted rate may apply to: (a) specified quantities (contract demand or commodity quantities); (b) specified quantities above or below a certain level or all quantities if quantities exceed a certain level; (c) quantities during specified time periods; (d) quantities at specified points, locations, or other defined geographical areas; (e) that a specified discounted rate will apply in a specified relationship to the quantities actually transported (i.e., that the reservation charge will be adjusted in a specified relationship to quantities actually transported); and (f) production and/or reserves committed by the Shipper.

Section 4. Notices. Notices to Transporter under this Agreement shall be addressed to it at 700 Louisiana St., Suite 700, Houston, Texas 77002-2700, Attention: Customer Services and notices to Shipper shall be addressed to it at Delta Natural Gas Company, Inc., Cumberland Division, 3617 Lexington Road, Winchester, KY 40391, Attention: Don Cartwright, until changed by either party by written notice.

Section 5. Superseded Agreements. This Service Agreement supersedes and cancels, as of the effective date hereof, the following Service Agreement(s): FTS-1 No. 43828, Revision No. 3.

DELTA NATURAL GAS COMPANY, INC.,
CUMBERLAND DIVISION

By Wayne Hunter
Title Coordinator
Date May 22, 2020

COLUMBIA GULF TRANSMISSION, LLC

By Carol Wehlmann
Title Manager
Date May 19, 2020

Appendix A to Service Agreement No. 43828
 Under Rate Schedule FTS-1
 between Columbia Gulf Transmission, LLC ("Transporter")
 and Delta Natural Gas Company, Inc., Cumberland Division ("Shipper").

Transportation Demand

<u>Begin Date</u>	<u>End Date</u>	<u>Transportation Demand Dth/day</u>	<u>Recurrence Interval</u>
11/01/2020	10/31/2023	1,836	1/1 - 12/31

Primary Receipt Points

<u>Begin Date</u>	<u>End Date</u>	<u>Measuring Point No.</u>	<u>Measuring Point Name</u>	<u>Maximum Daily Quantity (Dth/day)</u>	<u>Recurrence Interval</u>
11/01/2020	10/31/2023	2700010	CGT-RAYNE	1,836	1/1 - 12/31

Primary Delivery Points

<u>Begin Date</u>	<u>End Date</u>	<u>Measuring Point No.</u>	<u>Measuring Point Name</u>	<u>Maximum Daily Quantity (Dth/day)</u>	<u>Recurrence Interval</u>
11/01/2020	10/31/2023	801	GULF-LEACH	1,836	1/1 - 12/31

The Master List of Interconnects ("MLI") as defined in Section 1 of the General Terms and Conditions of Transporter's Tariff is incorporated herein by reference for purposes of listing valid secondary interruptible receipt points and delivery points.

Transporter and Shipper have mutually agreed to the following maximum or minimum pressure commitments:

Yes No (Check applicable blank) Transporter and Shipper have mutually agreed to a Regulatory Restructuring Reduction Option pursuant to Section 33 of the General Terms and Conditions of Transporter's FERC Gas Tariff.

Yes No (Check applicable blank) Shipper has a contractual right of first refusal equivalent to the right of first refusal set forth from time to time in Section 4 of the General Terms and Conditions of Transporter's FERC Gas Tariff.

Yes No (Check applicable blank) This Service Agreement covers interim capacity sold pursuant to the provisions of General Terms and Conditions Section 4. Right of first refusal rights, if any, applicable to this interim capacity are limited as provided for in General Terms and Conditions Section 4.

DELTA NATURAL GAS COMPANY, INC., CUMBERLAND DIVISION COLUMBIA GULF TRANSMISSION, LLC

By Wayne Hunter
Title Coordinator
Date May 22, 2020

By Carol Wehlmann
Title Manager
Date May 19, 2020

Service Agreement No. 43827

Revision No. 4

FTS-1 SERVICE AGREEMENT

THIS AGREEMENT is made and entered into this 22 day of May, 2020, by and between COLUMBIA GULF TRANSMISSION, LLC ("Transporter") and DELTA NATURAL GAS COMPANY, INC., STANTON DIVISION ("Shipper").

WITNESSETH: That in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

Section 1. Service to be Rendered. Transporter shall perform and Shipper shall receive the service in accordance with the provisions of the effective FTS-1 Rate Schedule and applicable General Terms and Conditions of Transporter's FERC Gas Tariff, Third Revised Volume No.1 ("Tariff"), on file with the Federal Energy Regulatory Commission ("Commission"), as the same may be amended or superseded in accordance with the rules and regulations of the Commission herein contained. The maximum obligations of Transporter to deliver gas hereunder to or for Shipper, the designation of the points of delivery at which Transporter shall deliver or cause gas to be delivered to or for Shipper, and the points of receipt at which the Shipper shall deliver or cause gas to be delivered, are specified in Appendix A, as the same may be amended from time to time by agreement between Shipper and Transporter, or in accordance with the rules and regulations of the Commission.

Section 2. Term. Service under this Agreement shall commence as of November 1, 2020, and shall continue in full force and effect until October 31, 2023. Shipper and Transporter agree to avail themselves of the Commission's pre-granted abandonment authority upon termination of this Agreement, subject to any right of first refusal Shipper may have under the Commission's Regulations and Transporter's Tariff.

Section 3. Rates. Shipper shall pay the charges and furnish the Retainage as described in the above-referenced Rate Schedule, unless otherwise agreed to by the parties in writing and specified as an amendment to this Service Agreement. Transporter may agree to discount its rate to Shipper below Transporter's maximum rate, but not less than Transporter's minimum rate. Such discounted rate may apply to: (a) specified quantities (contract demand or commodity quantities); (b) specified quantities above or below a certain level or all quantities if quantities exceed a certain level; (c) quantities during specified time periods; (d) quantities at specified points, locations, or other defined geographical areas; (e) that a specified discounted rate will apply in a specified relationship to the quantities actually transported (i.e., that the reservation charge will be adjusted in a specified relationship to quantities actually transported); and (f) production and/or reserves committed by the Shipper.

Section 4. Notices. Notices to Transporter under this Agreement shall be addressed to it at 700 Louisiana St., Suite 700, Houston, Texas 77002-2700, Attention: Customer Services and notices to Shipper shall be addressed to it at Delta Natural Gas Company, Inc., Stanton Division, 3617 Lexington Road, Winchester, KY 40391, Attention: Don Cartwright, until changed by either party by written notice.

Section 5. Superseded Agreements. This Service Agreement supersedes and cancels, as of the effective date hereof, the following Service Agreement(s): FTS-1 No. 43827, Revision No. 3.

DELTA NATURAL GAS COMPANY, INC., STANTON
DIVISION

By Wayne Hunter
Title Coordinator
Date May 22, 2020

COLUMBIA GULF TRANSMISSION, LLC

By Carol Wehlmann
Title Manager
Date May 19, 2020

Appendix A to Service Agreement No. 43827
 Under Rate Schedule FTS-1
 between Columbia Gulf Transmission, LLC ("Transporter")
 and Delta Natural Gas Company, Inc., Stanton Division ("Shipper").

Transportation Demand

<u>Begin Date</u>	<u>End Date</u>	<u>Transportation Demand Dth/day</u>	<u>Recurrence Interval</u>
11/01/2020	10/31/2023	860	1/1 - 12/31

Primary Receipt Points

<u>Begin Date</u>	<u>End Date</u>	<u>Measuring Point No.</u>	<u>Measuring Point Name</u>	<u>Maximum Daily Quantity (Dth/day)</u>	<u>Recurrence Interval</u>
11/01/2020	10/31/2023	2700010	CGT-RAYNE	860	1/1 - 12/31

Primary Delivery Points

<u>Begin Date</u>	<u>End Date</u>	<u>Measuring Point No.</u>	<u>Measuring Point Name</u>	<u>Maximum Daily Quantity (Dth/day)</u>	<u>Recurrence Interval</u>
11/01/2020	10/31/2023	801	GULF-LEACH	860	1/1 - 12/31

The Master List of Interconnects ("MLI") as defined in Section 1 of the General Terms and Conditions of Transporter's Tariff is incorporated herein by reference for purposes of listing valid secondary interruptible receipt points and delivery points.

Transporter and Shipper have mutually agreed to the following maximum or minimum pressure commitments:

_____ Yes No (Check applicable blank) Transporter and Shipper have mutually agreed to a Regulatory Restructuring Reduction Option pursuant to Section 33 of the General Terms and Conditions of Transporter's FERC Gas Tariff.

_____ Yes No (Check applicable blank) Shipper has a contractual right of first refusal equivalent to the right of first refusal set forth from time to time in Section 4 of the General Terms and Conditions of Transporter's FERC Gas Tariff.

_____ Yes No (Check applicable blank) This Service Agreement covers interim capacity sold pursuant to the provisions of General Terms and Conditions Section 4. Right of first refusal rights, if any, applicable to this interim capacity are limited as provided for in General Terms and Conditions Section 4.

DELTA NATURAL GAS COMPANY, INC., STANTON DIVISION

By Wayne Hunter
Title Coordinator
Date May 22, 2020

COLUMBIA GULF TRANSMISSION, LLC

By Carol Wehlmann
Title Manager
Date May 19, 2020

Service Agreement No. 43829

Revision No. 4

FTS-1 SERVICE AGREEMENT

THIS AGREEMENT is made and entered into this 22 day of May, 2020, by and between COLUMBIA GULF TRANSMISSION, LLC ("Transporter") and DELTA NATURAL GAS COMPANY, INC., WINCHESTER DIVISION ("Shipper").

WITNESSETH: That in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

Section 1. Service to be Rendered. Transporter shall perform and Shipper shall receive the service in accordance with the provisions of the effective FTS-1 Rate Schedule and applicable General Terms and Conditions of Transporter's FERC Gas Tariff, Third Revised Volume No. 1 ("Tariff"), on file with the Federal Energy Regulatory Commission ("Commission"), as the same may be amended or superseded in accordance with the rules and regulations of the Commission herein contained. The maximum obligations of Transporter to deliver gas hereunder to or for Shipper, the designation of the points of delivery at which Transporter shall deliver or cause gas to be delivered to or for Shipper, and the points of receipt at which the Shipper shall deliver or cause gas to be delivered, are specified in Appendix A, as the same may be amended from time to time by agreement between Shipper and Transporter, or in accordance with the rules and regulations of the Commission.

Section 2. Term. Service under this Agreement shall commence as of November 1, 2020, and shall continue in full force and effect until October 31, 2023. Shipper and Transporter agree to avail themselves of the Commission's pre-granted abandonment authority upon termination of this Agreement, subject to any right of first refusal Shipper may have under the Commission's Regulations and Transporter's Tariff.

Section 3. Rates. Shipper shall pay the charges and furnish the Retainage as described in the above-referenced Rate Schedule, unless otherwise agreed to by the parties in writing and specified as an amendment to this Service Agreement. Transporter may agree to discount its rate to Shipper below Transporter's maximum rate, but not less than Transporter's minimum rate. Such discounted rate may apply to: (a) specified quantities (contract demand or commodity quantities); (b) specified quantities above or below a certain level or all quantities if quantities exceed a certain level; (c) quantities during specified time periods; (d) quantities at specified points, locations, or other defined geographical areas; (e) that a specified discounted rate will apply in a specified relationship to the quantities actually transported (i.e., that the reservation charge will be adjusted in a specified relationship to quantities actually transported); and (f) production and/or reserves committed by the Shipper.

Section 4. Notices. Notices to Transporter under this Agreement shall be addressed to it at 700 Louisiana St., Suite 700, Houston, Texas 77002-2700, Attention: Customer Services and notices to Shipper shall be addressed to it at Delta Natural Gas Company, Inc., Winchester Division, 3617 Lexington Road, Winchester, KY 40391, Attention: Don Cartwright, until changed by either party by written notice.

Section 5. Superseded Agreements. This Service Agreement supersedes and cancels, as of the effective date hereof, the following Service Agreement(s): FTS-1 No. 43829, Revision No. 3.

DELTA NATURAL GAS COMPANY, INC.,
WINCHESTER DIVISION

By Wayne Hunter
Title Coordinator
Date May 22, 2020

COLUMBIA GULF TRANSMISSION, LLC

By Carol Wehlmann
Title Manager
Date May 19, 2020

Appendix A to Service Agreement No. 43829
 Under Rate Schedule FTS-1
 between Columbia Gulf Transmission, LLC ("Transporter")
 and Delta Natural Gas Company, Inc., Winchester Division ("Shipper").

Transportation Demand

<u>Begin Date</u>	<u>End Date</u>	<u>Transportation Demand Dth/day</u>	<u>Recurrence Interval</u>
11/01/2020	10/31/2023	1,682	1/1 - 12/31

Primary Receipt Points

<u>Begin Date</u>	<u>End Date</u>	<u>Measuring Point No.</u>	<u>Measuring Point Name</u>	<u>Maximum Daily Quantity (Dth/day)</u>	<u>Recurrence Interval</u>
11/01/2020	10/31/2023	2700010	CGT-RAYNE	1,682	1/1 - 12/31

Primary Delivery Points

<u>Begin Date</u>	<u>End Date</u>	<u>Measuring Point No.</u>	<u>Measuring Point Name</u>	<u>Maximum Daily Quantity (Dth/day)</u>	<u>Recurrence Interval</u>
11/01/2020	10/31/2023	801	GULF-LEACH	1,682	1/1 - 12/31

The Master List of Interconnects ("MLI") as defined in Section 1 of the General Terms and Conditions of Transporter's Tariff is incorporated herein by reference for purposes of listing valid secondary interruptible receipt points and delivery points.

Transporter and Shipper have mutually agreed to the following maximum or minimum pressure commitments:

_____ Yes ___X___ No (Check applicable blank) Transporter and Shipper have mutually agreed to a Regulatory Restructuring Reduction Option pursuant to Section 33 of the General Terms and Conditions of Transporter's FERC Gas Tariff.

_____ Yes ___X___ No (Check applicable blank) Shipper has a contractual right of first refusal equivalent to the right of first refusal set forth from time to time in Section 4 of the General Terms and Conditions of Transporter's FERC Gas Tariff.

_____ Yes ___X___ No (Check applicable blank) This Service Agreement covers interim capacity sold pursuant to the provisions of General Terms and Conditions Section 4. Right of first refusal rights, if any, applicable to this interim capacity are limited as provided for in General Terms and Conditions Section 4.

DELTA NATURAL GAS COMPANY, INC., WINCHESTER DIVISION COLUMBIA GULF TRANSMISSION, LLC

By Wayne Hunter
Title Coordinator
Date May 22, 2020

By Carol Wehlmann
Title Manager
Date May 19, 2020

TRANSPORTATION AGREEMENT

THIS AGREEMENT made and entered into this 1st day of October, 2016, by and between ECO-ENERGY, LLC. (ECO-ENERGY) and DELTA NATURAL GAS COMPANY, INC. (DELTA).

W I T N E S S E T H:

WHEREAS, ECO-ENERGY anticipates purchasing and/or developing substantial quantities of natural gas in the State of Kentucky in Clay County, Kentucky, which gas will be delivered into Delta's transmission line for transportation by Delta to a redelivery point at an existing interconnection between the systems of Delta and Columbia Gulf Transmission Company (Columbia) near Speedwell in Madison County, Kentucky; and

WHEREAS, ECO-ENERGY is willing to deliver or cause to be delivered the aforesaid gas to Delta and Delta is willing to transport and deliver the same to Columbia in accordance with the terms and conditions hereinafter set forth; and

WHEREAS, Columbia has agreed to receive the transported volumes at the existing interconnection between Delta and Columbia.

NOW THEREFORE, in consideration of the premises and the mutual covenants and agreements herein contained, Eco-Energy and Delta agree as follows:

ARTICLE I. TRANSPORTATION QUANTITY

1.1 Delta agrees to receive for the account of Eco-Energy up

to 15,000 Dth of natural gas per day to be delivered to Delta at mutually agreeable delivery points on Delta's facilities at the following specified locations in Clay County, Kentucky (Delivery Point(s)):

Gabbard ForkStation #514

Gabbard ForkStation #529

Gabbard ForkStation #531

Delta shall have the unilateral right to regulate or reject deliveries of gas at any time from each of the listed Delivery Point(s). All receipts of gas by Delta at said Delivery Point(s) shall be at Delta's sole discretion and as designated to Eco-Energy by Delta to meet Delta's operational needs and the considerations of paragraph 1.2 herein. Delta shall redeliver equivalent quantities (less 2% by volume to cover losses and less any gas used for compressor fuel) to Columbia at an existing point of interconnection between the pipeline facilities of Columbia and Delta at the Gulf measuring station near Speedwell in Madison County, Kentucky, meter #4207, (Redelivery Point) or to a pool on Columbia or Columbia Gas Transmission by displacement. Eco-Energy explicitly acknowledges that transportation by displacement is only available on a seasonal basis and at Delta's sole discretion. Volumes delivered and redelivered hereunder will be balanced on a daily basis as nearly as possible. Any imbalances will be corrected within thirty (30) days of

their occurrence. Should an imbalance exist upon the termination of this Agreement, such imbalance will be corrected within thirty (30) days of such termination.

1.2 Delta's transportation obligation hereunder shall be on a best efforts basis, interruptible service, and shall be subject to the limits of available capacity in its existing facilities and shall also be subservient: (a) to the obligations to retail and transportation customers served pursuant to its Kentucky Public Service Commission (PSC) tariffs; (b) to the transportation of Delta's own gas production and purchases; (c) to higher priority transportation arrangements (as such priorities might be established in Delta's classifications of service or PSC proceedings); and (d) to precedent transportation agreements. Eco-Energy expressly acknowledges that it has been apprised of the aforesaid limitations and understands that the transportation of gas contemplated herein may be interrupted from time to time whenever, in Delta's judgment, system operations prohibit transportation of the gas or capacity does not exist in the facilities necessary for the rendering of the service contemplated herein.

ARTICLE II. FACILITIES

Delta shall utilize existing pipeline facilities as well as interconnections with the pipeline facilities of Columbia to effectuate the transportation service for Eco-Energy as described

in Article I hereof. Eco-Energy will provide or cause to be provided all facilities necessary to deliver gas to Delta against the varying pressure in Delta's facilities. In the event Delta determines telemetering equipment is required, Eco-Energy shall reimburse Delta the actual costs of installing the telemetering equipment, and Delta shall own, operate and maintain the telemetering equipment.

ARTICLE III. TERM

3.1 This Agreement and all rights hereunder shall commence on the date first above written and shall continue in full force and effect for a period of one (1) year and thereafter on a year-to-year basis unless terminated in writing by either party at least thirty (30) days prior to any anniversary date.

3.2 Delta and Eco-Energy will make in a timely manner all necessary applications and reports to regulatory authorities. In the event either Delta or Eco-Energy is unable to obtain any necessary approvals, this Agreement will terminate at the earlier of (a) the termination of the regulatory authorization for the service contemplated hereby, or (b) fifteen (15) days after the giving of written notice of such inability.

3.3 Delta shall have the unilateral right to terminate this Agreement in the event Delta does not receive and transport a total volume of fifteen thousand (15,000) Dth of gas during any sixty (60) day period due to Eco-Energy failure to make deliveries

of gas to Delta at the Delivery Point(s) or due to Eco-Energy failure to receive the volumes transported by Delta hereunder at the Redelivery Point.

ARTICLE IV. QUALITY

4.1 All gas delivered and redelivered hereunder shall be commercially free from air, dust, gum, gum-forming constituents, harmful or noxious vapors, or other solid or liquid matter which might interfere with its merchantability or cause injury to or interference with proper operation of the lines, regulators, meters and other equipment of the receiving party.

4.2 The gas delivered and redelivered shall not contain in excess of:

(a) seven (7) pounds of water vapor per million cubic feet of gas at the base pressure and temperature of fourteen and seven-tenths (14.7) pounds per square inch absolute and sixty degrees Fahrenheit. The water vapor will be determined by the use of a Bureau of Mines type dew point apparatus or in accordance with the latest approved methods in use in the industry generally;

(b) four percent (4%) by volume of a combined total of carbon dioxide and nitrogen components, provided, however, that the total carbon dioxide content shall not exceed three percent (3%) by volume;

(c) twenty-five hundredths (0.25) grains of hydrogen sulfide per one hundred (100) cubic feet of gas;

(d) twenty (20) grains of total sulphur per one hundred (100) cubic feet.

4.3 The gas delivered and redelivered shall have a total heating value of not less than 1,000 Btu (British Thermal Units) per standard cubic foot. The total heating value of the gas shall be determined by taking samples of the gas at the Delivery Point(s) at such reasonable times as may be designated by either party and having the Btu content per cubic foot determined by an accepted type calorimeter (or other suitable instrument) for a cubic foot of gas at a temperature of sixty degrees Fahrenheit when saturated with water vapor and at an absolute pressure of 14.73 psi. The gas delivered shall have a utilization factor of one thousand three hundred (1,300) plus or minus six percent (6%). The utilization factor is defined as that number obtained by dividing the heating value of the gas by the square root of its specific gravity.

4.4 If the gas delivered fails to meet the quality specifications set forth herein, then the receiving party may either elect to continue to receive such gas or refuse to take all or any portion of such gas until the delivering party brings the gas into conformity with such specifications. To assure that the gas delivered by Eco-Energy to Delta conforms to the above specifications, the gas shall be analyzed by Delta at least once a year and more frequently if Delta so desires.

ARTICLE V. DELIVERY PRESSURE

All gas delivered by Eco-Energy to Delta shall be at sufficient pressure to enable Delta to redeliver same to the Redelivery Point without the installation of additional compression facilities.

ARTICLE VI. MEASUREMENT AND MEASURING EQUIPMENT

6.1 For the purpose of this Agreement, the unit of volumetric measurement shall be a standard cubic foot of gas at a pressure base of fourteen and seventy-three hundredths (14.73) pounds per square inch absolute, a temperature base of sixty degrees Fahrenheit (five hundred twenty degrees absolute) and without adjustments for water vapor.

6.2 All said gas delivered at the Delivery Point(s) shall be measured by an orifice, turbine or displacement type meter or other approved measuring device of equal accuracy to be owned, installed, operated and maintained by Delta. All said gas redelivered to Columbia shall be measured by such type meter or other device to be owned, installed and operated by Delta.

6.3 For orifice meter measurements, the methods of computation shall conform with the recommendations contained in Report No. 3 of the Gas Measurement Committee of the American Gas Association, including any revision made thereto, applied in a practical manner. The specific gravity of the gas being measured shall be determined at the beginning of this delivery and as often

thereafter as conditions may warrant.

6.4 For displacement or turbine meters or other approved measuring device, the meter readings at varying pressures shall be converted to gas quantities at base conditions set forth in Section 6.1 hereof.

6.5 In connection with the use of any type of measuring device, an atmospheric pressure of fourteen and four tenths (14.4) pounds per square inch shall be assumed, with no allowance for variation in atmospheric pressure. The flowing gas temperature may be recorded at Delta's discretion. In the absence of a flowing gas temperature recorder, sixty degrees Fahrenheit will be assumed.

6.6 Delta shall read the meter, furnish the charts, place and remove any and all recording gauge charts, calculate the deliveries, and perform any other service necessary in connection with the measurement of said gas.

6.7 If, upon any test, any measuring equipment is found to be in error, such errors shall be taken into account in a practical manner in computing the deliveries. If the resultant aggregate error in the computed deliveries is not more than two percent (2%), then previous deliveries corrected in such a manner shall be considered accurate. All equipment shall, in any case, be adjusted at the time of test to record correctly. If, however, the resultant aggregate error in computed deliveries exceeds two

percent (2%) at a recording corresponding to the average hourly rate of gas flow for the period since the last preceding test, previous recordings of such equipment shall be corrected to zero error for any period which is known definitely or agreed upon, but in case the period is not known definitely or agreed upon, such correction shall be for a period extending over one-half of the time elapsed since the date of the last test, not exceeding a correction period of sixteen (16) days.

6.8 If either party challenges the accuracy of any meter in use under this Agreement and operated by the other and requests to have the meter tested, such other shall test the meter in the presence of and to the satisfaction of the challenging party or a representative of such party if such party wishes to exercise the right to be present or represented at such test. If the meter on test shall prove to be accurate within plus or minus two percent (2%), the cost of testing and repairing the same shall be borne by the challenging party, but if the meter on the test proves to be in error by more than two percent (2%), then the cost of testing and repairing the same shall be borne by the operating party. Any resultant aggregate error exceeding two percent (2%) of computed delivery shall be adjusted, insofar as exact knowledge of such errors or contributing causes is obtainable. Such adjustments are to be made for a period not to exceed thirty (30) days previous to the date of the challenge.

6.9 In the event any measuring equipment is out of service for test or repair, or is inoperable for any reason, deliveries through such equipment shall be estimated in a practical manner utilizing all available information to determine the volume of gas for the delivery period affected.

6.10 Upon written request from the party not maintaining meter charts respecting a particular measurement station, meter charts shall be forwarded to such party for inspection, subject to return to the other within ten (10) days after receipt thereof. Delta shall keep them on file for two (2) years after date of delivery, during which time they will be open for inspection by authorized parties during normal working hours.

6.11 Considering the possibility of inadvertent errors in measurement or calculating of amounts due and payable or paid, nothing herein contained shall constitute accord and satisfaction, waiver, release, full payment, satisfaction, laches, estoppel, or other defense to a claim by or against Eco-Energy or Delta for the true and actual amount accurately due and payable, for the full period of two (2) years in arrears. Errors in Delta's favor shall be rectified in full, without interest, by Delta within ninety (90) days of notice and substantiation of such inaccuracy. Errors in Eco-Energy's favor shall be rectified in full, without interest, by Eco-Energy within ninety (90) days of notice and substantiation of such inaccuracy.

ARTICLE VII. RATE

For all quantities of natural gas transported or redelivered by Delta to Columbia under the terms of this Agreement, Eco-Energy shall pay Delta the applicable Off-System Transportation Rate of Delta, as set forth in Delta's tariffs on file with the PSC as same may be changed from time to time, as described on Exhibit "A".

ARTICLE VIII. STATEMENTS AND PAYMENT

8.1 Billing. On or before the twenty-fifth day of each calendar month hereof, Delta shall render to Eco-Energy statements on which is reported the metered quantities of gas delivered to Delta at the Delivery Point(s) for the account of Eco-Energy during the previous month and the metered quantity of gas redelivered by Delta for the account of Eco-Energy hereunder during the previous month together with a computation of the amount due Delta pursuant to Section 1.1 hereunder. In the event a dispute over payment arises, Eco-Energy will nevertheless make payment of the billed amount in full.

8.2 Payments. Payments shall be made by check, payable to the order of DELTA NATURAL GAS COMPANY, INC., 3617 Lexington Road, Winchester, Kentucky 40391, and shall be sent to Delta within ten (10) days after receipt by Eco-Energy of the statement described in Section 8.1. Late payments and refunds of disputed amounts shall bear interest at the index rate in effect at BB&T, on the unpaid balance.

ARTICLE IX. WARRANTY

Each party warrants to the other that it will have good title to or be in lawful possession of all gas delivered or caused to be delivered to the other party or for the other party's account; that such gas will be free and clear of all liens, encumbrances and claims whatsoever; that it will at the time of delivery have the right to deliver or cause to be delivered the gas hereunder; and that it will indemnify the other party and save it harmless from suits, actions, debts, accounts, damages, costs, losses and expenses arising from or out of adverse claims of any and all persons to said gas or to royalties, taxes, license fees or charges thereon.

ARTICLE X. RESPONSIBILITY

As between the parties hereto, it is agreed that from the time gas is delivered hereunder to Delta at the Delivery Point(s) until the redelivery of such gas to Columbia at the Redelivery Point, Delta will assume all responsibility for such gas, will indemnify and hold Eco-Energy harmless against any injuries or damages caused thereby and will have the unqualified right to commingle such gas with other gas in its pipeline system and to handle and treat such gas as its own. Prior to such delivery and subsequent to such redelivery, Eco-Energy will assume all responsibility for such gas and will indemnify and hold Delta harmless for any

injuries or damages caused thereby.

ARTICLE XI. FORCE MAJEURE

In case either party to this Agreement fails to perform any obligations hereunder assumed by it and such failure is due to acts of God or a public enemy, strikes, riots, injunctions or other interference through legal proceedings, breakage or accident to machinery or lines of pipe, washouts, earthquakes, storms, freezing of lines or wells, blowouts, the failure of wells in whole or part, or the compliance with any statute, either State or Federal, or with any order of the Federal Government or any branch thereof, or of the Governments of the State wherein subject premises are situated, or to any causes not due to the fault of such party, or is caused by the necessity for making repairs or alterations in machinery or lines of pipe, such failure shall not be deemed to be a violation by such party of its obligations hereunder, but such party shall use due diligence to again put itself in position to carry out all of the obligations which by the terms hereof it has assumed. It is expressly understood and agreed, however, that this Article XI shall not apply to the obligation of Eco-Energy to pay for the transportation of gas hereunder.

ARTICLE XII. GOVERNMENTAL REGULATION

12.1 This Agreement shall be subject to all applicable and valid statutes, rules, orders and regulations of any federal,

state or local governmental authority or agency having jurisdiction over the parties, their facilities or gas supply, this Agreement or any provision hereof. The parties agree that should any state, federal or local governmental authority or agency with jurisdiction over this Agreement or transactions herein require approval for the transportation or sale of gas hereunder, then each party shall make all necessary applications or filings and shall submit any records or data required by such governmental authority or agency.

12.2 Transportation under this Agreement is subject to the provisions of Subpart C of Part 284 of the regulations of the Federal Energy Regulatory Commission.

12.3 Delta shall not be liable for failure to perform hereunder if such failure is due to compliance with rules, regulations, laws, orders or directives of any state, federal or local governmental regulatory authority or agency. If at any time during the term of this Agreement, any federal, state or local governmental authority, agency or regulatory body shall take any action whereby Delta will be prohibited or prevented from receiving in full all amounts and monies which Eco-Energy has agreed to pay Delta or Delta shall be subject to terms, conditions or restraints that in the judgment of Delta are unduly burdensome, Delta may, upon the earlier of (a) the effective date of such action or (b) fifteen (15) days written notice to Eco-Energy,

cancel and terminate this Agreement.

12.4 Nothing in this Agreement shall prevent either party from contesting the validity of any law, order, rule, regulation or directive of any state, federal or other governmental regulatory authority or agency, nor shall anything in this Agreement be construed to require either party to waive its right to assert the lack of jurisdiction of such regulatory body, governmental entity, or agency over this Agreement or any party hereto.

12.5 This Agreement is subject to the terms and conditions of Delta's Rules and Regulations for Transportation of Gas for Others, Off-System Utilization, as set forth in Delta's tariffs on file with the PSC, as same may be changed from time to time.

ARTICLE XIII. TRANSFER AND ASSIGNMENT

Any company which shall succeed by purchase, merger or consolidation to the properties, substantially as an entirety, of Delta or of Eco-Energy, as the case may be, shall be entitled to the rights and shall be subject to the obligations of its predecessor in title under this Agreement. Either Delta or Eco-Energy may, without relieving itself of its obligations under this Agreement, assign any of its rights and obligations hereunder to either a parent corporation or a wholly-owned subsidiary at the time of such assignment. Otherwise no assignment of this Agreement or any of its rights or obligations hereunder shall be

made by Delta or Eco-Energy without the written consent of the other first obtained. However, the provisions of this Article shall not in any way prevent either party to this Agreement from pledging or mortgaging its rights hereunder as security for its indebtedness. This Agreement shall be binding upon and shall inure to the benefits of the respective successors and assigns of the parties hereto.

ARTICLE XIV. NOTICES

All notices, requests, statements and other communications hereunder shall be in writing and shall be delivered as follows:

To Eco-Energy: ECO-ENERGY, INC.
6100 Tower Circle, Ste 500
Franklin, TN 37067
Attn: Nathan Higginbotham

To Delta: DELTA NATURAL GAS CO., INC.
3617 Lexington Road
Winchester, Kentucky 40391
Attn: Brian S. Ramsey

or at such other address as the parties may designate in writing.

ARTICLE XV. WAIVER

A waiver by either party of any one or more defaults by the other in the performance of any provision of this Agreement, shall not operate as a waiver of any future default.

ARTICLE XVI. SEVERABILITY

Except as otherwise provided herein, any provision of this

Agreement declared or rendered unlawful by a statute, court of law or regulatory agency with jurisdiction over the parties or either of them, shall not otherwise affect the other obligations of the parties under this Agreement.

ARTICLE XVII. HEADINGS

The headings of the provisions of this Agreement are used for convenience only and shall not be deemed to affect the meaning or construction of such provision.

ARTICLE XVIII. ENTIRE AGREEMENT

This Agreement contains the entire agreement between the parties and there are no promises, agreements, warranties, obligations, assurances or conditions other than those contained herein.

WITNESS the signature and seals of the parties hereto, hereunto subscribed and affixed as of the day and year first hereinabove written.

DELTA NATURAL GAS COMPANY, INC.

By-



Its:

VP - Transmission + Gas Supply

ECO-ENERGY, LLC

By:



Its:

COMMERCIAL DEVELOPMENT

EXHIBIT "A"

DELTA NATURAL GAS COMPANY, INC. Name of Issuing Corporation	FOR	All Service Areas
	P. S. C. NO.	11
	Original	SHEET NO. 10
	CANCELLING P S C. NO.	11
	Original	SHEET NO. 20
CLASSIFICATION OF SERVICE		
RATE SCHEDULES		

TRANSPORTATION OF GAS FOR OTHERS
OFF SYSTEM UTILIZATION

APPLICABILITY

Applicable within all areas served by Delta. See Tariff Sheet No. 17.

AVAILABILITY

Available to any person whose facilities connect or can be made to connect with Delta's facilities or who can cause their natural gas to be delivered to Delta's facilities and who desires gas to be transported by Delta to a place of utilization not connected to Delta's facilities. Further, the person or persons desiring such transportation shall have executed a contract with Delta as set forth under the terms and conditions of this tariff.

RATE

- (I) The charge for service under this tariff shall be \$0.2826 per 1,000 cu. ft. of gas transported, or, in the case of measurement based upon heating value, shall be \$0.2826 per dekatherm. Any additions or modifications of the facilities required to perform this service shall be at the sole expense of the customer.

TERMS AND CONDITIONS

Specific details relating to volumes, delivery points and other matters shall be covered by a separate contract.

Delta shall reserve the right to purchase all or part of the gas to be transported at the same price the transporter would have received at the delivery point less Delta's applicable transportation charges, shrinkage and compressor fuel costs.

Delivery of gas transported hereunder will be effected as nearly as practicable on the same day as the receipt thereof. Delta will not be obligated to utilize underground storage capacity in performance of the service provided herein.

All gas volumes delivered hereunder shall shrink by 2000000000 line loss and measurement differences when no compressed gas is used.

DATE BY ISSUE	December 1, 2010	DATE EFFECTIVE	01/01/10
ISSUED BY	Glen R. Jennings	TITLE	Chairman of Board
Name of Officer		President and CEO	
Issued by authority of an Order of the Public Service Commission of KY in	Case No. 2010-00116		

Public Service Commission
JEFF R. DEROUEN
EXECUTIVE DIRECTOR
TARIFF BRANCH
110
10/22/2010
2010

DELTA NATURAL GAS COMPANY, INC.
Name of Issuing Corporation

FOR	All Service Areas	
P.S.C. NO.	12	
	Original	SHEET NO. 11
CANCELLING P.S.C. NO.	11	
	Original	SHEET NO. 11

CLASSIFICATION OF SERVICE
RATE SCHEDULES

TRANSPORTATION OF GAS FOR OTHERS
OFF SYSTEM UTILIZATION

the transportation. When compression is required in the transportation, all gas volumes delivered hereunder shall shrink an additional amount equivalent to fuel usage.

It shall be the customer's responsibility to make all necessary arrangements, including regulatory approvals, required to deliver gas transported under this tariff.

Delta reserves the right to refuse to accept gas that does not meet Delta's quality specifications.

Volumes of gas transported hereunder will be determined in accordance with Delta's measurement base.

Delta shall have the right at any time to curtail or interrupt the transportation or delivery of gas hereunder when, in Delta's sole judgment, such curtailment or interruption is necessary to enable Delta to maintain deliveries to retail customers of higher priority or to respond to any emergency.

Delta may execute special transportation contracts with anyone after said contract has been filed with and accepted by the Public Service Commission.

This transportation is available to any customer with a daily nominated volume (the level of daily volume in Mcf as requested by the customer to be transported and delivered by the Company) which averages a minimum of 25 Mcf of gas per day for the billing period.

DATE OF ISSUE November 8, 2010 DATE EFFECTIVE Oct 10
ISSUED BY Glenn R. Jennings Glenn R. Jennings TITLE Chairman Board
Name of Officer President and CEO
Issued by authority of an Order of the Public Service Commission of KY in
CASE NO. 2010-00116

KENTUCKY PUBLIC SERVICE COMMISSION	
JEFF R. DEROUEN EXECUTIVE DIRECTOR	
TARIFF BRANCH	
DATE OF ISSUE	DATE EFFECTIVE
<u>November 8, 2010</u>	<u>Oct 10</u>
ISSUED BY	TITLE
<u>Glenn R. Jennings</u>	<u>Chairman</u>
Name of Officer	
<u>President and CEO</u>	
Issued by authority of an Order of the Public Service Commission of KY in	
CASE NO.	DATE
<u>2010-00116</u>	<u>11/08/2010</u>

Base Contract for Sale and Purchase of Natural Gas

This Base Contract is entered into as of the following date: July 21, 2016

The parties to this Base Contract are the following

PARTY A GREYSTONE. LLC	PARTY NAME	PARTY B DELTA NATURAL GAS COMPANY, INC.
600 The Grange Lane Lexington, KY 40511	ADDRESS	3617 Lexington Road Winchester, KY 40391
	BUSINESS WEBSITE	
	CONTRACT NUMBER	
	D-U-N-S® NUMBER	
x US FEDERAL: [REDACTED] □ OTHER:	TAX ID NUMBERS	□ US FEDERAL: [REDACTED] □ OTHER:
CFTC Interim Compliance Identifier (CICI Number):		CFTC Interim Compliance Identifier (CICI Number):
Kentucky	JURISDICTION OF ORGANIZATION	
<input type="checkbox"/> Corporation <input checked="" type="checkbox"/> LLC <input type="checkbox"/> Limited Partnership <input type="checkbox"/> Partnership <input type="checkbox"/> LLP <input type="checkbox"/> Other:	COMPANY TYPE	<input checked="" type="checkbox"/> Corporation <input type="checkbox"/> LLC <input type="checkbox"/> Limited Partnership <input type="checkbox"/> Partnership <input type="checkbox"/> LLP <input type="checkbox"/> Other:
	GUARANTOR (IF APPLICABLE)	
CONTACT INFORMATION		
Same as [REDACTED]	▪ COMMERCIAL	Same as above ATTN: Brian Ramsey TEL#: (859) 744-6171 FAX#: (859) 744-3623 EMAIL: BRAMSEY@DeltaGas.com
Same as above ATTN: [REDACTED] [REDACTED]#: EMAIL:	▪ SCHEDULING	Same as above ATTN: Wayne T. Hunter II TEL#: (859) 744-6171 FAX#: (859) 744-3623 EMAIL: WHUNTER@DeltaGas.com
Same as above ATTN: [REDACTED] [REDACTED] FAX#: EMAIL: [REDACTED]	▪ CONTRACT AND LEGAL NOTICES	Same as above ATTN: _____ TEL#: _____ FAX#: _____ EMAIL: _____
Same as above ATTN: _____ TEL#: (859) 321-1500 FAX#: EMAIL:	▪ CREDIT	Same as above ATTN: _____ TEL#: _____ FAX#: _____ EMAIL: _____
Same as above ATTN: [REDACTED] [REDACTED] FAX#: EMAIL: [REDACTED]	▪ TRANSACTION CONFIRMATIONS	Same as above ATTN: _____ TEL#: _____ FAX#: _____ EMAIL: _____
ACCOUNTING INFORMATION		
Same as above ATTN: Gas Accounting TEL#: [REDACTED] [REDACTED]	▪ INVOICES ▪ PAYMENTS ▪ SETTLEMENTS	Same as above ATTN: _____ TEL#: _____ FAX#: _____ EMAIL: _____
BANK: [REDACTED] [REDACTED] OTHER DETAILS: _____	WIRE TRANSFER NUMBERS (IF APPLICABLE)	BANK: B [REDACTED] [REDACTED] [REDACTED] OTHER DETAILS: _____
BANK: _____ ABA: _____ ACCT: _____ OTHER DETAILS: _____	ACH NUMBERS (IF APPLICABLE)	BANK: _____ ABA: _____ ACCT: _____ OTHER DETAILS: _____
ATTN: _____ ADDRESS: _____	CHECKS (IF APPLICABLE)	ATTN: _____ ADDRESS: _____

TRANSPORTATION AGREEMENT

THIS AGREEMENT made and entered into this 18th day of December, 2013, by and between GREYSTONE, LLC (GREYSTONE) and DELTA NATURAL GAS COMPANY, INC. (DELTA).

W I T N E S S E T H:

WHEREAS, GREYSTONE anticipates purchasing and/or developing substantial quantities of natural gas in the State of Kentucky in Bell, Clay, Knox, and Whitley Counties, Kentucky, which gas will be delivered into Delta's transmission line for transportation by Delta to a redelivery point at an existing interconnection between the systems of Delta and Columbia Gulf Transmission Company (Columbia) near Speedwell in Madison County, Kentucky; and

WHEREAS, GREYSTONE is willing to deliver or cause to be delivered the aforesaid gas to Delta and Delta is willing to transport and deliver the same to Columbia in accordance with the terms and conditions hereinafter set forth; and

WHEREAS, Columbia has agreed to receive the transported volumes at the existing interconnection between Delta and Columbia.

NOW THEREFORE, in consideration of the premises and the mutual covenants and agreements herein contained, GREYSTONE and Delta agree as follows:

ARTICLE I. TRANSPORTATION QUANTITY

1.1 Delta agrees to receive for the account of GREYSTONE up to 5,000 Dth of natural gas per day to be delivered to Delta at mutually agreeable delivery points on Delta's facilities at the following specified locations in Bell, Clay, Knox, and Whitley Counties, Kentucky (Delivery Point(s)):

Hemlock in Whitley County.....Station 254

Young Creek in Whitley County.....Station 257

Highway 92 in Bell County.....Station 444

Mills Creek in Knox County.....Station 446

Gabbard Fork in Clay County.....Station 529

Delta shall have the unilateral right to regulate or reject deliveries of gas at any time from each of the listed Delivery Point(s). All receipts of gas by Delta at said Delivery Point(s) shall be at Delta's sole discretion and as designated to GREYSTONE by Delta to meet Delta's operational needs and the considerations of paragraph 1.2 herein. Delta shall redeliver equivalent quantities (less 2% by volume to cover losses and less any gas used for compressor fuel) to Columbia at an existing point of interconnection between the pipeline facilities of Columbia and Delta at the Gulf measuring station near Speedwell in Madison County, Kentucky (Redelivery Point) or to Pool Account Number P1042684 on Columbia Gas Transmission by displacement. GREYSTONE explicitly acknowledges that transportation by displacement is

only available on a seasonal basis and at Delta's sole discretion. Volumes delivered and redelivered hereunder will be balanced on a daily basis as nearly as possible. Any imbalances will be corrected within thirty (30) days of their occurrence. Should an imbalance exist upon the termination of this Agreement, such imbalance will be corrected within thirty (30) days of such termination.

1.2 Delta's transportation obligation hereunder shall be on a best efforts basis, interruptible service, and shall be subject to the limits of available capacity in its existing facilities and shall also be subservient: (a) to the obligations to retail and transportation customers served pursuant to its Kentucky Public Service Commission (PSC) tariffs; (b) to the transportation of Delta's own gas production and purchases; (c) to higher priority transportation arrangements (as such priorities might be established in Delta's classifications of service or PSC proceedings); and (d) to precedent transportation agreements. GREYSTONE expressly acknowledges that it has been apprised of the aforesaid limitations and understands that the transportation of gas contemplated herein may be interrupted from time to time whenever, in Delta's judgment, system operations prohibit transportation of the gas or capacity does not exist in the facilities necessary for the rendering of the service contemplated herein.

ARTICLE II. FACILITIES

Delta shall utilize existing pipeline facilities as well as interconnections with the pipeline facilities of Columbia to effectuate the transportation service for GREYSTONE as described in Article I hereof. GREYSTONE will provide or cause to be provided all facilities necessary to deliver gas to Delta against the varying pressure in Delta's facilities. In the event Delta determines telemetering equipment is required, GREYSTONE shall reimburse Delta the actual costs of installing the telemetering equipment, and Delta shall own, operate and maintain the telemetering equipment.

ARTICLE III. TERM

3.1 This Agreement and all rights hereunder shall commence on the date first above written and shall continue in full force and effect for a period of one (1) year and thereafter on a year-to-year basis unless terminated in writing by either party at least thirty (30) days prior to any anniversary date.

3.2 Delta and GREYSTONE will make in a timely manner all necessary applications and reports to regulatory authorities. In the event either Delta or GREYSTONE is unable to obtain any necessary approvals, this Agreement will terminate at the earlier of (a) the termination of the regulatory authorization for the service contemplated hereby, or (b) fifteen (15) days after the giving of written notice of such inability.

3.3 Delta shall have the unilateral right to terminate this Agreement in the event Delta does not receive and transport a total volume of fifteen thousand (15,000) Dth of gas during any sixty (60) day period due to GREYSTONE's failure to make deliveries of gas to Delta at the Delivery Point(s) or due to Columbia's failure to receive the volumes transported by Delta hereunder at the Redelivery Point.

ARTICLE IV. QUALITY

4.1 All gas delivered and redelivered hereunder shall be commercially free from air, dust, gum, gum-forming constituents, harmful or noxious vapors, or other solid or liquid matter which might interfere with its merchantability or cause injury to or interference with proper operation of the lines, regulators, meters and other equipment of the receiving party.

4.2 The gas delivered and redelivered shall not contain in excess of:

(a) seven (7) pounds of water vapor per million cubic feet of gas at the base pressure and temperature of fourteen and seven-tenths (14.7) pounds per square inch absolute and sixty degrees Fahrenheit. The water vapor will be determined by the use of a Bureau of Mines type dew point apparatus or in accordance with the latest approved methods in use in the industry generally;

(b) four percent (4%) by volume of a combined total of carbon dioxide and nitrogen components, provided, however, that the total

carbon dioxide content shall not exceed three percent (3%) by volume;

(c) twenty-five hundredths (0.25) grains of hydrogen sulfide per one hundred (100) cubic feet of gas;

(d) twenty (20) grains of total sulphur per one hundred (100) cubic feet.

4.3 The gas delivered and redelivered shall have a total heating value of not less than 1,000 Btu (British Thermal Units) per standard cubic foot. The total heating value of the gas shall be determined by taking samples of the gas at the Delivery Point(s) at such reasonable times as may be designated by either party and having the Btu content per cubic foot determined by an accepted type calorimeter (or other suitable instrument) for a cubic foot of gas at a temperature of sixty degrees Fahrenheit when saturated with water vapor and at an absolute pressure of 14.73 psi. The gas delivered shall have a utilization factor of one thousand three hundred (1,300) plus or minus six percent (6%). The utilization factor is defined as that number obtained by dividing the heating value of the gas by the square root of its specific gravity.

4.4 If the gas delivered fails to meet the quality specifications set forth herein, then the receiving party may either elect to continue to receive such gas or refuse to take all or any portion of such gas until the delivering party brings the

gas into conformity with such specifications. To assure that the gas delivered by GREYSTONE to Delta conforms to the above specifications, the gas shall be analyzed by Delta at least once a year and more frequently if Delta so desires.

ARTICLE V. DELIVERY PRESSURE

All gas delivered by GREYSTONE to Delta shall be at sufficient pressure to enable Delta to redeliver same to the Redelivery Point without the installation of additional compression facilities.

ARTICLE VI. MEASUREMENT AND MEASURING EQUIPMENT

6.1 For the purpose of this Agreement, the unit of volumetric measurement shall be a standard cubic foot of gas at a pressure base of fourteen and seventy-three hundredths (14.73) pounds per square inch absolute, a temperature base of sixty degrees Fahrenheit (five hundred twenty degrees absolute) and without adjustments for water vapor.

6.2 All said gas delivered at the Delivery Point(s) shall be measured by an orifice, turbine or displacement type meter or other approved measuring device of equal accuracy to be owned, installed, operated and maintained by Delta. All said gas redelivered to Columbia shall be measured by such type meter or other device to be owned, installed and operated by Delta.

6.3 For orifice meter measurements, the methods of computation shall conform with the recommendations contained in Report No. 3 of the Gas Measurement Committee of the American Gas

Association, including any revision made thereto, applied in a practical manner. The specific gravity of the gas being measured shall be determined at the beginning of this delivery and as often thereafter as conditions may warrant.

6.4 For displacement or turbine meters or other approved measuring device, the meter readings at varying pressures shall be converted to gas quantities at base conditions set forth in Section 6.1 hereof.

6.5 In connection with the use of any type of measuring device, an atmospheric pressure of fourteen and four tenths (14.4) pounds per square inch shall be assumed, with no allowance for variation in atmospheric pressure. The flowing gas temperature may be recorded at Delta's discretion. In the absence of a flowing gas temperature recorder, sixty degrees Fahrenheit will be assumed.

6.6 Delta shall read the meter, furnish the charts, place and remove any and all recording gauge charts, calculate the deliveries, and perform any other service necessary in connection with the measurement of said gas.

6.7 If, upon any test, any measuring equipment is found to be in error, such errors shall be taken into account in a practical manner in computing the deliveries. If the resultant aggregate error in the computed deliveries is not more than two percent (2%), then previous deliveries corrected in such a manner

shall be considered accurate. All equipment shall, in any case, be adjusted at the time of test to record correctly. If, however, the resultant aggregate error in computed deliveries exceeds two percent (2%) at a recording corresponding to the average hourly rate of gas flow for the period since the last preceding test, previous recordings of such equipment shall be corrected to zero error for any period which is known definitely or agreed upon, but in case the period is not known definitely or agreed upon, such correction shall be for a period extending over one-half of the time elapsed since the date of the last test, not exceeding a correction period of sixteen (16) days.

6.8 If either party challenges the accuracy of any meter in use under this Agreement and operated by the other and requests to have the meter tested, such other shall test the meter in the presence of and to the satisfaction of the challenging party or a representative of such party if such party wishes to exercise the right to be present or represented at such test. If the meter on test shall prove to be accurate within plus or minus two percent (2%), the cost of testing and repairing the same shall be borne by the challenging party, but if the meter on the test proves to be in error by more than two percent (2%), then the cost of testing and repairing the same shall be borne by the operating party. Any resultant aggregate error exceeding two percent (2%) of computed delivery shall be adjusted, insofar as exact knowledge of such

errors or contributing causes is obtainable. Such adjustments are to be made for a period not to exceed thirty (30) days previous to the date of the challenge.

6.9 In the event any measuring equipment is out of service for test or repair, or is inoperable for any reason, deliveries through such equipment shall be estimated in a practical manner utilizing all available information to determine the volume of gas for the delivery period affected.

6.10 Upon written request from the party not maintaining meter charts respecting a particular measurement station, meter charts shall be forwarded to such party for inspection, subject to return to the other within ten (10) days after receipt thereof. Delta shall keep them on file for two (2) years after date of delivery, during which time they will be open for inspection by authorized parties during normal working hours.

6.11 Considering the possibility of inadvertent errors in measurement or calculating of amounts due and payable or paid, nothing herein contained shall constitute accord and satisfaction, waiver, release, full payment, satisfaction, laches, estoppel, or other defense to a claim by or against GREYSTONE or Delta for the true and actual amount accurately due and payable, for the full period of two (2) years in arrears. Errors in Delta's favor shall be rectified in full, without interest, by Delta within ninety (90) days of notice and substantiation of such inaccuracy. Errors

in Delta's favor shall be rectified in full, without interest, by Delta within ninety (90) days of notice and substantiation of such inaccuracy.

ARTICLE VII. RATE

For all quantities of natural gas transported or redelivered by Delta to Columbia under the terms of this Agreement, GREYSTONE shall pay Delta the applicable Off-System Transportation Rate of Delta, as set forth in Delta's tariffs on file with the PSC as same may be changed from time to time.

ARTICLE VIII. STATEMENTS AND PAYMENT

8.1 Billing. On or before the twenty-fifth day of each calendar month hereof, Delta shall render to GREYSTONE statements on which is reported the metered quantities of gas delivered to Delta at the Delivery Point(s) for the account of GREYSTONE during the previous month and the metered quantity of gas redelivered by Delta for the account of GREYSTONE hereunder during the previous month together with a computation of the amount due Delta pursuant to Section 1.1 hereunder. In the event a dispute over payment arises, GREYSTONE will nevertheless make payment of the billed amount in full.

8.2 Payments. Payments shall be made by check, payable to the order of DELTA NATURAL GAS COMPANY, INC., 3617 Lexington Road, Winchester, Kentucky 40391, and shall be sent to Delta within ten (10) days after receipt by GREYSTONE of the statement described in

Section 8.1. Late payments and refunds of disputed amounts shall bear interest at the index rate in effect at BB&T, on the unpaid balance.

ARTICLE IX. WARRANTY

Each party warrants to the other that it will have good title to or be in lawful possession of all gas delivered or caused to be delivered to the other party or for the other party's account; that such gas will be free and clear of all liens, encumbrances and claims whatsoever; that it will at the time of delivery have the right to deliver or cause to be delivered the gas hereunder; and that it will indemnify the other party and save it harmless from suits, actions, debts, accounts, damages, costs, losses and expenses arising from or out of adverse claims of any and all persons to said gas or to royalties, taxes, license fees or charges thereon.

ARTICLE X. RESPONSIBILITY

As between the parties hereto, it is agreed that from the time gas is delivered hereunder to Delta at the Delivery Point(s) until the redelivery of such gas to Columbia at the Redelivery Point, Delta will assume all responsibility for such gas, will indemnify and hold GREYSTONE harmless against any injuries or damages caused thereby and will have the unqualified right to commingle such gas with other gas in its pipeline system and to handle and treat such gas as its own. Prior to such delivery and subsequent to such

redelivery, GREYSTONE will assume all responsibility for such gas and will indemnify and hold Delta harmless for any injuries or damages caused thereby.

ARTICLE XI. FORCE MAJEURE

In case either party to this Agreement fails to perform any obligations hereunder assumed by it and such failure is due to acts of God or a public enemy, strikes, riots, injunctions or other interference through legal proceedings, breakage or accident to machinery or lines of pipe, washouts, earthquakes, storms, freezing of lines or wells, blowouts, the failure of wells in whole or part, or the compliance with any statute, either State or Federal, or with any order of the Federal Government or any branch thereof, or of the Governments of the State wherein subject premises are situated, or to any causes not due to the fault of such party, or is caused by the necessity for making repairs or alterations in machinery or lines of pipe, such failure shall not be deemed to be a violation by such party of its obligations hereunder, but such party shall use due diligence to again put itself in position to carry out all of the obligations which by the terms hereof it has assumed. It is expressly understood and agreed, however, that this Article XI shall not apply to the obligation of GREYSTONE to pay for the transportation of gas hereunder.

ARTICLE XII. GOVERNMENTAL REGULATION

12.1 This Agreement shall be subject to all applicable and valid statutes, rules, orders and regulations of any federal, state or local governmental authority or agency having jurisdiction over the parties, their facilities or gas supply, this Agreement or any provision hereof. The parties agree that should any state, federal or local governmental authority or agency with jurisdiction over this Agreement or transactions herein require approval for the transportation or sale of gas hereunder, then each party shall make all necessary applications or filings and shall submit any records or data required by such governmental authority or agency.

12.2 Transportation under this Agreement is subject to the provisions of Subpart C of Part 284 of the regulations of the Federal Energy Regulatory Commission.

12.3 Delta shall not be liable for failure to perform hereunder if such failure is due to compliance with rules, regulations, laws, orders or directives of any state, federal or local governmental regulatory authority or agency. If at any time during the term of this Agreement, any federal, state or local governmental authority, agency or regulatory body shall take any action whereby Delta will be prohibited or prevented from receiving in full all amounts and monies which GREYSTONE has agreed to pay Delta or Delta shall be subject to terms, conditions

or restraints that in the judgment of Delta are unduly burdensome, Delta may, upon the earlier of (a) the effective date of such action or (b) fifteen (15) days written notice to GREYSTONE, cancel and terminate this Agreement.

12.4 Nothing in this Agreement shall prevent either party from contesting the validity of any law, order, rule, regulation or directive of any state, federal or other governmental regulatory authority or agency, nor shall anything in this Agreement be construed to require either party to waive its right to assert the lack of jurisdiction of such regulatory body, governmental entity, or agency over this Agreement or any party hereto.

12.5 This Agreement is subject to the terms and conditions of Delta's Rules and Regulations for Transportation of Gas for Others, Off-System Utilization, as set forth in Delta's tariffs on file with the PSC, as same may be changed from time to time.

ARTICLE XIII. TRANSFER AND ASSIGNMENT

Any company which shall succeed by purchase, merger or consolidation to the properties, substantially as an entirety, of Delta or of GREYSTONE, as the case may be, shall be entitled to the rights and shall be subject to the obligations of its predecessor in title under this Agreement. Either Delta or GREYSTONE may, without relieving itself of its obligations under this Agreement, assign any of its rights and obligations hereunder

to either a parent corporation or a wholly-owned subsidiary at the time of such assignment. Otherwise no assignment of this Agreement or any of its rights or obligations hereunder shall be made by Delta or GREYSTONE without the written consent of the other first obtained. However, the provisions of this Article shall not in any way prevent either party to this Agreement from pledging or mortgaging its rights hereunder as security for its indebtedness. This Agreement shall be binding upon and shall inure to the benefits of the respective successors and assigns of the parties hereto.

ARTICLE XIV. NOTICES

All notices, requests, statements and other communications hereunder shall be in writing and shall be delivered as follows:

To GREYSTONE:	GREYSTONE, LLC 600 The Grange Lane Lexington, Kentucky 40511 Attn: David Rudder
---------------	--

To Delta:	DELTA NATURAL GAS CO., INC. 3617 Lexington Road Winchester, Kentucky 40391 Attn: Brian S. Ramsey
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or at such other address as the parties may designate in writing.

ARTICLE XV. WAIVER

A waiver by either party of any one or more defaults by the other in the performance of any provision of this Agreement, shall

not operate as a waiver of any future default.

ARTICLE XVI SEVERABILITY

Except as otherwise provided herein, any provision of this Agreement declared or rendered unlawful by a statute, court of law or regulatory agency with jurisdiction over the parties or either of them, shall not otherwise affect the other obligations of the parties under this Agreement.

ARTICLE XVII HEADINGS

The headings of the provisions of this Agreement are used for convenience only and shall not be deemed to affect the meaning or construction of such provision.

ARTICLE XVIII. ENTIRE AGREEMENT

This Agreement contains the entire agreement between the parties and there are no promises, agreements, warranties, obligations, assurances or conditions other than those contained herein.

WITNESS the signature and seals of the parties hereto, hereunto subscribed and affixed as of the day and year first hereinabove written.

DELTA NATURAL GAS COMPANY, INC

By:



Its:

VP - Transmission + Gas Supply



By

David Rudder

Its:

Managing Member



A NiSource Company

1700 Maccorkle AVE SE
PO Box 1273
Charleston, WV 25325-1273

Customer Services

February 2, 2007

Mr. Brian Ramsey
Delta Natural Gas Company, Inc.
3617 Lexington Road
Winchester, KY 40391

Re: Revision No. 1 to OBA Service Agreement for
Delta Natural Gas Company, Inc.
Agreement No. : 60242

Dear Mr. Ramsey:

Enclosed for your file is fully executed Revision No. 1 to OBA Service Agreement No. 60242, which was effective January 23, 2007.

If you should have any questions, please feel free to contact me at [REDACTED]
[REDACTED]

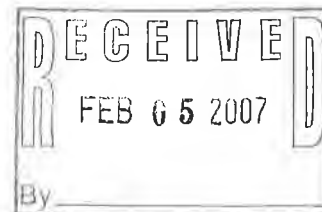
Sincerely,

A handwritten signature in cursive script that reads "Lili N. Woolwine".

Lili N. Woolwine
Customer Services Representative

Enclosure

LNW: seb



Revision No. 1

Control No. 2007-01-22-0015

Appendix A to Processing Service Agreement No. 60242**Under Rate Schedule OBA****Between (Transporter) Columbia Gulf Transmission Company****and (Shipper) Delta Natural Gas Company, Inc.****Transportation Demand 0 Dth/Day**Primary Receipt Points

Measuring Point No.	Foot - note	Measuring Point Name	Maximum Daily Quantity (Dth/Day)
4008		DELTA NAT-TRANEX	0
4149		DELTA NAT-AFG	0
4207		DELTA NAT-TRANEX	0

Revision No. 1

Control No. 2007-01-22-0015

Appendix A to Processing Service Agreement No. 60242**Under Rate Schedule OBA****Between (Transporter) Columbia Gulf Transmission Company****and (Shipper) Delta Natural Gas Company, Inc.**Primary Delivery Points

Measuring Point No.	Foot - note	Measuring Point Name	Maximum Daily Quantity (Dth/Day)
4008		DELTA NAT-TRANEX	0
4149		DELTA NAT-AFG	0
4207		DELTA NAT-TRANEX	0

Revision No. 1
Control No. 2007-01-22-0015

Appendix A to Service Agreement No. 60242

Under Rate Schedule OBA
Between (Transporter) Columbia Gulf Transmission Company
and (Shipper) Delta Natural Gas Company, Inc.

The Master list of Interconnects (MLI) as defined in Section 1 of the General Terms and Conditions of Transporter's Tariff is incorporated herein by reference for the purposes of listing valid secondary interruptible receipt points and delivery points.

Service changes pursuant to this Appendix A shall become effective as of January 23, 2007. This Appendix A shall cancel and supersede the previous Appendix A effective as of May 1, 1998, to the Service Agreement referenced above. With the exception of this Appendix A, all other terms and conditions of said agreement shall remain in full force and effect.

Delta Natural Gas Company, Inc.

By: *Brian Ramsey*
Name: Brian Ramsey
Title: Manager - Gas Supply
Date: 1-29-07

Columbia Gulf Transmission Company

By: *J. A. Adkins*
Name: J. A. Adkins
Title: MGR Customer Services
Date: FEB 02 2007



A NiSource Company

1700 Maccorkle AVE SE
PO Box 1273
Charleston, WV 25325-1273

Customer Services

January 25, 2007

Mr. Brian Ramsey
Delta Natural Gas Company, Inc.
3617 Lexington Road
Winchester, KY 40391

Re: Revision No. 1 to OBA Service Agreement for
Delta Natural Gas Company, Inc.
Control No. 070122-0015
Agreement No. 60242

Dear Mr. Ramsey:

Enclosed for your execution are two originals of the above-referenced Revision No. 1 to OBA Service Agreement. Please have the originals executed by an authorized company representative and return to me at the address shown above. Upon receipt and execution by Columbia Gulf, an original will be returned for your files.

If you should have any questions, please feel free to contact me at [REDACTED].

Sincerely,

A handwritten signature in cursive script that reads "Lili N. Woolwine".

Lili N. Woolwine
Customer Services Representative

Enclosures

LNW:seb

Revision No. 1

Control No. 2007-01-22-0015

Appendix A to Processing Service Agreement No. 60242**Under Rate Schedule OBA****Between (Transporter) Columbia Gulf Transmission Company****and (Shipper) Delta Natural Gas Company, Inc.****Transportation Demand 0 Dth/Day**Primary Receipt Points

Measuring Point No.	Foot - note	Measuring Point Name	Maximum Daily Quantity (Dth/Day)
4008		DELTA NAT-TRANEX	0
4149		DELTA NAT-AFG	0
4207		DELTA NAT-TRANEX	0

Revision No. 1

Control No. 2007-01-22-0015

Appendix A to Processing Service Agreement No. 60242**Under Rate Schedule OBA****Between (Transporter) Columbia Gulf Transmission Company****and (Shipper) Delta Natural Gas Company, Inc.**Primary Delivery Points

Measuring Point No.	Foot - note	Measuring Point Name	Maximum Daily Quantity (Dth/Day)
4008		DELTA NAT-TRANEX	0
4149		DELTA NAT-AFG	0
4207		DELTA NAT-TRANEX	0

Revision No. 1
Control No. 2007-01-22-0015

Appendix A to Service Agreement No. 60242

Under Rate Schedule OBA
Between (Transporter) Columbia Gulf Transmission Company
and (Shipper) Delta Natural Gas Company, Inc.

The Master list of Interconnects (MLI) as defined in Section 1 of the General Terms and Conditions of Transporter's Tariff is incorporated herein by reference for the purposes of listing valid secondary interruptible receipt points and delivery points.

Service changes pursuant to this Appendix A shall become effective as of January 23, 2007. This Appendix A shall cancel and supersede the previous Appendix A effective as of May 1, 1998, to the Service Agreement referenced above. With the exception of this Appendix A, all other terms and conditions of said agreement shall remain in full force and effect.

Delta Natural Gas Company, Inc.

By: Brian Ramsey
Name: Brian Ramsey
Title: Manager - Gas Supply
Date: 1-29-07

Columbia Gulf Transmission Company

By: _____
Name: _____
Title: _____
Date: _____

OPERATIONAL BALANCING AGREEMENT

This Operational Balancing Agreement ("Agreement") is made and entered into to be effective as of the 1st day of May, 1998, by and between Columbia Gulf Transmission Company ("Columbia Gulf") and Delta Natural Gas Company, Inc. ("Delta Natural Gas"), collectively referred to herein as the "Parties," or individually as a "Party."

WITNESSETH:

WHEREAS, the parties operate certain pipeline facilities which interconnect at the point(s) (the "Interconnection Point(s)") identified in Exhibit "A" attached hereto;

WHEREAS, one or both Parties have entered into one or more transportation agreements with various shippers (the "Shippers") whereby the Parties either receive gas which the Shippers cause to be delivered at the Interconnection Point(s) or deliver gas which the Shippers cause to be received at the Interconnection Point(s);

WHEREAS, from time to time the aggregate quantity of gas delivered to or by the Parties at the Interconnection Point(s) is greater or less than the aggregate quantity of gas nominated by the Shippers and confirmed by the Parties at the Interconnection Points, resulting in the inadvertent overdelivery or underdelivery of gas by one Party to the other Party relative to the Shippers' nominated quantities (the "Operational Imbalance");

WHEREAS, the Parties desire to provide for a means whereby certain actions will be taken by them in order to prevent the occurrence of an Operational Imbalance at the Interconnection Point(s) and to reduce or eliminate any Operational Imbalance which may occur at the Interconnection Point(s);

NOW THEREFORE, in consideration of the mutual covenants and provisions herein contained and subject to all of the terms, provisions and conditions herein set forth, the Parties do hereby agree as follows:

ARTICLE I CONFIRMATION OF NOMINATIONS

1.1 No later than one business day prior to the first day of each calendar month, each Party shall provide oral or written notice to the other Party concerning the confirmed nominations received by each Party from the Shippers for whose account the Parties will deliver or receive gas at the Interconnection Point(s). If provided orally, the noticing Party shall confirm such notice in writing within three business days. Notice of subsequent changes by the Shippers in nominated quantities at any time during any given month shall be provided by the Party receiving such notice to the other Party within one business day of any such change. If such notice is given orally, the noticing Party shall confirm such notice in writing within three business days. Any notice of changes to

Operational Balancing Agreement
Delta Natural Gas Company, Inc.

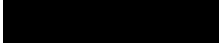

Page 2

nominations to this Agreement to adjust for operational errors in the volumes may be given by telephone or facsimile transmission to the phone or facsimile number set forth below in this Article and shall be confirmed in writing. Any written notice shall be deemed delivered when transmitted by facsimile or when mailed, by either certified or ordinary mail, postage prepaid, to the post office address of either of the Parties hereto, as the case may be, as follows:

Delta Natural Gas Company, Inc.
3617 Lexington Road
Winchester, Kentucky 40391

Attention: Brian Ramsey
Director-Gas Supply & Transportation
Phone: (606) 744-6171
Fax: (606) 744-3623

Columbia Gulf Transmission Company
2603 Augusta
P. O. Box 683
Houston, Texas 77001

Attention: Deborah Meek
Manager of Customer Services
Phone: 
Fax: 

A Party's phone or fax numbers or address set forth herein may be changed from time to time by giving written notice of such change to the other Party. Such changes shall be effective upon actual receipt of such notice by the other Party.

ARTICLE II RECONCILIATION OF OPERATIONAL IMBALANCES

2.1 The Parties intend that the quantities of gas actually delivered and received each day at the Interconnection Point(s) will equal the confirmed nominations, and the party controlling the flow at the Interconnection Point(s), as set forth on Exhibit "A", shall control such flow accordingly. Each Party shall allocate the volumes to be delivered and received at the Interconnection Point(s) among the Shippers in accordance with the confirmed nominations. Any difference between the aggregate quantity of gas nominated and the aggregate quantity of gas actually delivered at the Interconnection Point(s) on any

Operational Balancing Agreement
Delta Natural Gas Company, Inc.

Page 3

given day by each Party shall constitute the Operational Imbalance for each Party for that day (the "Daily Operational Imbalance").

2.2 During any given month, estimated meter quantities (mcf) shall be used by each Party on a daily basis to determine the estimated Daily Operational Imbalance, if any, at the Interconnection Point(s) for any given day. The Parties shall promptly make such physical flow adjustments as may be necessary in order to prevent, reduce or eliminate any Daily Operational Imbalance. The daily variance in the estimated Daily Operational Imbalance should not exceed five percent (5%) of the aggregate quantities nominated for the day, nor two percent (2%) of the aggregate monthly quantities.

2.3 The sum of estimated Daily Operational Imbalances for each day in a given month shall constitute the estimated Monthly Operational Imbalance for such month. By the fifth day of the month following any given month in which an estimated Monthly Operational Imbalance arises, the measuring Party, as identified on Exhibit "A", will notify the other Party as to the estimated Monthly Operational Imbalance for the prior month, and the Parties shall promptly make such physical flow modifications as may be necessary to reduce or eliminate any such Monthly Operational Imbalance.

2.4 The actual MMBtu at the Interconnection Point(s) each month will be determined and the actual Monthly Operational Imbalance communicated by the allocating Party to the other Party in writing as soon as possible, but in no case later than the fifteenth day of the month following the month in which the actual Monthly Operational Imbalances arises. The Parties shall correct any actual Monthly Operational Imbalance by the end of the month within which the actual Monthly Operational Imbalance is determined, or within such longer period of time as may be agreed to by the Parties. Deliveries of gas to correct actual Monthly Operational Imbalances may be made between the parties at the Interconnection Point(s) set forth on Exhibit "A", or at any other point of interconnection between the respective facilities of the Parties as may be mutually agreed to by the Parties.

2.5 Any gas volumes received and delivered to correct an Operational Imbalance shall be adjusted for variations in Btu content in accordance with the applicable provisions of the FERC Gas Tariff of the Party which received the gas. Measurement of gas for all purposes hereunder shall be in accordance with the provisions set forth in the measuring Party's then effective FERC Gas Tariff.

Operational Balancing Agreement
Delta Natural Gas Company, Inc.

Page 4

2.6 In the event that a capacity constraint occurs on either Party's pipeline system which results in curtailment of deliveries through an Interconnection Point, the Party on whose system the constraint has occurred shall determine the appropriate reallocation of quantities due to curtailment as pursuant to the provisions of Article I. If the constraint occurs at the Interconnection Point, the Party which owns the meter at the Interconnection Point shall be deemed to have the constraint on its system.

ARTICLE III
TERM

3.1 This Agreement shall be effective and the procedures set forth in this Agreement shall be implemented as of the day and year first above written, and shall continue in effect month-to-month thereafter; provided, however that either Party may terminate this Agreement at any time by giving forty-eight (48) hours prior written notice of termination to the other Party, to be effective at the end of the month of such notification.

ARTICLE IV
OTHER AGREEMENTS

4.1 In the event that any provision of this Agreement conflicts with any provision of the Parties' respective FERC Gas Tariffs or transportation agreements, the applicable provision of the Parties' FERC Gas Tariffs or transportation agreements shall take precedence over the conflicting provisions of this Agreement; provided, however, that no Party or Daily or Monthly Operational Imbalance, estimated or actual, shall be subject to (i) a cash-in or cash-out, or (ii) an operational flow order, unless specifically provided for in this Agreement.

ARTICLE V
NO THIRD PARTY BENEFICIARIES

5.1 This Agreement shall not create any rights in third parties, and no provision of this Agreement shall be construed as creating any obligations for the benefit of, or rights in favor of, any person or entity other than the Parties.

Operational Balancing Agreement
Delta Natural Gas Company, Inc.

Page 5

ARTICLE VI
STANDARD OF PERFORMANCE

6.1 The Parties understand and agree that performance under this Agreement shall occur only on a good faith basis. In the event of nonperformance or noncompliance by either Party with respect to one or more of the conditions set forth herein, such Party shall not be liable in any manner to the other Party or to any third parties for such nonperformance or noncompliance; except that, the Parties shall be legally obligated to reconcile any outstanding actual Operational Imbalance under this Agreement and which may exist upon termination of this Agreement consistent with the relevant terms and conditions set forth in this Agreement.

ARTICLE VII
GOVERNING LAW

7.1 The construction and interpretation of this Agreement shall be governed by the laws of the State of Texas, excluding any conflict of law rule which would refer any matter to the laws of a jurisdiction other than the State of Texas.

Operational Balancing Agreement
Delta Natural Gas Company, Inc.

Page 6

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by its duly authorized officers to be effective as of the day and year first above written.

COLUMBIA GULF TRANSMISSION COMPANY

By: Deborah L. Meek

Name: Deborah L. Meek
Mgr. Cust. Svcs.

Title: _____

Date: 6-1-98

DELTA NATURAL GAS COMPANY, INC.

By: George S. Billings

Name: George S. Billings

Title: Manager - Gas Supply

Date: June 19, 1998

OPERATIONAL BALANCING AGREEMENT

EXHIBIT "A"
Interconnection Point(s)

<u>Meter Name</u>	<u>Meter No.</u>	<u>Location</u> <u>County, State</u>	<u>Measuring Party</u>	<u>Party With</u> <u>Flow Control</u>
Delta Madison	4008	Madison, LA ^{MS}	CGT	Delta Natural Gas
	4149	Madison, LA ^{MS}	CGT	Delta Natural Gas

Base Contract for Sale and Purchase of Natural Gas

This Base Contract is entered into as of the following date: May 1, 2013. The parties to this Base Contract are the following:

Delta Natural Gas Company
 3617 Lexington, Road, Winchester, KY 40391
 Duns Number: 00-777-9408
 Contract Number: _____
 U.S. Federal Tax ID Number:

and Midwest Energy Services, LLC
 PO Box 8227, Zanesville, OH 43702-8227
 Duns Number: 07-878-2400
 Contract Number: DGAS01-2013-00
 U.S. Federal Tax ID Number:

Notices:

Delta Natural Gas Company
 Attn: Brian S. Ramsey
 Phone: 859-744-6171 Ext 158 Fax: 866-895-6155

Midwest Energy Services, LLC
 Attn: Brian R. Jonard
 Phone: Fax:

Confirmations:

Delta Natural Gas Company
 Attn: Brian S. Ramsey
 Phone: 859-744-6171 Ext 158 Fax: 866-895-6155

Midwest Energy Services, LLC
 Attn: Brian R. Jonard
 Phone: Fax:

Invoices and Payments:

Invoices: Delta Natural Gas Company.
 Attn: Steven R. York
 Payments: Attn: Accounts Receivable
 Phone: 859-744-6171 Ext 131 Fax: 800-482-7623

Midwest Energy Services, LLC
 Attn: Brian R. Jonard
 Payments: Brian R. Jonard
 Phone: Fax:

Wire Transfer or ACH Numbers (if applicable):

BANK: _____
 ABA: _____
 ACCT: _____
 Other Details: _____

BANK: _____
 ABA: _____
 ACCT: _____
 Other Details: _____

This Base Contract incorporates by reference for all purposes the General Terms and Conditions for Sale and Purchase of Natural Gas published by the North American Energy Standards Board. The parties hereby agree to the following provisions offered in said General Terms and Conditions. In the event the parties fail to check a box, the specified default provision shall apply. Select only one box from each section:

<p>Section 1.2 <input checked="" type="checkbox"/> Oral (default) Transaction <input type="checkbox"/> Written Procedure</p>	<p>Section 7.2 <input type="checkbox"/> 25th Day of Month following Month of Payment Date delivery (default) <input checked="" type="checkbox"/> 20th Day of Month following Month of delivery</p>
<p>Section 2.5 <input checked="" type="checkbox"/> 2 Business Days after receipt (default) Confirm <input type="checkbox"/> _____ Business Days after receipt Deadline</p>	<p>Section 7.2 <input checked="" type="checkbox"/> Wire transfer (default) or Method of <input checked="" type="checkbox"/> Automated Clearinghouse Credit (ACH) Payment <input type="checkbox"/> Check</p>
<p>Section 2.6 <input type="checkbox"/> Seller (default) Confirming <input type="checkbox"/> Buyer Party <input checked="" type="checkbox"/> Midwest Energy Services, LLC</p>	<p>Section 7.7 <input checked="" type="checkbox"/> Netting applies (default) Netting <input type="checkbox"/> Netting does not apply</p>
<p>Section 3.2 <input type="checkbox"/> Cover Standard (default) Performance <input checked="" type="checkbox"/> Spot Price Standard Obligation</p> <p>Note: The following Spot Price Publication applies to both of the immediately preceding.</p>	<p>Section 10.3.1 <input checked="" type="checkbox"/> Early Termination Damages Apply (default) Early Termination Damages <input type="checkbox"/> Early Termination Damages Do Not Apply</p>
<p>Section 2.26 <input checked="" type="checkbox"/> Gas Daily Midpoint (default) Spot Price <input type="checkbox"/> _____ Publication</p>	<p>Section 10.3.2 <input type="checkbox"/> Other Agreement Setoffs Apply (default) Other Agreement Setoffs <input checked="" type="checkbox"/> Other Agreement Setoffs Do Not Apply</p>
<p>Section 6 <input checked="" type="checkbox"/> Buyer Pays At and After Delivery Point Taxes (default) <input type="checkbox"/> Seller Pays Before and At Delivery Point</p>	<p>Section 14.5 Choice Of Law <u>Ohio</u></p>
<p><input type="checkbox"/> Special Provisions Number of sheets attached: None</p> <p><input type="checkbox"/> Addendum(s): <u>None</u></p>	

IN WITNESS WHEREOF, the parties hereto have executed this Base Contract in duplicate.

Delta Natural Gas Company
Party Name

Midwest Energy Services, LLC
Party Name

By _____
 Name: Brian S. Ramsey
 Title: Vice President – Transmission & Gas Supply

By _____
 Name: Brian R. Jonard
 Title: Manager

General Terms and Conditions

Base Contract for Sale and Purchase of Natural Gas

SECTION 1. PURPOSE AND PROCEDURES

1.1. These General Terms and Conditions are intended to facilitate purchase and sale transactions of Gas on a Firm or Interruptible basis. "Buyer" refers to the party receiving Gas and "Seller" refers to the party delivering Gas. The entire agreement between the parties shall be the Contract as defined in Section 2.7.

The parties have selected either the "Oral Transaction Procedure" or the "Written Transaction Procedure" as indicated on the Base Contract.

Oral Transaction Procedure:

1.2. The parties will use the following Transaction Confirmation procedure. Any Gas purchase and sale transaction may be effectuated in an EDI transmission or telephone conversation with the offer and acceptance constituting the agreement of the parties. The parties shall be legally bound from the time they so agree to transaction terms and may each rely thereon. Any such transaction shall be considered a "writing" and to have been "signed". Notwithstanding the foregoing sentence, the parties agree that Confirming Party shall, and the other party may, confirm a telephonic transaction by sending the other party a Transaction Confirmation by facsimile, EDI or mutually agreeable electronic means within three Business Days of a transaction covered by this Section 1.2 (Oral Transaction Procedure) provided that the failure to send a Transaction Confirmation shall not invalidate the oral agreement of the parties. Confirming Party adopts its confirming letterhead, or the like, as its signature on any Transaction Confirmation as the identification and authentication of Confirming Party. If the Transaction Confirmation contains any provisions other than those relating to the commercial terms of the transaction (i.e., price, quantity, performance obligation, delivery point, period of delivery and/or transportation conditions), which modify or supplement the Base Contract or General Terms and Conditions of this Contract (e.g., arbitration or additional representations and warranties), such provisions shall not be deemed to be accepted pursuant to Section 1.3 but must be expressly agreed to by both parties; provided that the foregoing shall not invalidate any transaction agreed to by the parties.

Written Transaction Procedure:

1.2. The parties will use the following Transaction Confirmation procedure. Should the parties come to an agreement regarding a Gas purchase and sale transaction for a particular Delivery Period, the Confirming Party shall, and the other party may, record that agreement on a Transaction Confirmation and communicate such Transaction Confirmation by facsimile, EDI or mutually agreeable electronic means, to the other party by the close of the Business Day following the date of agreement. The parties acknowledge that their agreement will not be binding until the exchange of nonconflicting Transaction Confirmations or the passage of the Confirm Deadline without objection from the receiving party, as provided in Section 1.3.

1.3. If a sending party's Transaction Confirmation is materially different from the receiving party's understanding of the agreement referred to in Section 1.2, such receiving party shall notify the sending party via facsimile, EDI or mutually agreeable electronic means by the Confirm Deadline, unless such receiving party has previously sent a Transaction Confirmation to the sending party. The failure of the receiving party to so notify the sending party in writing by the Confirm Deadline constitutes the receiving party's agreement to the terms of the transaction described in the sending party's Transaction Confirmation. If there are any material differences between timely sent Transaction Confirmations governing the same transaction, then neither Transaction Confirmation shall be binding until or unless such differences are resolved including the use of any evidence that clearly resolves the differences in the Transaction Confirmations. In the event of a conflict among the terms of (i) a binding Transaction Confirmation pursuant to Section 1.2, (ii) the oral agreement of the parties which may be evidenced by a recorded conversation, where the parties have selected the Oral Transaction Procedure of the Base Contract, (iii) the Base Contract, and (iv) these General Terms and Conditions, the terms of the documents shall govern in the priority listed in this sentence.

1.4. The parties agree that each party may electronically record all telephone conversations with respect to this Contract between their respective employees, without any special or further notice to the other party. Each party shall obtain any necessary consent of its agents and employees to such recording. Where the parties have selected the Oral Transaction Procedure in Section 1.2 of the Base Contract, the parties agree not to contest the validity or enforceability of telephonic recordings entered into in accordance with the requirements of this Base Contract. However, nothing herein shall be construed as a waiver of any objection to the admissibility of such evidence.

SECTION 2. DEFINITIONS

The terms set forth below shall have the meaning ascribed to them below. Other terms are also defined elsewhere in the Contract and shall have the meanings ascribed to them herein.

2.1. "Alternative Damages" shall mean such damages, expressed in dollars or dollars per MMBtu, as the parties shall agree upon in the Transaction Confirmation, in the event either Seller or Buyer fails to perform a Firm obligation to deliver Gas in the case of Seller or to receive Gas in the case of Buyer.

2.2. "Base Contract" shall mean a contract executed by the parties that incorporates these General Terms and Conditions by reference; that specifies the agreed selections of provisions contained herein; and that sets forth other information required herein and any Special Provisions and addendum(s) as identified on page one.

2.3. "British thermal unit" or "Btu" shall mean the International BTU, which is also called the Btu (IT).

- 2.4. "Business Day" shall mean any day except Saturday, Sunday or Federal Reserve Bank holidays.
- 2.5. "Confirm Deadline" shall mean 5:00 p.m. in the receiving party's time zone on the second Business Day following the Day a Transaction Confirmation is received or, if applicable, on the Business Day agreed to by the parties in the Base Contract; provided, if the Transaction Confirmation is time stamped after 5:00 p.m. in the receiving party's time zone, it shall be deemed received at the opening of the next Business Day.
- 2.6. "Confirming Party" shall mean the party designated in the Base Contract to prepare and forward Transaction Confirmations to the other party.
- 2.7. "Contract" shall mean the legally-binding relationship established by (i) the Base Contract, (ii) any and all binding Transaction Confirmations and (iii) where the parties have selected the Oral Transaction Procedure in Section 1.2 of the Base Contract, any and all transactions that the parties have entered into through an EDI transmission or by telephone, but that have not been confirmed in a binding Transaction Confirmation.
- 2.8. "Contract Price" shall mean the amount expressed in U.S. Dollars per MMBtu to be paid by Buyer to Seller for the purchase of Gas as agreed to by the parties in a transaction.
- 2.9. "Contract Quantity" shall mean the quantity of Gas to be delivered and taken as agreed to by the parties in a transaction.
- 2.10. "Cover Standard", as referred to in Section 3.2, shall mean that if there is an unexcused failure to take or deliver any quantity of Gas pursuant to this Contract, then the performing party shall use commercially reasonable efforts to (i) if Buyer is the performing party, obtain Gas, (or an alternate fuel if elected by Buyer and replacement Gas is not available), or (ii) if Seller is the performing party, sell Gas, in either case, at a price reasonable for the delivery or production area, as applicable, consistent with: the amount of notice provided by the nonperforming party; the immediacy of the Buyer's Gas consumption needs or Seller's Gas sales requirements, as applicable; the quantities involved; and the anticipated length of failure by the nonperforming party.
- 2.11. "Credit Support Obligation(s)" shall mean any obligation(s) to provide or establish credit support for, or on behalf of, a party to this Contract such as an irrevocable standby letter of credit, a margin agreement, a prepayment, a security interest in an asset, a performance bond, guaranty, or other good and sufficient security of a continuing nature.
- 2.12. "Day" shall mean a period of 24 consecutive hours, coextensive with a "day" as defined by the Receiving Transporter in a particular transaction.
- 2.13. "Delivery Period" shall be the period during which deliveries are to be made as agreed to by the parties in a transaction.
- 2.14. "Delivery Point(s)" shall mean such point(s) as are agreed to by the parties in a transaction.
- 2.15. "EDI" shall mean an electronic data interchange pursuant to an agreement entered into by the parties, specifically relating to the communication of Transaction Confirmations under this Contract.
- 2.16. "EFP" shall mean the purchase, sale or exchange of natural Gas as the "physical" side of an exchange for physical transaction involving gas futures contracts. EFP shall incorporate the meaning and remedies of "Firm", provided that a party's excuse for nonperformance of its obligations to deliver or receive Gas will be governed by the rules of the relevant futures exchange regulated under the Commodity Exchange Act.
- 2.17. "Firm" shall mean that either party may interrupt its performance without liability only to the extent that such performance is prevented for reasons of Force Majeure; provided, however, that during Force Majeure interruptions, the party invoking Force Majeure may be responsible for any Imbalance Charges as set forth in Section 4.3 related to its interruption after the nomination is made to the Transporter and until the change in deliveries and/or receipts is confirmed by the Transporter.
- 2.18. "Gas" shall mean any mixture of hydrocarbons and noncombustible gases in a gaseous state consisting primarily of methane.
- 2.19. "Imbalance Charges" shall mean any fees, penalties, costs or charges (in cash or in kind) assessed by a Transporter for failure to satisfy the Transporter's balance and/or nomination requirements.
- 2.20. "Interruptible" shall mean that either party may interrupt its performance at any time for any reason, whether or not caused by an event of Force Majeure, with no liability, except such interrupting party may be responsible for any Imbalance Charges as set forth in Section 4.3 related to its interruption after the nomination is made to the Transporter and until the change in deliveries and/or receipts is confirmed by Transporter.
- 2.21. "MMBtu" shall mean one million British thermal units, which is equivalent to one dekatherm.
- 2.22. "Month" shall mean the period beginning on the first Day of the calendar month and ending immediately prior to the commencement of the first Day of the next calendar month.
- 2.23. "Payment Date" shall mean a date, as indicated on the Base Contract, on or before which payment is due Seller for Gas received by Buyer in the previous Month.
- 2.24. "Receiving Transporter" shall mean the Transporter receiving Gas at a Delivery Point, or absent such receiving Transporter, the Transporter delivering Gas at a Delivery Point.
- 2.25. "Scheduled Gas" shall mean the quantity of Gas confirmed by Transporter(s) for movement, transportation or management.
- 2.26. "Spot Price" as referred to in Section 3.2 shall mean the price listed in the publication indicated on the Base Contract, under the listing applicable to the geographic location closest in proximity to the Delivery Point(s) for the relevant Day; provided, if there is no single price published for such location for such Day, but there is published a range of prices, then the Spot Price shall be the average

of such high and low prices. If no price or range of prices is published for such Day, then the Spot Price shall be the average of the following: (i) the price (determined as stated above) for the first Day for which a price or range of prices is published that next precedes the relevant Day; and (ii) the price (determined as stated above) for the first Day for which a price or range of prices is published that next follows the relevant Day.

2.27. "Transaction Confirmation" shall mean a document, similar to the form of Exhibit A, setting forth the terms of a transaction formed pursuant to Section 1 for a particular Delivery Period.

2.28. "Termination Option" shall mean the option of either party to terminate a transaction in the event that the other party fails to perform a Firm obligation to deliver Gas in the case of Seller or to receive Gas in the case of Buyer for a designated number of days during a period as specified on the applicable Transaction Confirmation.

2.29. "Transporter(s)" shall mean all Gas gathering or pipeline companies, or local distribution companies, acting in the capacity of a transporter, transporting Gas for Seller or Buyer upstream or downstream, respectively, of the Delivery Point pursuant to a particular transaction.

SECTION 3. PERFORMANCE OBLIGATION

3.1. Seller agrees to sell and deliver, and Buyer agrees to receive and purchase, the Contract Quantity for a particular transaction in accordance with the terms of the Contract. Sales and purchases will be on a Firm or Interruptible basis, as agreed to by the parties in a transaction.

The parties have selected either the "Cover Standard" or the "Spot Price Standard" as indicated on the Base Contract.

Cover Standard:

3.2. The sole and exclusive remedy of the parties in the event of a breach of a Firm obligation to deliver or receive Gas shall be recovery of the following: (i) in the event of a breach by Seller on any Day(s), payment by Seller to Buyer in an amount equal to the positive difference, if any, between the purchase price paid by Buyer utilizing the Cover Standard and the Contract Price, adjusted for commercially reasonable differences in transportation costs to or from the Delivery Point(s), multiplied by the difference between the Contract Quantity and the quantity actually delivered by Seller for such Day(s); or (ii) in the event of a breach by Buyer on any Day(s), payment by Buyer to Seller in the amount equal to the positive difference, if any, between the Contract Price and the price received by Seller utilizing the Cover Standard for the resale of such Gas, adjusted for commercially reasonable differences in transportation costs to or from the Delivery Point(s), multiplied by the difference between the Contract Quantity and the quantity actually taken by Buyer for such Day(s); or (iii) in the event that Buyer has used commercially reasonable efforts to replace the Gas or Seller has used commercially reasonable efforts to sell the Gas to a third party, and no such replacement or sale is available, then the sole and exclusive remedy of the performing party shall be any unfavorable difference between the Contract Price and the Spot Price, adjusted for such transportation to the applicable Delivery Point, multiplied by the difference between the Contract Quantity and the quantity actually delivered by Seller and received by Buyer for such Day(s). Imbalance Charges shall not be recovered under this Section 3.2, but Seller and/or Buyer shall be responsible for Imbalance Charges, if any, as provided in Section 4.3. The amount of such unfavorable difference shall be payable five Business Days after presentation of the performing party's invoice, which shall set forth the basis upon which such amount was calculated.

Spot Price Standard:

3.2. The sole and exclusive remedy of the parties in the event of a breach of a Firm obligation to deliver or receive Gas shall be recovery of the following: (i) in the event of a breach by Seller on any Day(s), payment by Seller to Buyer in an amount equal to the difference between the Contract Quantity and the actual quantity delivered by Seller and received by Buyer for such Day(s), multiplied by the positive difference, if any, obtained by subtracting the Contract Price from the Spot Price; or (ii) in the event of a breach by Buyer on any Day(s), payment by Buyer to Seller in an amount equal to the difference between the Contract Quantity and the actual quantity delivered by Seller and received by Buyer for such Day(s), multiplied by the positive difference, if any, obtained by subtracting the applicable Spot Price from the Contract Price. Imbalance Charges shall not be recovered under this Section 3.2, but Seller and/or Buyer shall be responsible for Imbalance Charges, if any, as provided in Section 4.3. The amount of such unfavorable difference shall be payable five Business Days after presentation of the performing party's invoice, which shall set forth the basis upon which such amount was calculated.

3.3. Notwithstanding Section 3.2, the parties may agree to Alternative Damages in a Transaction Confirmation executed in writing by both parties.

3.4. In addition to Sections 3.2 and 3.3, the parties may provide for a Termination Option in a Transaction Confirmation executed in writing by both parties. The Transaction Confirmation containing the Termination Option will designate the length of nonperformance triggering the Termination Option and the procedures for exercise thereof, how damages for nonperformance will be compensated, and how liquidation costs will be calculated.

SECTION 4. TRANSPORTATION, NOMINATIONS, AND IMBALANCES

4.1. Seller shall have the sole responsibility for transporting the Gas to the Delivery Point(s). Buyer shall have the sole responsibility for transporting the Gas from the Delivery Point(s).

4.2. The parties shall coordinate their nomination activities, giving sufficient time to meet the deadlines of the affected Transporter(s). Each party shall give the other party timely prior Notice, sufficient to meet the requirements of all Transporter(s) involved in the transaction, of the quantities of Gas to be delivered and purchased each Day. Should either party become aware that actual deliveries at the Delivery Point(s) are greater or lesser than the Scheduled Gas, such party shall promptly notify the other party.

4.3. The parties shall use commercially reasonable efforts to avoid imposition of any Imbalance Charges. If Buyer or Seller receives an invoice from a Transporter that includes Imbalance Charges, the parties shall determine the validity as well as the cause of such Imbalance Charges. If the Imbalance Charges were incurred as a result of Buyer's receipt of quantities of Gas greater than or less than the Scheduled Gas, then Buyer shall pay for such Imbalance Charges or reimburse Seller for such Imbalance Charges paid by Seller. If the Imbalance Charges were incurred as a result of Seller's delivery of quantities of Gas greater than or less than the Scheduled Gas, then Seller shall pay for such Imbalance Charges or reimburse Buyer for such Imbalance Charges paid by Buyer.

SECTION 5. QUALITY AND MEASUREMENT

All Gas delivered by Seller shall meet the pressure, quality and heat content requirements of the Receiving Transporter. The unit of quantity measurement for purposes of this Contract shall be one MMBtu dry. Measurement of Gas quantities hereunder shall be in accordance with the established procedures of the Receiving Transporter.

SECTION 6. TAXES

The parties have selected either "Buyer Pays At and After Delivery Point" or "Seller Pays Before and At Delivery Point" as indicated on the Base Contract.

Buyer Pays At and After Delivery Point:

Seller shall pay or cause to be paid all taxes, fees, levies, penalties, licenses or charges imposed by any government authority ("Taxes") on or with respect to the Gas prior to the Delivery Point(s). Buyer shall pay or cause to be paid all Taxes on or with respect to the Gas at the Delivery Point(s) and all Taxes after the Delivery Point(s). If a party is required to remit or pay Taxes that are the other party's responsibility hereunder, the party responsible for such Taxes shall promptly reimburse the other party for such Taxes. Any party entitled to an exemption from any such Taxes or charges shall furnish the other party any necessary documentation thereof.

Seller Pays Before and At Delivery Point:

Seller shall pay or cause to be paid all taxes, fees, levies, penalties, licenses or charges imposed by any government authority ("Taxes") on or with respect to the Gas prior to the Delivery Point(s) and all Taxes at the Delivery Point(s). Buyer shall pay or cause to be paid all Taxes on or with respect to the Gas after the Delivery Point(s). If a party is required to remit or pay Taxes that are the other party's responsibility hereunder, the party responsible for such Taxes shall promptly reimburse the other party for such Taxes. Any party entitled to an exemption from any such Taxes or charges shall furnish the other party any necessary documentation thereof.

SECTION 7. BILLING, PAYMENT, AND AUDIT

7.1. Seller shall invoice Buyer for Gas delivered and received in the preceding Month and for any other applicable charges, providing supporting documentation acceptable in industry practice to support the amount charged. If the actual quantity delivered is not known by the billing date, billing will be prepared based on the quantity of Scheduled Gas. The invoiced quantity will then be adjusted to the actual quantity on the following Month's billing or as soon thereafter as actual delivery information is available.

7.2. Buyer shall remit the amount due under Section 7.1 in the manner specified in the Base Contract, in immediately available funds, on or before the later of the Payment Date or 10 Days after receipt of the invoice by Buyer; provided that if the Payment Date is not a Business Day, payment is due on the next Business Day following that date. In the event any payments are due Buyer hereunder, payment to Buyer shall be made in accordance with this Section 7.2.

7.3. In the event payments become due pursuant to Sections 3.2 or 3.3, the performing party may submit an invoice to the nonperforming party for an accelerated payment setting forth the basis upon which the invoiced amount was calculated. Payment from the nonperforming party will be due five Business Days after receipt of invoice.

7.4. If the invoiced party, in good faith, disputes the amount of any such invoice or any part thereof, such invoiced party will pay such amount as it concedes to be correct; provided, however, if the invoiced party disputes the amount due, it must provide supporting documentation acceptable in industry practice to support the amount paid or disputed. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section.

7.5. If the invoiced party fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under "Money Rates" by The Wall Street Journal, plus two percent per annum; or (ii) the maximum applicable lawful interest rate.

7.6. A party shall have the right, at its own expense, upon reasonable Notice and at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under the Contract. This right to examine, audit, and to obtain copies shall not be available with respect to proprietary information not directly relevant to transactions under this Contract. All invoices and billings shall be conclusively presumed final and accurate and all associated claims for under- or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two years after the Month of Gas delivery. All retroactive adjustments under Section 7 shall be paid in full by the party owing payment within 30 Days of Notice and substantiation of such inaccuracy.

7.7. Unless the parties have elected on the Base Contract not to make this Section 7.7 applicable to this Contract, the parties shall net all undisputed amounts due and owing, and/or past due, arising under the Contract such that the party owing the greater amount shall make a single payment of the net amount to the other party in accordance with Section 7; provided that no payment required to be made pursuant to the terms of any Credit Support Obligation or pursuant to Section 7.3 shall be subject to netting under this Section. If the parties have executed a separate netting agreement, the terms and conditions therein shall prevail to the extent inconsistent herewith.

SECTION 8. TITLE, WARRANTY, AND INDEMNITY

8.1. Unless otherwise specifically agreed, title to the Gas shall pass from Seller to Buyer at the Delivery Point(s). Seller shall have responsibility for and assume any liability with respect to the Gas prior to its delivery to Buyer at the specified Delivery Point(s). Buyer shall have responsibility for and any liability with respect to said Gas after its delivery to Buyer at the Delivery Point(s).

8.2. Seller warrants that it will have the right to convey and will transfer good and merchantable title to all Gas sold hereunder and delivered by it to Buyer, free and clear of all liens, encumbrances, and claims. EXCEPT AS PROVIDED IN THIS SECTION 8.2 AND IN SECTION 14.8, ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR OF FITNESS FOR ANY PARTICULAR PURPOSE, ARE DISCLAIMED.

8.3. Seller agrees to indemnify Buyer and save it harmless from all losses, liabilities or claims including reasonable attorneys' fees and costs of court ("Claims"), from any and all persons, arising from or out of claims of title, personal injury or property damage from said Gas or other charges thereon which attach before title passes to Buyer. Buyer agrees to indemnify Seller and save it harmless from all Claims, from any and all persons, arising from or out of claims regarding payment, personal injury or property damage from said Gas or other charges thereon which attach after title passes to Buyer.

8.4. Notwithstanding the other provisions of this Section 8, as between Seller and Buyer, Seller will be liable for all Claims to the extent that such arise from the failure of Gas delivered by Seller to meet the quality requirements of Section 5.

SECTION 9. NOTICES

9.1. All Transaction Confirmations, invoices, payments and other communications made pursuant to the Base Contract ("Notices") shall be made to the addresses specified in writing by the respective parties from time to time.

9.2. All Notices required hereunder may be sent by facsimile or mutually acceptable electronic means, a nationally recognized overnight courier service, first class mail or hand delivered.

9.3. Notice shall be given when received on a Business Day by the addressee. In the absence of proof of the actual receipt date, the following presumptions will apply. Notices sent by facsimile shall be deemed to have been received upon the sending party's receipt of its facsimile machine's confirmation of successful transmission. If the day on which such facsimile is received is not a Business Day or is after five p.m. on a Business Day, then such facsimile shall be deemed to have been received on the next following Business Day. Notice by overnight mail or courier shall be deemed to have been received on the next Business Day after it was sent or such earlier time as is confirmed by the receiving party. Notice via first class mail shall be considered delivered five Business Days after mailing.

SECTION 10. FINANCIAL RESPONSIBILITY

10.1. If either party ("X") has reasonable grounds for insecurity regarding the performance of any obligation under this Contract (whether or not then due) by the other party ("Y") (including, without limitation, the occurrence of a material change in the creditworthiness of Y), X may demand Adequate Assurance of Performance. "Adequate Assurance of Performance" shall mean sufficient security in the form, amount and for the term reasonably acceptable to X, including, but not limited to, a standby irrevocable letter of credit, a prepayment, a security interest in an asset or a performance bond or guaranty (including the issuer of any such security).

10.2. In the event (each an "Event of Default") either party (the "Defaulting Party") or its guarantor shall: (i) make an assignment or any general arrangement for the benefit of creditors; (ii) file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; (iii) otherwise become bankrupt or insolvent (however evidenced); (iv) be unable to pay its debts as they fall due; (v) have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; (vi) fail to perform any obligation to the other party with respect to any Credit Support Obligations relating to the Contract; (vii) fail to give Adequate Assurance of Performance under Section 10.1 within 48 hours but at least one Business Day of a written request by the other party; or (viii) not have paid any amount due the other party hereunder on or before the second Business Day following written Notice that such payment is due; then the other party (the "Non-Defaulting Party") shall have the right, at its sole election, to immediately withhold and/or suspend deliveries or payments upon Notice and/or to terminate and liquidate the transactions under the Contract, in the manner provided in Section 10.3, in addition to any and all other remedies available hereunder.

10.3. If an Event of Default has occurred and is continuing, the Non-Defaulting Party shall have the right, by Notice to the Defaulting Party, to designate a Day, no earlier than the Day such Notice is given and no later than 20 Days after such Notice is given, as an early termination date (the "Early Termination Date") for the liquidation and termination pursuant to Section 10.3.1 of all transactions under the Contract, each a "Terminated Transaction". On the Early Termination Date, all transactions will terminate, other than those transactions, if any, that may not be liquidated and terminated under applicable law or that are, in the reasonable opinion of the Non-Defaulting Party, commercially impracticable to liquidate and terminate ("Excluded Transactions"), which Excluded Transactions must be liquidated and terminated as soon thereafter as is reasonably practicable, and upon termination shall be a Terminated Transaction and be valued consistent with Section 10.3.1 below. With respect to each Excluded Transaction, its actual termination date shall be the Early Termination Date for purposes of Section 10.3.1.

The parties have selected either “Early Termination Damages Apply” or “Early Termination Damages Do Not Apply” as indicated on the Base Contract.

Early Termination Damages Apply:

10.3.1. As of the Early Termination Date, the Non-Defaulting Party shall determine, in good faith and in a commercially reasonable manner, (i) the amount owed (whether or not then due) by each party with respect to all Gas delivered and received between the parties under Terminated Transactions and Excluded Transactions on and before the Early Termination Date and all other applicable charges relating to such deliveries and receipts (including without limitation any amounts owed under Section 3.2), for which payment has not yet been made by the party that owes such payment under this Contract and (ii) the Market Value, as defined below, of each Terminated Transaction. The Non-Defaulting Party shall (x) liquidate and accelerate each Terminated Transaction at its Market Value, so that each amount equal to the difference between such Market Value and the Contract Value, as defined below, of such Terminated Transaction(s) shall be due to the Buyer under the Terminated Transaction(s) if such Market Value exceeds the Contract Value and to the Seller if the opposite is the case; and (y) where appropriate, discount each amount then due under clause (x) above to present value in a commercially reasonable manner as of the Early Termination Date (to take account of the period between the date of liquidation and the date on which such amount would have otherwise been due pursuant to the relevant Terminated Transactions).

For purposes of this Section 10.3.1, “Contract Value” means the amount of Gas remaining to be delivered or purchased under a transaction multiplied by the Contract Price, and “Market Value” means the amount of Gas remaining to be delivered or purchased under a transaction multiplied by the market price for a similar transaction at the Delivery Point determined by the Non-Defaulting Party in a commercially reasonable manner. To ascertain the Market Value, the Non-Defaulting Party may consider, among other valuations, any or all of the settlement prices of NYMEX Gas futures contracts, quotations from leading dealers in energy swap contracts or physical gas trading markets, similar sales or purchases and any other bona fide third-party offers, all adjusted for the length of the term and differences in transportation costs. A party shall not be required to enter into a replacement transaction(s) in order to determine the Market Value. Any extension(s) of the term of a transaction to which parties are not bound as of the Early Termination Date (including but not limited to “evergreen provisions”) shall not be considered in determining Contract Values and Market Values. For the avoidance of doubt, any option pursuant to which one party has the right to extend the term of a transaction shall be considered in determining Contract Values and Market Values. The rate of interest used in calculating net present value shall be determined by the Non-Defaulting Party in a commercially reasonable manner.

Early Termination Damages Do Not Apply:

10.3.1. As of the Early Termination Date, the Non-Defaulting Party shall determine, in good faith and in a commercially reasonable manner, the amount owed (whether or not then due) by each party with respect to all Gas delivered and received between the parties under Terminated Transactions and Excluded Transactions on and before the Early Termination Date and all other applicable charges relating to such deliveries and receipts (including without limitation any amounts owed under Section 3.2), for which payment has not yet been made by the party that owes such payment under this Contract.

The parties have selected either “Other Agreement Setoffs Apply” or “Other Agreement Setoffs Do Not Apply” as indicated on the Base Contract.

Other Agreement Setoffs Apply:

10.3.2. The Non-Defaulting Party shall net or aggregate, as appropriate, any and all amounts owing between the parties under Section 10.3.1, so that all such amounts are netted or aggregated to a single liquidated amount payable by one party to the other (the “Net Settlement Amount”). At its sole option and without prior Notice to the Defaulting Party, the Non-Defaulting Party may setoff (i) any Net Settlement Amount owed to the Non-Defaulting Party against any margin or other collateral held by it in connection with any Credit Support Obligation relating to the Contract; or (ii) any Net Settlement Amount payable to the Defaulting Party against any amount(s) payable by the Defaulting Party to the Non-Defaulting Party under any other agreement or arrangement between the parties.

Other Agreement Setoffs Do Not Apply:

10.3.2. The Non-Defaulting Party shall net or aggregate, as appropriate, any and all amounts owing between the parties under Section 10.3.1, so that all such amounts are netted or aggregated to a single liquidated amount payable by one party to the other (the “Net Settlement Amount”). At its sole option and without prior Notice to the Defaulting Party, the Non-Defaulting Party may setoff any Net Settlement Amount owed to the Non-Defaulting Party against any margin or other collateral held by it in connection with any Credit Support Obligation relating to the Contract.

10.3.3. If any obligation that is to be included in any netting, aggregation or setoff pursuant to Section 10.3.2 is unascertained, the Non-Defaulting Party may in good faith estimate that obligation and net, aggregate or setoff, as applicable, in respect of the estimate, subject to the Non-Defaulting Party accounting to the Defaulting Party when the obligation is ascertained. Any amount not then due which is included in any netting, aggregation or setoff pursuant to Section 10.3.2 shall be discounted to net present value in a commercially reasonable manner determined by the Non-Defaulting Party.

10.4. As soon as practicable after a liquidation, Notice shall be given by the Non-Defaulting Party to the Defaulting Party of the Net Settlement Amount, and whether the Net Settlement Amount is due to or due from the Non-Defaulting Party. The Notice shall include a written statement explaining in reasonable detail the calculation of such amount, provided that failure to give such Notice shall not affect the validity or enforceability of the liquidation or give rise to any claim by the Defaulting Party against the Non-Defaulting Party. The Net Settlement Amount shall be paid by the close of business on the second Business Day following such Notice, which date shall not be earlier than the Early Termination Date. Interest on any unpaid portion of the Net Settlement Amount shall accrue from the date due until the

date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under "Money Rates" by The Wall Street Journal, plus two percent per annum; or (ii) the maximum applicable lawful interest rate.

10.5. The parties agree that the transactions hereunder constitute a "forward contract" within the meaning of the United States Bankruptcy Code and that Buyer and Seller are each "forward contract merchants" within the meaning of the United States Bankruptcy Code.

10.6. The Non-Defaulting Party's remedies under this Section 10 are the sole and exclusive remedies of the Non-Defaulting Party with respect to the occurrence of any Early Termination Date. Each party reserves to itself all other rights, setoffs, counterclaims and other defenses that it is or may be entitled to arising from the Contract.

10.7. With respect to this Section 10, if the parties have executed a separate netting agreement with close-out netting provisions, the terms and conditions therein shall prevail to the extent inconsistent herewith.

SECTION 11. FORCE MAJEURE

11.1. Except with regard to a party's obligation to make payment(s) due under Section 7, Section 10.4, and Imbalance Charges under Section 4, neither party shall be liable to the other for failure to perform a Firm obligation, to the extent such failure was caused by Force Majeure. The term "Force Majeure" as employed herein means any cause not reasonably within the control of the party claiming suspension, as further defined in Section 11.2.

11.2. Force Majeure shall include, but not be limited to, the following: (i) physical events such as acts of God, landslides, lightning, earthquakes, fires, storms or storm warnings, such as hurricanes, which result in evacuation of the affected area, floods, washouts, explosions, breakage or accident or necessity of repairs to machinery or equipment or lines of pipe; (ii) weather related events affecting an entire geographic region, such as low temperatures which cause freezing or failure of wells or lines of pipe; (iii) interruption and/or curtailment of Firm transportation and/or storage by Transporters; (iv) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections or wars; and (v) governmental actions such as necessity for compliance with any court order, law, statute, ordinance, regulation, or policy having the effect of law promulgated by a governmental authority having jurisdiction. Seller and Buyer shall make reasonable efforts to avoid the adverse impacts of a Force Majeure and to resolve the event or occurrence once it has occurred in order to resume performance.

11.3. Neither party shall be entitled to the benefit of the provisions of Force Majeure to the extent performance is affected by any or all of the following circumstances: (i) the curtailment of interruptible or secondary Firm transportation unless primary, in-path, Firm transportation is also curtailed; (ii) the party claiming excuse failed to remedy the condition and to resume the performance of such covenants or obligations with reasonable dispatch; or (iii) economic hardship, to include, without limitation, Seller's ability to sell Gas at a higher or more advantageous price than the Contract Price, Buyer's ability to purchase Gas at a lower or more advantageous price than the Contract Price, or a regulatory agency disallowing, in whole or in part, the pass through of costs resulting from this Agreement; (iv) the loss of Buyer's market(s) or Buyer's inability to use or resell Gas purchased hereunder, except, in either case, as provided in Section 11.2; or (v) the loss or failure of Seller's gas supply or depletion of reserves, except, in either case, as provided in Section 11.2. The party claiming Force Majeure shall not be excused from its responsibility for Imbalance Charges.

11.4. Notwithstanding anything to the contrary herein, the parties agree that the settlement of strikes, lockouts or other industrial disturbances shall be within the sole discretion of the party experiencing such disturbance.

11.5. The party whose performance is prevented by Force Majeure must provide Notice to the other party. Initial Notice may be given orally; however, written Notice with reasonably full particulars of the event or occurrence is required as soon as reasonably possible. Upon providing written Notice of Force Majeure to the other party, the affected party will be relieved of its obligation, from the onset of the Force Majeure event, to make or accept delivery of Gas, as applicable, to the extent and for the duration of Force Majeure, and neither party shall be deemed to have failed in such obligations to the other during such occurrence or event.

11.6. Notwithstanding Sections 11.2 and 11.3, the parties may agree to alternative Force Majeure provisions in a Transaction Confirmation executed in writing by both parties.

SECTION 12. TERM

This Contract may be terminated on 30 Day's written Notice, but shall remain in effect until the expiration of the latest Delivery Period of any transaction(s). The rights of either party pursuant to Section 7.6 and Section 10, the obligations to make payment hereunder, and the obligation of either party to indemnify the other, pursuant hereto shall survive the termination of the Base Contract or any transaction.

SECTION 13. LIMITATIONS

FOR BREACH OF ANY PROVISION FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY. A PARTY'S LIABILITY HEREUNDER SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED HEREIN OR IN A TRANSACTION, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY. SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY HEREIN PROVIDED, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS HEREIN IMPOSED ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE.

TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID HEREUNDER ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED HEREUNDER CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS.

SECTION 14. MISCELLANEOUS

14.1. This Contract shall be binding upon and inure to the benefit of the successors, assigns, personal representatives, and heirs of the respective parties hereto, and the covenants, conditions, rights and obligations of this Contract shall run for the full term of this Contract. No assignment of this Contract, in whole or in part, will be made without the prior written consent of the non-assigning party (and shall not relieve the assigning party from liability hereunder), which consent will not be unreasonably withheld or delayed; provided, either party may (i) transfer, sell, pledge, encumber, or assign this Contract or the accounts, revenues, or proceeds hereof in connection with any financing or other financial arrangements, or (ii) transfer its interest to any parent or affiliate by assignment, merger or otherwise without the prior approval of the other party. Upon any such assignment, transfer and assumption, the transferor shall remain principally liable for and shall not be relieved of or discharged from any obligations hereunder.

14.2. If any provision in this Contract is determined to be invalid, void or unenforceable by any court having jurisdiction, such determination shall not invalidate, void, or make unenforceable any other provision, agreement or covenant of this Contract.

14.3. No waiver of any breach of this Contract shall be held to be a waiver of any other or subsequent breach.

14.4. This Contract sets forth all understandings between the parties respecting each transaction subject hereto, and any prior contracts, understandings and representations, whether oral or written, relating to such transactions are merged into and superseded by this Contract and any effective transaction(s). This Contract may be amended only by a writing executed by both parties.

14.5. The interpretation and performance of this Contract shall be governed by the laws of the jurisdiction as indicated on the Base Contract, excluding, however, any conflict of laws rule which would apply the law of another jurisdiction.

14.6. This Contract and all provisions herein will be subject to all applicable and valid statutes, rules, orders and regulations of any governmental authority having jurisdiction over the parties, their facilities, or Gas supply, this Contract or transaction or any provisions thereof.

14.7. There is no third party beneficiary to this Contract.

14.8. Each party to this Contract represents and warrants that it has full and complete authority to enter into and perform this Contract. Each person who executes this Contract on behalf of either party represents and warrants that it has full and complete authority to do so and that such party will be bound thereby.

14.9. The headings and subheadings contained in this Contract are used solely for convenience and do not constitute a part of this Contract between the parties and shall not be used to construe or interpret the provisions of this Contract.

14.10. Unless the parties have elected on the Base Contract not to make this Section 14.10 applicable to this Contract, neither party shall disclose directly or indirectly without the prior written consent of the other party the terms of any transaction to a third party (other than the employees, lenders, royalty owners, counsel, accountants and other agents of the party, or prospective purchasers of all or substantially all of a party's assets or of any rights under this Contract, provided such persons shall have agreed to keep such terms confidential) except (i) in order to comply with any applicable law, order, regulation, or exchange rule, (ii) to the extent necessary for the enforcement of this Contract, (iii) to the extent necessary to implement any transaction, or (iv) to the extent such information is delivered to such third party for the sole purpose of calculating a published index. Each party shall notify the other party of any proceeding of which it is aware which may result in disclosure of the terms of any transaction (other than as permitted hereunder) and use reasonable efforts to prevent or limit the disclosure. The existence of this Contract is not subject to this confidentiality obligation. Subject to Section 13, the parties shall be entitled to all remedies available at law or in equity to enforce, or seek relief in connection with this confidentiality obligation. The terms of any transaction hereunder shall be kept confidential by the parties hereto for one year from the expiration of the transaction.

In the event that disclosure is required by a governmental body or applicable law, the party subject to such requirement may disclose the material terms of this Contract to the extent so required, but shall promptly notify the other party, prior to disclosure, and shall cooperate (consistent with the disclosing party's legal obligations) with the other party's efforts to obtain protective orders or similar restraints with respect to such disclosure at the expense of the other party.

14.11 The parties may agree to dispute resolution procedures in Special Provisions attached to the Base Contract or in a Transaction Confirmation executed in writing by both parties.

DISCLAIMER: The purposes of this Contract are to facilitate trade, avoid misunderstandings and make more definite the terms of contracts of purchase and sale of natural gas. Further, NAESB does not mandate the use of this Contract by any party. **NAESB DISCLAIMS AND EXCLUDES, AND ANY USER OF THIS CONTRACT ACKNOWLEDGES AND AGREES TO NAESB'S DISCLAIMER OF, ANY AND ALL WARRANTIES, CONDITIONS OR REPRESENTATIONS, EXPRESS OR IMPLIED, ORAL OR WRITTEN, WITH RESPECT TO THIS CONTRACT OR ANY PART THEREOF, INCLUDING ANY AND ALL IMPLIED WARRANTIES OR CONDITIONS OF TITLE, NON-INFRINGEMENT, MERCHANTABILITY, OR FITNESS OR SUITABILITY FOR ANY PARTICULAR PURPOSE (WHETHER OR NOT NAESB KNOWS, HAS REASON TO KNOW, HAS BEEN ADVISED, OR IS OTHERWISE IN FACT AWARE OF ANY SUCH PURPOSE), WHETHER ALLEGED TO ARISE BY LAW, BY REASON OF CUSTOM OR USAGE IN THE TRADE, OR BY COURSE OF DEALING. EACH USER OF THIS CONTRACT ALSO AGREES THAT UNDER NO CIRCUMSTANCES WILL NAESB BE LIABLE FOR ANY DIRECT, SPECIAL, INCIDENTAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES ARISING OUT OF ANY USE OF THIS CONTRACT.**

TRANSACTION CONFIRMATION
FOR IMMEDIATE DELIVERY

EXHIBIT A

	Date: _____, ____ Transaction Confirmation #: _____	
This Transaction Confirmation is subject to the Base Contract between Seller and Buyer dated _____. The terms of this Transaction Confirmation are binding unless disputed in writing within 2 Business Days of receipt unless otherwise specified in the Base Contract.		
SELLER: _____ _____ Attn: _____ Phone: _____ Fax: _____ Base Contract No. _____ Transporter: _____ Transporter Contract Number: _____	BUYER: _____ _____ Attn: _____ Phone: _____ Fax: _____ Base Contract No. _____ Transporter: _____ Transporter Contract Number: _____	
Contract Price: \$_____/MMBtu or _____		
Delivery Period: Begin: _____, ____ End: _____, ____		
Performance Obligation and Contract Quantity: (Select One)		
Firm (Fixed Quantity): _____ MMBtus/day <input type="checkbox"/> EFP	Firm (Variable Quantity): _____ MMBtus/day Minimum _____ MMBtus/day Maximum subject to Section 4.2. at election of <input type="checkbox"/> Buyer or <input type="checkbox"/> Seller	Interruptible: Up to _____ MMBtus/day
Delivery Point(s): _____ (If a pooling point is used, list a specific geographic and pipeline location):		
Special Conditions: 		
Seller: _____ By: _____ Title: _____ Date: _____	Buyer: _____ By: _____ Title: _____ Date: _____	

Base Contract for Sale and Purchase of Natural Gas

This Base Contract is entered into as of the following date: May 1, 2013. The parties to this Base Contract are the following:

Delta Natural Gas Company
 3617 Lexington Road, Winchester, KY 40391
 Duns Number: 00-777-9408
 Contract Number:
 U.S. Federal Tax ID Number:

and Midwest Energy Services, LLC
 PO Box 8227, Zanesville, OH 43702-8227
 Duns Number: 07-878-2400
 Contract Number: DGAS01-2013-00
 U.S. Federal Tax ID Number:

Notices:

Delta Natural Gas Company
 Attn: Brian S. Ramsey
 Phone: 859-744-6171 Ext 158 Fax: 866-895-6155

Midwest Energy Services, LLC
 Attn: Brian R. Jonard
 Phone: Fax:

Confirmations:

Delta Natural Gas Company
 Attn: Brian S. Ramsey
 Phone: 859-744-6171 Ext 158 Fax: 866-895-6155

Midwest Energy Services, LLC
 Attn: Brian R. Jonard
 Phone: Fax:

Invoices and Payments:

Invoices: Delta Natural Gas Company.
 Attn: Steven R. York
 Payments: Attn: Accounts Receivable
 Phone: 859-744-6171 Ext 131 Fax: 800-482-7623

Midwest Energy Services, LLC
 Attn: Brian R. Jonard
 Payments: Brian R. Jonard
 Phone: Fax:

Wire Transfer or ACH Numbers (if applicable):

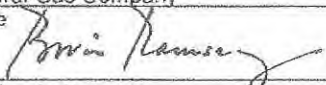
BANK:
 ABA:
 ACCT:
 Other Details:

BANK:
 ABA:
 ACCT:
 Other Details:

This Base Contract incorporates by reference for all purposes the General Terms and Conditions for Sale and Purchase of Natural Gas published by the North American Energy Standards Board. The parties hereby agree to the following provisions offered in said General Terms and Conditions. In the event the parties fail to check a box, the specified default provision shall apply. Select only one box from each section:

Section 1.2 <input checked="" type="checkbox"/> Oral (default) Transaction Procedure <input type="checkbox"/> Written	Section 7.2 <input type="checkbox"/> 25 th Day of Month following Month of delivery (default) Payment Date <input checked="" type="checkbox"/> 20 th Day of Month following Month of delivery
Section 2.5 <input checked="" type="checkbox"/> 2 Business Days after receipt (default) Confirm Deadline <input type="checkbox"/> Business Days after receipt	Section 7.2 <input checked="" type="checkbox"/> Wire transfer (default) or Method of Payment <input checked="" type="checkbox"/> Automated Clearinghouse Credit (ACH) <input type="checkbox"/> Check
Section 2.6 <input type="checkbox"/> Seller (default) Confirming Party <input type="checkbox"/> Buyer <input checked="" type="checkbox"/> Midwest Energy Services, LLC	Section 7.7 <input checked="" type="checkbox"/> Netting applies (default) Netting <input type="checkbox"/> Netting does not apply
Section 3.2 <input type="checkbox"/> Cover Standard (default) Performance Obligation <input checked="" type="checkbox"/> Spot Price Standard	Section 10.3.1 <input checked="" type="checkbox"/> Early Termination Damages Apply (default) Early Termination Damages <input type="checkbox"/> Early Termination Damages Do Not Apply
Note: The following Spot Price Publication applies to both of the immediately preceding. Section 2.26 <input checked="" type="checkbox"/> Gas Daily Midpoint (default) Spot Price Publication <input type="checkbox"/>	Section 10.3.2 <input type="checkbox"/> Other Agreement Setoffs Apply (default) Other Agreement Setoffs <input checked="" type="checkbox"/> Other Agreement Setoffs Do Not Apply
Section 6 <input checked="" type="checkbox"/> Buyer Pays At and After Delivery Point (default) Taxes <input type="checkbox"/> Seller Pays Before and At Delivery Point	Section 14.5 Choice Of Law Ohio
Section 14.10 <input checked="" type="checkbox"/> Confidentiality applies (default) Confidentiality <input type="checkbox"/> Confidentiality does not apply	
Special Provisions Number of sheets attached: None Addendum(s): None	

IN WITNESS WHEREOF, the parties hereto have executed this Base Contract in duplicate.

Delta Natural Gas Company
 Party Name
 By 
 Name: Brian S. Ramsey
 Title: Vice President – Transmission & Gas Supply

Midwest Energy Services, LLC
 Party Name
 By 
 Name: Brian R. Jonard
 Title: Manager

**SECOND AMENDMENT
TO THE TRANSACTION CONFIRMATION**

THIS SECOND AMENDMENT TO THE TRANSACTION CONFIRMATION (“Amendment”) is made and entered into as **March 11, 2021** (“Effective Date”), by and between **Delta Natural Gas Company, Inc.** hereinafter referred to as Buyer, and **Symmetry Energy Solutions LLC**, hereinafter referred to as Seller. Buyer and Seller may be referred to herein individually as a “Party” and collectively as the “Parties”.

WITNESSETH:

WHEREAS, Buyer and Seller are parties to that certain **Texas Eastern Transmission Transaction Confirmation #314454**, as amended (“Transaction”) which was entered into between the Parties under and pursuant to the terms of the Base Contract dated **May 1, 2005**; and

WHEREAS, the Parties desire to further amend the Transaction, as hereinafter set forth.

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the Parties agree to and do hereby amend the Transaction as follows:

AMENDMENT:

1. Commencing on the Effective Date of this Amendment, the Delivery Period of this Transaction is hereby extended through and including April 30, 2022. Thereafter, the Delivery Period will renew for successive two (2) year periods unless terminated by either Party upon written notice given not less than sixty (60) Days prior to the end of the Delivery Period.

2. Unless otherwise specifically defined in this Amendment, capitalized terms used in this Amendment shall have the meaning given thereto in the Transaction and the Base Contract.

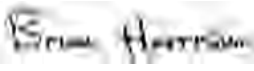
3. Except as herein modified, or amended, all terms and conditions of the Transaction remain in full force and effect.

IN WITNESS WHEREOF, the Parties have executed this Amendment as of the date first written above in multiple counterparts, each of which constitutes an original.

DELTA NATURAL GAS COMPANY, INC.

SYMMETRY ENERGY SOLUTIONS, LLC

By: _____

By:  _____
Brian Harrison, Vice President



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Agency Request

Part I: Business Associate Granting Agency Relationship										
Check Type of Agency Request:			*Unless otherwise specified, Agency will expire one (1) year from the Agency Start Date.							
<input checked="" type="checkbox"/> Business Associate <input type="checkbox"/> Contract <input type="checkbox"/> Operator			*Agency Start Date: 4/30/21				*Agency End Date: 4/30/22			
Business Associate Granting Authority: Delta Natural Gas-Cumberland Division						Navigates BA Number: Click or tap here to enter text				
Address: 3617 lexington Rd				City: Winchester			State: KENTUCKY KY		Zip: 40391	
Phone: 859-744-6171			Email: dcartwright@deltagas.com				Fax: 859-745-0976			
Please List Contract or Operator/Location Number (If Applicable)										
Contract(s):					Operator/Location:					
1. Contract Number _____					1. Meter Number/Location _____					
2. Contract Number _____					2. Meter Number/Location _____					
Part II: Agent's Information										
"As Agent's" Company Name: Symmetry Energy Services				"As Agent's" Name: All SES NAV ID's				"As Agent's" User ID: NAV3816, NAV3983, NAV5072		
Part III: Security Roles Granted to Agent by and for Business Associate										
Security will be granted ONLY to the Business Assets / Security Roles Checked This AGENCY request supersedes all previously defined security roles for this user associated with the identified asset(s) / business associate.										
Select one of more Pipelines to Access:	CGT <input checked="" type="checkbox"/>	TCO <input checked="" type="checkbox"/>	MPC <input type="checkbox"/>	CKT <input type="checkbox"/>	XRD <input type="checkbox"/>	HRD <input type="checkbox"/>	PNGTS <input type="checkbox"/>	OR	ALL <input type="checkbox"/>	
Check ALL Security Roles to be Granted to User.										
<input checked="" type="checkbox"/> Indicates Roles assigned to ALL users.										
Check	Business Area	Security Granted	External	Security Role Name						
<input type="checkbox"/>	Capacity Release	VIEW ONLY	External	Offers / Bids/ Awards (Releases/Auctions/Open Seasons)						
<input checked="" type="checkbox"/>		VIEW and/or UPDATE	External	Bids (Releases/Auctions/Open Seasons)						
<input checked="" type="checkbox"/>		VIEW and/or UPDATE	External	Offers (Releases/Auctions/Open Seasons)						
<input checked="" type="checkbox"/>	Contracts	UPDATE	External	Execute						
<input checked="" type="checkbox"/>		UPDATE	External	Request						
<input type="checkbox"/>	Flow / Operations	VIEW ONLY	External	Noms, Confirmations and PDA						
<input checked="" type="checkbox"/>		VIEW and/or UPDATE	External	Noms, Confirmations and PDA						
<input checked="" type="checkbox"/>		UPDATE	External	Imbalances Post / View						
<input type="checkbox"/>	Physical Config	VIEW and/or UPDATE	External	Power Plant Burn Profile						
<input checked="" type="checkbox"/>		VIEW ONLY	External	Appalachian View						
<input checked="" type="checkbox"/>	Reporting	VIEW ONLY	External	Execute Reports						
<input type="checkbox"/>		VIEW ONLY	External	Security Report Viewer						
<input checked="" type="checkbox"/>		VIEW ONLY	External	Invoices						
<input checked="" type="checkbox"/>	Settlement	VIEW ONLY	External	Invoices						
Part IV: Acknowledgement of Business Associate Granting Agency Authority										
Print Name of Manager / Supervisor: Don Cartwright					Manager / Supervisor Title: <i>Director Gas Supply</i>					
Signature of Manager / Supervisor: <i>[Signature]</i>					Manager / Supervisor Email: dcartwright@deltagas.com					
Date Signed: 4/6/2021					Manager / Supervisor Phone: 859-744-6171					



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Agency Request

Part I: Business Associate Granting Agency Relationship									
Check Type of Agency Request:			*Unless otherwise specified, Agency will expire one (1) year from the Agency Start Date.						
<input checked="" type="checkbox"/> Business Associate <input type="checkbox"/> Contract <input type="checkbox"/> Operator			*Agency Start Date: 4/30/21			*Agency End Date: 4/30/22			
Business Associate Granting Authority: Delta Natural Gas-Stanton Division					Navigates BA Number: Click or tap here to enter text				
Address: 3617 Lexington Rd				City: Winchester		State: KENTUCKY KY		Zip: 40391	
Phone: 859-744-6171		Email: dcartwright@deltagas.com			Fax: 859-745-0976				
Please List Contract or Operator/Location Number (If Applicable)									
Contract(s):					Operator/Location:				
1. Contract Number					1. Meter Number/Location				
2. Contract Number					2. Meter Number/Location				
Part II: Agent's Information									
"As Agent's" Company Name: Symmetry Energy Services				"As Agent's" Name: All SES NAV ID's			"As Agent's" User ID: NAV3816, NAV3983, NAV5072		
Part III: Security Roles Granted to Agent by and for Business Associate									
Security will be granted ONLY to the Business Assets / Security Roles Checked This AGENCY request supersedes all previously defined security roles for this user associated with the identified asset(s) / business associate.									
Select one of more Pipelines to Access:	CGT <input checked="" type="checkbox"/>	TCO <input checked="" type="checkbox"/>	MPC <input type="checkbox"/>	CKT <input type="checkbox"/>	XRD <input type="checkbox"/>	HRD <input type="checkbox"/>	PNGTS <input type="checkbox"/>	OR	ALL <input type="checkbox"/>
Check ALL Security Roles to be Granted to User.									
<input checked="" type="checkbox"/> Indicates Roles assigned to ALL users.									
Check	Business Area	Security Granted	External	Security Role Name					
<input type="checkbox"/>	Capacity Release	VIEW ONLY	External	Offers / Bids/ Awards (Releases/Auctions/Open Seasons)					
<input checked="" type="checkbox"/>		VIEW and/or UPDATE	External	Bids (Releases/Auctions/Open Seasons)					
<input checked="" type="checkbox"/>		VIEW and/or UPDATE	External	Offers (Releases/Auctions/Open Seasons)					
<input checked="" type="checkbox"/>	Contracts	UPDATE	External	Execute					
<input checked="" type="checkbox"/>		UPDATE	External	Request					
<input type="checkbox"/>	Flow / Operations	VIEW ONLY	External	Noms, Confirmations and PDA					
<input checked="" type="checkbox"/>		VIEW and/or UPDATE	External	Noms, Confirmations and PDA					
<input checked="" type="checkbox"/>		UPDATE	External	Imbalances Post / View					
<input type="checkbox"/>	Physical Config	VIEW and/or UPDATE	External	Power Plant Burn Profile					
<input checked="" type="checkbox"/>		VIEW ONLY	External	Appalachian View					
<input checked="" type="checkbox"/>	Reporting	VIEW ONLY	External	Execute Reports					
<input type="checkbox"/>		VIEW ONLY	External	Security Report Viewer					
<input checked="" type="checkbox"/>		VIEW ONLY	External	Invoices					
<input checked="" type="checkbox"/>	Settlement	VIEW ONLY	External	Invoices					
Part IV: Acknowledgement of Business Associate Granting Agency Authority									
Print Name of Manager / Supervisor: Don Cartwright					Manager / Supervisor Title: <i>VP Director Gas Supply</i>				
Signature of Manager / Supervisor: <i>[Signature]</i>					Manager / Supervisor Email: dcartwright@deltagas.com				
Date Signed: 4/6/2021					Manager / Supervisor Phone: 859-744-6171				



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Agency Request

Part I: Business Associate Granting Agency Relationship									
Check Type of Agency Request:			*Unless otherwise specified, Agency will expire one (1) year from the Agency Start Date.						
<input checked="" type="checkbox"/> Business Associate <input type="checkbox"/> Contract <input type="checkbox"/> Operator			*Agency Start Date: 4/30/21			*Agency End Date: 4/30/22			
Business Associate Granting Authority: Delta Natural Gas-winchester Division					Navigates BA Number: Click or tap here to enter text				
Address: 3617 lexington Rd				City: Winchester		State: KENTUCKY KY		Zip: 40391	
Phone: 859-744-6171		Email: dcartwright@deltagas.com			Fax: 859-745-0976				
Please List Contract or Operator/Location Number (If Applicable)									
Contract(s):					Operator/Location:				
1. Contract Number _____					1. Meter Number/Location _____				
2. Contract Number _____					2. Meter Number/Location _____				
Part II: Agent's Information									
"As Agent's" Company Name: Symmetry Energy Services			"As Agent's" Name: All SES NAV ID's			"As Agent's" User ID: NAV3816, NAV3983, NAV5072			
Part III: Security Roles Granted to Agent by and for Business Associate									
Security will be granted ONLY to the Business Assets / Security Roles Checked This AGENCY request supersedes all previously defined security roles for this user.									
Select one of more Pipelines to Access:	CGT <input checked="" type="checkbox"/>	TCO <input checked="" type="checkbox"/>	MPC <input type="checkbox"/>	CKT <input type="checkbox"/>	XRD <input type="checkbox"/>	HRD <input type="checkbox"/>	PNGTS <input type="checkbox"/>	OR	ALL <input type="checkbox"/>
Check ALL Security Roles to be Granted to User.									
<input checked="" type="checkbox"/> Indicates Roles assigned to ALL users.									
Check	Business Area	Security Granted	External	Security Role Name					
<input type="checkbox"/>	Capacity Release	VIEW ONLY	External	Offers / Bids/ Awards (Releases/Auctions/Open Seasons)					
<input checked="" type="checkbox"/>		VIEW and/or UPDATE	External	Bids (Releases/Auctions/Open Seasons)					
<input checked="" type="checkbox"/>		VIEW and/or UPDATE	External	Offers (Releases/Auctions/Open Seasons)					
<input checked="" type="checkbox"/>	Contracts	UPDATE	External	Execute					
<input checked="" type="checkbox"/>		UPDATE	External	Request					
<input type="checkbox"/>	Flow / Operations	VIEW ONLY	External	Noms, Confirmations and PDA					
<input checked="" type="checkbox"/>		VIEW and/or UPDATE	External	Noms, Confirmations and PDA					
<input checked="" type="checkbox"/>		UPDATE	External	Imbalances Post / View					
<input type="checkbox"/>	Physical Config	VIEW and/or UPDATE	External	Power Plant Burn Profile					
<input checked="" type="checkbox"/>		VIEW ONLY	External	Appalachian View					
<input checked="" type="checkbox"/>	Reporting	VIEW ONLY	External	Execute Reports					
<input type="checkbox"/>		VIEW ONLY	External	Security Report Viewer					
<input checked="" type="checkbox"/>	Settlement	VIEW ONLY	External	Invoices					
Part IV: Acknowledgement of Business Associate Granting Agency Authority									
Print Name of Manager / Supervisor: Don Cartwright					Manager / Supervisor Title: SP DIRECTOR GAS SUPPLY				
Signature of Manager / Supervisor: 					Manager / Supervisor Email: dcartwright@deltagas.com				
Date Signed: 4/6/2021					Manager / Supervisor Phone: 859-744-6171				

Service Agreement No. 37813

Revision No. 6

GTS SERVICE AGREEMENT

THIS AGREEMENT is made and entered into this 29 day of October, 2015, by and between COLUMBIA GAS TRANSMISSION, LLC ("Transporter") and DELTA NATURAL GAS COMPANY, INC., CUMBERLAND DIVISION ("Shipper").

WITNESSETH: That in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

Section 1. Service to be Rendered. Transporter shall perform and Shipper shall receive service in accordance with the provisions of the effective GTS Rate Schedule and applicable General Terms and Conditions of Transporter's FERC Gas Tariff, Fourth Revised Volume No. 1 ("Tariff"), on file with the Federal Energy Regulatory Commission ("Commission"), as the same may be amended or superseded in accordance with the rules and regulations of the Commission. The maximum obligation of Transporter to deliver gas hereunder to or for Shipper, the designation of the points of delivery at which Transporter shall deliver or cause gas to be delivered to or for Shipper, and the points of receipt at which Shipper shall deliver or cause gas to be delivered, are specified in Appendix A, as the same may be amended from time to time by agreement between Shipper and Transporter, or in accordance with the rules and regulations of the Commission.

Section 2. Term. Service under this Agreement shall commence as of November 1, 2015, and shall continue from year to year thereafter until terminated by either Transporter or Shipper upon six months' prior notice. Pre-granted abandonment shall apply upon termination of this Agreement, subject to any right of first refusal Shipper may have under the Commission's regulations and Transporter's Tariff.

Section 3. Rates. Shipper shall pay Transporter the charges and furnish Retainage as described in the above-referenced Rate Schedule, unless otherwise agreed to by the parties in writing and specified as an amendment to this Service Agreement. Transporter may agree to discount its rate to Shipper below Transporter's maximum rate, but not less than Transporter's minimum rate. Such discounted rate may apply to: (a) specified quantities (contract demand or commodity quantities); (b) specified quantities above or below a certain level or all quantities if quantities exceed a certain level; (c) quantities during specified time periods; (d) quantities at specified points, locations, or other defined geographical areas; (e) that a specified discounted rate will apply in a specified relationship to the quantities actually transported (i.e., that the reservation charge will be adjusted in a specified relationship to quantities actually transported); (f) production and/or reserves committed by the Shipper; and (g) based on a formula including, but not limited to, published index prices for specific receipt and/or delivery points or other agreed-upon pricing points, provided that the resulting rate shall be no lower than the minimum nor higher than the maximum applicable rate set forth in the Tariff. In addition, the discount agreement may include a provision that if one rate component which was at or below the applicable maximum rate at the time the discount agreement was executed subsequently exceeds the applicable maximum rate due to a change in Transporter's maximum rate so that such rate component must be adjusted downward to equal the new applicable maximum rate, then other rate components may be adjusted upward to achieve the agreed overall rate, so long as none of the resulting rate components exceed the maximum rate applicable to that rate component. Such changes to rate components shall be applied prospectively, commencing with the date a Commission order accepts revised tariff sections. However, nothing contained herein shall be construed to alter a refund obligation under applicable law for any period during which rates, which had been charged under a discount agreement, exceeded rates which ultimately are found to be just and reasonable.

Section 4. Notices. Notices to Transporter under this Agreement shall be addressed to it at 5151 San Felipe, Suite 2500, Houston, Texas 77056, Attention: Customer Services and notices to Shipper shall be addressed to it at Delta Natural Gas Company, Inc., Cumberland Division, 3617 Lexington Road, Winchester, KY 40391, Attention: Brian Ramsey, until changed by either party by written notice.

Section 5. Superseded Agreements. This Service Agreement supersedes and cancels, as of the effective date hereof, the following Service Agreement(s): GTS No. 37813, Revision No. 5.

DELTA NATURAL GAS COMPANY, INC.,
CUMBERLAND DIVISION

By Brian Ramsey
Title Vice President-Trans&Gas Supply
Date October 29, 2015

COLUMBIA GAS TRANSMISSION, LLC

By Cindy Burnette
Title Manager-Customer Services
Date October 28, 2015

Revision No. 6

Appendix A to Service Agreement No. 37813
Under Rate Schedule GTS
between Columbia Gas Transmission, LLC ("Transporter")
and Delta Natural Gas Company, Inc., Cumberland Division ("Shipper")

Storage Contract Quantity

<u>Begin Date</u>	<u>End Date</u>	<u>Transportation Demand Dth/day</u>	<u>Storage Contract Quantity Dth</u>	<u>Annual GTS Quantity Dth/year</u>	<u>Recurrence Interval</u>
November 1, 2015	N/A	5,400	177,662	98,200	1/1 - 12/31

Primary Receipt Points

<u>Begin Date</u>	<u>End Date</u>	<u>Scheduling Point No.</u>	<u>Scheduling Point Name</u>	<u>Measuring Point No.</u>	<u>Measuring Point Name</u>	<u>Maximum Daily Quantity (Dth/day)</u>	<u>Minimum Receipt Pressure Obligation (psig) 1/</u>	<u>Recurrence Interval</u>
November 1, 2015	N/A	801	TCO-LEACH	801	TCO-LEACH	1,800		1/1 - 12/31
November 1, 2015	N/A	STOR	RP Storage Point TCO			0		1/1 - 12/31

Primary Delivery Points

<u>Begin Date</u>	<u>End Date</u>	<u>Scheduling Point No.</u>	<u>Scheduling Point Name</u>	<u>Measuring Point No.</u>	<u>Measuring Point Name</u>	<u>Maximum Daily Delivery Obligation (Dth/day) 1/</u>	<u>Minimum Delivery Pressure Obligation (psig) 1/</u>	<u>Recurrence Interval</u>
November 1, 2015	N/A	34	DELTA NATRL CUMBRND	805992	MANCHESTER	5,100	265	1/1 - 12/31
November 1, 2015	N/A	34	DELTA NATRL CUMBRND	832867	BEATYVILLE	300	230	1/1 - 12/31
November 1, 2015	N/A	STOR	RP Storage Point TCO			0		1/1 - 12/31

1/ Application of MDDOs minimum pressure and/or hourly flowrate shall be as follows:

Unless Measuring Point specific Maximum Daily Delivery Obligations (MDDOs) are specified in a separate firm service agreement between Transporter and Shipper, Transporter's aggregate MDDO, under this and any other service agreement between Transporter and Shipper, at the Measuring Points listed above shall not exceed the MDDO quantities set forth above for each Measuring Point. Any Measuring Point specific MDDOs in a separate firm service agreement between Transporter and Shipper shall be additive to the individual Measuring Point MDDOs set forth above.

The Master List of Interconnects ("MLI") as defined in Section 1 of the General Terms and Conditions of Transporter's Tariff is incorporated herein by reference for purposes of listing valid secondary interruptible receipt points and delivery points.

Yes No (Check applicable blank) Shipper has a contractual right of first refusal equivalent to the right of first refusal set forth in Section 4 of the General Terms and Conditions of Transporter's FERC Gas Tariff.

Yes No (Check applicable blank) This Service Agreement covers interim capacity sold pursuant to the provisions of General Terms and Conditions Section 4. Right of first refusal rights, if any, applicable to this interim capacity are limited as provided for in General Terms and Conditions Section 4.

Yes No (Check applicable blank) This Service Agreement covers offsystem capacity sold pursuant to section 47 of the General Terms and Conditions. Right of first refusal rights, if any, applicable to this offsystem capacity are limited as provided for in General Terms and Conditions Section 47.

DELTA NATURAL GAS COMPANY, INC.,
CUMBERLAND DIVISION

By Brian Ramsey
Title Vice President-Trans&Gas Supply
Date October 29, 2015

COLUMBIA GAS TRANSMISSION, LLC

By Cindy Burnette
Title Manager-Customer Services
Date October 28, 2015

Service Agreement No. 37814

Revision No. 8

GTS SERVICE AGREEMENT

THIS AGREEMENT is made and entered into this 29 day of October, 2015, by and between COLUMBIA GAS TRANSMISSION, LLC ("Transporter") and DELTA NATURAL GAS COMPANY, INC., STANTON DIVISION ("Shipper").

WITNESSETH: That in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

Section 1. Service to be Rendered. Transporter shall perform and Shipper shall receive service in accordance with the provisions of the effective GTS Rate Schedule and applicable General Terms and Conditions of Transporter's FERC Gas Tariff, Fourth Revised Volume No. 1 ("Tariff"), on file with the Federal Energy Regulatory Commission ("Commission"), as the same may be amended or superseded in accordance with the rules and regulations of the Commission. The maximum obligation of Transporter to deliver gas hereunder to or for Shipper, the designation of the points of delivery at which Transporter shall deliver or cause gas to be delivered to or for Shipper, and the points of receipt at which Shipper shall deliver or cause gas to be delivered, are specified in Appendix A, as the same may be amended from time to time by agreement between Shipper and Transporter, or in accordance with the rules and regulations of the Commission.

Section 2. Term. Service under this Agreement shall commence as of November 1, 2015, and shall continue from year to year thereafter until terminated by either Transporter or Shipper upon six months' prior notice. Pre-granted abandonment shall apply upon termination of this Agreement, subject to any right of first refusal Shipper may have under the Commission's regulations and Transporter's Tariff.

Section 3. Rates. Shipper shall pay Transporter the charges and furnish Retainage as described in the above-referenced Rate Schedule, unless otherwise agreed to by the parties in writing and specified as an amendment to this Service Agreement. Transporter may agree to discount its rate to Shipper below Transporter's maximum rate, but not less than Transporter's minimum rate. Such discounted rate may apply to: (a) specified quantities (contract demand or commodity quantities); (b) specified quantities above or below a certain level or all quantities if quantities exceed a certain level; (c) quantities during specified time periods; (d) quantities at specified points, locations, or other defined geographical areas; (e) that a specified discounted rate will apply in a specified relationship to the quantities actually transported (i.e., that the reservation charge will be adjusted in a specified relationship to quantities actually transported); (f) production and/or reserves committed by the Shipper; and (g) based on a formula including, but not limited to, published index prices for specific receipt and/or delivery points or other agreed-upon pricing points, provided that the resulting rate shall be no lower than the minimum nor higher than the maximum applicable rate set forth in the Tariff. In addition, the discount agreement may include a provision that if one rate component which was at or below the applicable maximum rate at the time the discount agreement was executed subsequently exceeds the applicable maximum rate due to a change in Transporter's maximum rate so that such rate component must be adjusted downward to equal the new applicable maximum rate, then other rate components may be adjusted upward to achieve the agreed overall rate, so long as none of the resulting rate components exceed the maximum rate applicable to that rate component. Such changes to rate components shall be applied prospectively, commencing with the date a Commission order accepts revised tariff sections. However, nothing contained herein shall be construed to alter a refund obligation under applicable law for any period during which rates, which had been charged under a discount agreement, exceeded rates which ultimately are found to be just and reasonable.

Section 4. Notices. Notices to Transporter under this Agreement shall be addressed to it at 5151 San Felipe, Suite 2500, Houston, Texas 77056, Attention: Customer Services and notices to Shipper shall be addressed to it at Delta Natural Gas Company, Inc., Stanton Division, 3617 Lexington Road, Winchester, KY 40391, Attention: Brian Ramsey, until changed by either party by written notice.

Section 5. Superseded Agreements. This Service Agreement supersedes and cancels, as of the effective date hereof, the following Service Agreement(s): GTS No. 37814, Revision No. 7.

DELTA NATURAL GAS COMPANY, INC.,
STANTON DIVISION

By Brian Ramsey
Title Vice President-Trans&Gas Supply
Date October 29, 2015

COLUMBIA GAS TRANSMISSION, LLC

By Cindy Burnette
Title Manager-Customer Services
Date October 28, 2015

Revision No. 8

Appendix A to Service Agreement No. 37814
Under Rate Schedule GTS
between Columbia Gas Transmission, LLC ("Transporter")
and Delta Natural Gas Company, Inc., Stanton Division ("Shipper")

Storage Contract Quantity

<u>Begin Date</u>	<u>End Date</u>	<u>Transportation Demand Dth/day</u>	<u>Storage Contract Quantity Dth</u>	<u>Annual GTS Quantity Dth/year</u>	<u>Recurrence Interval</u>
November 1, 2015	N/A	6,663	83,255	72,874	1/1 - 12/31

Primary Receipt Points

<u>Begin Date</u>	<u>End Date</u>	<u>Scheduling Point No.</u>	<u>Scheduling Point Name</u>	<u>Measuring Point No.</u>	<u>Measuring Point Name</u>	<u>Maximum Daily Quantity (Dth/day)</u>	<u>Minimum Receipt Pressure Obligation (psig) 1/</u>	<u>Recurrence Interval</u>
November 1, 2015	N/A	801	TCO-LEACH	801	TCO-LEACH	4,133		1/1 - 12/31
November 1, 2015	N/A	801	TCO-LEACH	801	TCO-LEACH	4,976		1/1 - 12/31
November 1, 2015	N/A	STOR	RP Storage Point TCO			0		1/1 - 12/31

Primary Delivery Points

<u>Begin Date</u>	<u>End Date</u>	<u>Scheduling Point No.</u>	<u>Scheduling Point Name</u>	<u>Measuring Point No.</u>	<u>Measuring Point Name</u>	<u>Maximum Daily Delivery Obligation (Dth/day) 1/</u>	<u>Minimum Delivery Pressure Obligation (psig) 1/</u>	<u>Recurrence Interval</u>
November 1, 2015	N/A	801	TCO-LEACH	801	TCO-LEACH	4,133		1/1 - 12/31
November 1, 2015	N/A	801	TCO-LEACH	801	TCO-LEACH	4,976		1/1 - 12/31
November 1, 2015	N/A	35	DELTA NATRL STANTON	800803	STANTON	2,530	200	1/1 - 12/31
November 1, 2015	N/A	STOR	RP Storage Point TCO			0		1/1 - 12/31

1/ Application of MDDOs minimum pressure and/or hourly flowrate shall be as follows:

Unless Measuring Point specific Maximum Daily Delivery Obligations (MDDOs) are specified in a separate firm service agreement between Transporter and Shipper, Transporter's aggregate MDDO, under this and any other service agreement between Transporter and Shipper, at the Measuring Points listed above shall not exceed the MDDO quantities set forth above for each Measuring Point. Any Measuring Point specific MDDOs in a separate firm service agreement between Transporter and Shipper shall be additive to the individual Measuring Point MDDOs set forth above.

The Master List of Interconnects ("MLI") as defined in Section 1 of the General Terms and Conditions of Transporter's Tariff is incorporated herein by reference for purposes of listing valid secondary interruptible receipt points and delivery points.

Yes No (Check applicable blank) Shipper has a contractual right of first refusal equivalent to the right of first refusal set forth in Section 4 of the General Terms and Conditions of Transporter's FERC Gas Tariff.

Yes No (Check applicable blank) This Service Agreement covers interim capacity sold pursuant to the provisions of General Terms and Conditions Section 4. Right of first refusal rights, if any, applicable to this interim capacity are limited as provided for in General Terms and Conditions Section 4.

Yes No (Check applicable blank) This Service Agreement covers offsystem capacity sold pursuant to section 47 of the General Terms and Conditions. Right of first refusal rights, if any, applicable to this offsystem capacity are limited as provided for in General Terms and Conditions Section 47.

DELTA NATURAL GAS COMPANY, INC., STANTON
DIVISION

By Brian Ramsey
Title Vice President-Trans&Gas Supply
Date October 29, 2015

COLUMBIA GAS TRANSMISSION, LLC

By Cindy Burnette
Title Manager-Customer Services
Date October 28, 2015

Service Agreement No. 37815

Revision No. 7

GTS SERVICE AGREEMENT

THIS AGREEMENT is made and entered into this 29 day of October, 2015, by and between COLUMBIA GAS TRANSMISSION, LLC ("Transporter") and DELTA NATURAL GAS COMPANY, INC. ("Shipper").

WITNESSETH: That in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

Section 1. Service to be Rendered. Transporter shall perform and Shipper shall receive service in accordance with the provisions of the effective GTS Rate Schedule and applicable General Terms and Conditions of Transporter's FERC Gas Tariff, Fourth Revised Volume No. 1 ("Tariff"), on file with the Federal Energy Regulatory Commission ("Commission"), as the same may be amended or superseded in accordance with the rules and regulations of the Commission. The maximum obligation of Transporter to deliver gas hereunder to or for Shipper, the designation of the points of delivery at which Transporter shall deliver or cause gas to be delivered to or for Shipper, and the points of receipt at which Shipper shall deliver or cause gas to be delivered, are specified in Appendix A, as the same may be amended from time to time by agreement between Shipper and Transporter, or in accordance with the rules and regulations of the Commission.

Section 2. Term. Service under this Agreement shall commence as of November 1, 2015, and shall continue from year to year thereafter until terminated by either Transporter or Shipper upon six months' prior notice. Pre-granted abandonment shall apply upon termination of this Agreement, subject to any right of first refusal Shipper may have under the Commission's regulations and Transporter's Tariff.

Section 3. Rates. Shipper shall pay Transporter the charges and furnish Retainage as described in the above-referenced Rate Schedule, unless otherwise agreed to by the parties in writing and specified as an amendment to this Service Agreement. Transporter may agree to discount its rate to Shipper below Transporter's maximum rate, but not less than Transporter's minimum rate. Such discounted rate may apply to: (a) specified quantities (contract demand or commodity quantities); (b) specified quantities above or below a certain level or all quantities if quantities exceed a certain level; (c) quantities during specified time periods; (d) quantities at specified points, locations, or other defined geographical areas; (e) that a specified discounted rate will apply in a specified relationship to the quantities actually transported (i.e., that the reservation charge will be adjusted in a specified relationship to quantities actually transported); (f) production and/or reserves committed by the Shipper; and (g) based on a formula including, but not limited to, published index prices for specific receipt and/or delivery points or other agreed-upon pricing points, provided that the resulting rate shall be no lower than the minimum nor higher than the maximum applicable rate set forth in the Tariff. In addition, the discount agreement may include a provision that if one rate component which was at or below the applicable maximum rate at the time the discount agreement was executed subsequently exceeds the applicable maximum rate due to a change in Transporter's maximum rate so that such rate component must be adjusted downward to equal the new applicable maximum rate, then other rate components may be adjusted upward to achieve the agreed overall rate, so long as none of the resulting rate components exceed the maximum rate applicable to that rate component. Such changes to rate components shall be applied prospectively, commencing with the date a Commission order accepts revised tariff sections. However, nothing contained herein shall be construed to alter a refund obligation under applicable law for any period during which rates, which had been charged under a discount agreement, exceeded rates which ultimately are found to be just and reasonable.

Section 4. Notices. Notices to Transporter under this Agreement shall be addressed to it at 5151 San Felipe, Suite 2500, Houston, Texas 77056, Attention: Customer Services and notices to Shipper shall be addressed to it at Delta Natural Gas Company, Inc., 3617 Lexington Road, Winchester, KY 40391, Attention: Brian Ramsey, until changed by either party by written notice.

Section 5. Superseded Agreements. This Service Agreement supersedes and cancels, as of the effective date hereof, the following Service Agreement(s): GTS No. 37815, Revision No. 6.

DELTA NATURAL GAS COMPANY, INC.

By Brian Ramsey
Title Vice President-Trans&Gas Supply
Date October 29, 2015

COLUMBIA GAS TRANSMISSION, LLC

By Cindy Burnette
Title Manager-Customer Services
Date October 28, 2015

Revision No. 7

Appendix A to Service Agreement No. 37815
Under Rate Schedule GTS
between Columbia Gas Transmission, LLC ("Transporter")
and Delta Natural Gas Company, Inc. ("Shipper")

Storage Contract Quantity

<u>Begin Date</u>	<u>End Date</u>	<u>Transportation Demand Dth/day</u>	<u>Storage Contract Quantity Dth</u>	<u>Annual GTS Quantity Dth/year</u>	<u>Recurrence Interval</u>
November 1, 2015	N/A	4,950	162,857	117,101	1/1 - 12/31

Primary Receipt Points

<u>Begin Date</u>	<u>End Date</u>	<u>Scheduling Point No.</u>	<u>Scheduling Point Name</u>	<u>Measuring Point No.</u>	<u>Measuring Point Name</u>	<u>Maximum Daily Quantity (Dth/day)</u>	<u>Minimum Receipt Pressure Obligation (psig) 1/</u>	<u>Recurrence Interval</u>
November 1, 2015	N/A	801	TCO-LEACH	801	TCO-LEACH	1,650		1/1 - 12/31
November 1, 2015	N/A	STOR	RP Storage Point TCO			0		1/1 - 12/31

Primary Delivery Points

<u>Begin Date</u>	<u>End Date</u>	<u>Scheduling Point No.</u>	<u>Scheduling Point Name</u>	<u>Measuring Point No.</u>	<u>Measuring Point Name</u>	<u>Maximum Daily Delivery Obligation (Dth/day) 1/</u>	<u>Minimum Delivery Pressure Obligation (psig) 1/</u>	<u>Recurrence Interval</u>
November 1, 2015	N/A	36-10	DNG-WIN	803545	DELTA-OWINGSVILLE	1,030		1/1 - 12/31
November 1, 2015	N/A	36-10	DNG-WIN	803564	SHARPSBURG DELTA GAS	220		1/1 - 12/31
November 1, 2015	N/A	36-12	DELTA NATRL WINCH-12	800809	KINGSTON TERRELL	2,270	200	1/1 - 12/31
November 1, 2015	N/A	36-12	DELTA NATRL WINCH-12	803512	DELTA-N. MIDDLETOWN	310	100	1/1 - 12/31
November 1, 2015	N/A	36-12	DELTA NATRL WINCH-12	803563	CARMARGO	340		1/1 - 12/31
November 1, 2015	N/A	36-14	DELTA NATRL WINCH-14	803544	FRENCHBURG	280	150	1/1 - 12/31
November 1, 2015	N/A	47	DELTA NATRL WINCH-10	804148	DELTA NATURAL GAS CO	500		1/1 - 12/31
November 1, 2015	N/A	STOR	RP Storage Point TCO			0		1/1 - 12/31

1/ Application of MDDOs minimum pressure and/or hourly flowrate shall be as follows:

Unless Measuring Point specific Maximum Daily Delivery Obligations (MDDOs) are specified in a separate firm service agreement between Transporter and Shipper, Transporter’s aggregate MDDO, under this and any other service agreement between Transporter and Shipper, at the Measuring Points listed above shall not exceed the MDDO quantities set forth above for each Measuring Point. Any Measuring Point specific MDDOs in a separate firm service agreement between Transporter and Shipper shall be additive to the individual Measuring Point MDDOs set forth above.

The Master List of Interconnects ("MLI") as defined in Section 1 of the General Terms and Conditions of Transporter's Tariff is incorporated herein by reference for purposes of listing valid secondary interruptible receipt points and delivery points.

Yes No (Check applicable blank) Shipper has a contractual right of first refusal equivalent to the right of first refusal set forth in Section 4 of the General Terms and Conditions of Transporter's FERC Gas Tariff.

Yes No (Check applicable blank) This Service Agreement covers interim capacity sold pursuant to the provisions of General Terms and Conditions Section 4. Right of first refusal rights, if any, applicable to this interim capacity are limited as provided for in General Terms and Conditions Section 4.

Yes No (Check applicable blank) This Service Agreement covers offsystem capacity sold pursuant to section 47 of the General Terms and Conditions. Right of first refusal rights, if any, applicable to this offsystem capacity are limited as provided for in General Terms and Conditions Section 47.

DELTA NATURAL GAS COMPANY, INC.

By Brian Ramsey
Title Vice President-Trans&Gas Supply
Date October 29, 2015

COLUMBIA GAS TRANSMISSION, LLC

By Cindy Burnette
Title Manager-Customer Services
Date October 28, 2015

Exhibit 4-2

**SALT LICK, FARMERS & KINDER-HILDA
FS GAS STORAGE CONTRACT NO. 2362
RATE SCHEDULE FS - MARKET AREA**

CONTRACT NO.: 2362
CONTRACT MSQ: 45,300
TERM: NOVEMBER 1, 2014 TO OCTOBER 31, 2019
SERVICE POINT: TRANSPORTER'S COMPRESSOR STATION 87

METER	AMENDMENT	ZONE	W/I	MAXIMUM DAILY QUANTITY
070020	0	01	WITHDRAWAL	1,128
060020	0	01	INJECTION	302

**BEREA
FS GAS STORAGE CONTRACT NO. 2363
RATE SCHEDULE FS - MARKET AREA**

CONTRACT NO.: 2363
CONTRACT MSQ: 162,411
TERM: NOVEMBER 1, 2014 TO OCTOBER 31, 2019
SERVICE POINT: TRANSPORTER'S COMPRESSOR STATION 87

METER	AMENDMENT	ZONE	W/I	MAXIMUM DAILY QUANTITY
070020	0	01	WITHDRAWAL	3,824
060020	0	01	INJECTION	1,083

**NICHOLASVILLE
FS GAS STORAGE CONTRACT NO. 2364
RATE SCHEDULE FS - MARKET AREA**

CONTRACT NO.: 2364
CONTRACT MSQ: 179,911
TERM: NOVEMBER 1, 2014 TO OCTOBER 31, 2019
SERVICE POINT: TRANSPORTER'S COMPRESSOR STATION 87

METER	AMENDMENT	ZONE	W/I	MAXIMUM DAILY QUANTITY
070020	0	01	WITHDRAWAL	3,684
060020	0	01	INJECTION	1,200

**JEFFERSONVILLE
FS GAS STORAGE CONTRACT NO. 2365
RATE SCHEDULE FS - PRODUCTION AREA**

CONTRACT NO.: 2365
CONTRACT MSQ: 13,358
TERM: NOVEMBER 1, 2014 TO OCTOBER 31, 2019
SERVICE POINT: TRANSPORTER'S COMPRESSOR STATION 87

METER	AMENDMENT	ZONE	W/I	MAXIMUM DAILY QUANTITY
070020	0	01	WITHDRAWAL	291
060020	0	01	INJECTION	89

Exhibit 4-6

**NICHOLASVILLE
FS GAS STORAGE CONTRACT NO. 2366
RATE SCHEDULE FS - PRODUCTION AREA**

CONTRACT NO.: 2366
CONTRACT MSQ: 173,399
TERM: NOVEMBER 1, 2014 TO OCTOBER 31, 2019
SERVICE POINT: TRANSPORTER'S COMPRESSOR STATION 87

METER	AMENDMENT	ZONE	W/I	MAXIMUM DAILY QUANTITY
070020	0	01	WITHDRAWAL	1,233
060020	0	01	INJECTION	1,156

INJWITH

DELTA NATURAL GAS COMPANY, INC.
MAXIMUM DAILY STORAGE INJECTIONS AND WITHDRAWALS
VOLUMES SHOWN IN DTH

METER	MAXIMUM INJECTIONS	MAXIMUM WITHDRAWALS
BERE	1,080	3,824
NICHOLASVILLE	2,356	4,917
JEFFERSONVILLE	89	291
SALT LICK, FARMERS & KINDER/HILDA	302	1,128
TOTAL	3,830	10,160

TRANSPORTATION AGREEMENT

THIS AGREEMENT made and entered into this 22nd day of July, 2011, by and between VINLAND ENERGY OPERATIONS, LLC (VEO) and DELTA NATURAL GAS COMPANY, INC. (DELTA).

W I T N E S S E T H:

WHEREAS, VEO anticipates purchasing and/or developing substantial quantities of natural gas in the State of Kentucky in Whitley County, Kentucky, which gas will be delivered into Delta's transmission line for transportation by Delta to a redelivery point at an existing interconnection between the systems of Delta and Columbia Gulf Transmission Company (Columbia) near Speedwell in Madison County, Kentucky; and

WHEREAS, VEO is willing to deliver or cause to be delivered the aforesaid gas to Delta and Delta is willing to transport and deliver the same to Columbia in accordance with the terms and conditions hereinafter set forth; and

WHEREAS, Columbia has agreed to receive the transported volumes at the existing interconnection between Delta and Columbia.

NOW THEREFORE, in consideration of the premises and the mutual covenants and agreements herein contained, VEO and Delta agree as follows:

ARTICLE I. TRANSPORTATION QUANTITY

1.1 Delta agrees to receive for the account of VEO up to

1,000 Dth of natural gas per day to be delivered to Delta at mutually agreeable delivery points on Delta's facilities at the following specified locations in Whitley County, Kentucky (Delivery Point(s)):

Proctor Hollow.....Station 340

Delta shall have the unilateral right to regulate or reject deliveries of gas at any time from each of the listed Delivery Point(s). All receipts of gas by Delta at said Delivery Point(s) shall be at Delta's sole discretion and as designated to VEO by Delta to meet Delta's operational needs and the considerations of paragraph 1.2 herein. Delta shall redeliver equivalent quantities (less 2% by volume to cover losses and less any gas used for compressor fuel) to Columbia at an existing point of interconnection between the pipeline facilities of Columbia and Delta at the Gulf measuring station near Speedwell in Madison County, Kentucky (Redelivery Point) or to Pool Account Number P1041136 on Columbia Gas Transmission by displacement. VEO explicitly acknowledges that transportation by displacement is only available on a seasonal basis and at Delta's sole discretion. Volumes delivered and redelivered hereunder will be balanced on a daily basis as nearly as possible. Any imbalances will be corrected within thirty (30) days of their occurrence. Should an imbalance exist upon the termination of this Agreement, such imbalance will be corrected within thirty (30) days of such

termination.

1.2 Delta's transportation obligation hereunder shall be on a best efforts basis, interruptible service, and shall be subject to the limits of available capacity in its existing facilities and shall also be subservient: (a) to the obligations to retail and transportation customers served pursuant to its Kentucky Public Service Commission (PSC) tariffs; (b) to the transportation of Delta's own gas production and purchases; (c) to higher priority transportation arrangements (as such priorities might be established in Delta's classifications of service or PSC proceedings); and (d) to precedent transportation agreements. VEO expressly acknowledges that it has been apprised of the aforesaid limitations and understands that the transportation of gas contemplated herein may be interrupted from time to time whenever, in Delta's judgment, system operations prohibit transportation of the gas or capacity does not exist in the facilities necessary for the rendering of the service contemplated herein.

ARTICLE II. FACILITIES

Delta shall utilize existing pipeline facilities as well as interconnections with the pipeline facilities of Columbia to effectuate the transportation service for VEO as described in Article I hereof. VEO will provide or cause to be provided all facilities necessary to deliver gas to Delta against the varying pressure in Delta's facilities. In the event Delta determines

telemetering equipment is required, VEO shall reimburse Delta the actual costs of installing the telemetering equipment, and Delta shall own, operate and maintain the telemetering equipment.

ARTICLE III. TERM

3.1 This Agreement and all rights hereunder shall commence on the date first above written and shall continue in full force and effect for a period of one (1) year and thereafter on a year-to-year basis unless terminated in writing by either party at least thirty (30) days prior to any anniversary date.

3.2 Delta and VEO will make in a timely manner all necessary applications and reports to regulatory authorities. In the event either Delta or VEO is unable to obtain any necessary approvals, this Agreement will terminate at the earlier of (a) the termination of the regulatory authorization for the service contemplated hereby, or (b) fifteen (15) days after the giving of written notice of such inability.

3.3 Delta shall have the unilateral right to terminate this Agreement in the event Delta does not receive and transport a total volume of fifteen thousand (15,000) Dth of gas during any sixty (60) day period due to VEO's failure to make deliveries of gas to Delta at the Delivery Point(s) or due to Columbia's failure to receive the volumes transported by Delta hereunder at the Redelivery Point.

ARTICLE IV. QUALITY

4.1 All gas delivered and redelivered hereunder shall be commercially free from air, dust, gum, gum-forming constituents, harmful or noxious vapors, or other solid or liquid matter which might interfere with its merchantability or cause injury to or interference with proper operation of the lines, regulators, meters and other equipment of the receiving party.

4.2 The gas delivered and redelivered shall not contain in excess of:

(a) seven (7) pounds of water vapor per million cubic feet of gas at the base pressure and temperature of fourteen and seven-tenths (14.7) pounds per square inch absolute and sixty degrees Fahrenheit. The water vapor will be determined by the use of a Bureau of Mines type dew point apparatus or in accordance with the latest approved methods in use in the industry generally;

(b) four percent (4%) by volume of a combined total of carbon dioxide and nitrogen components, provided, however, that the total carbon dioxide content shall not exceed three percent (3%) by volume;

(c) twenty-five hundredths (0.25) grains of hydrogen sulfide per one hundred (100) cubic feet of gas;

(d) twenty (20) grains of total sulphur per one hundred (100) cubic feet.

4.3 The gas delivered and redelivered shall have a total

heating value of not less than 1,000 Btu (British Thermal Units) per standard cubic foot. The total heating value of the gas shall be determined by taking samples of the gas at the Delivery Point(s) at such reasonable times as may be designated by either party and having the Btu content per cubic foot determined by an accepted type calorimeter (or other suitable instrument) for a cubic foot of gas at a temperature of sixty degrees Fahrenheit when saturated with water vapor and at an absolute pressure of 14.73 psi. The gas delivered shall have a utilization factor of one thousand three hundred (1,300) plus or minus six percent (6%). The utilization factor is defined as that number obtained by dividing the heating value of the gas by the square root of its specific gravity.

4.4 If the gas delivered fails to meet the quality specifications set forth herein, then the receiving party may either elect to continue to receive such gas or refuse to take all or any portion of such gas until the delivering party brings the gas into conformity with such specifications. To assure that the gas delivered by VEO to Delta conforms to the above specifications, the gas shall be analyzed by Delta at least once a year and more frequently if Delta so desires.

ARTICLE V. DELIVERY PRESSURE

All gas delivered by VEO to Delta shall be at sufficient pressure to enable Delta to redeliver same to the Redelivery Point

without the installation of additional compression facilities.

ARTICLE VI. MEASUREMENT AND MEASURING EQUIPMENT

6.1 For the purpose of this Agreement, the unit of volumetric measurement shall be a standard cubic foot of gas at a pressure base of fourteen and seventy-three hundredths (14.73) pounds per square inch absolute, a temperature base of sixty degrees Fahrenheit (five hundred twenty degrees absolute) and without adjustments for water vapor.

6.2 All said gas delivered at the Delivery Point(s) shall be measured by an orifice, turbine or displacement type meter or other approved measuring device of equal accuracy to be owned, installed, operated and maintained by Delta. All said gas redelivered to Columbia shall be measured by such type meter or other device to be owned, installed and operated by Delta.

6.3 For orifice meter measurements, the methods of computation shall conform with the recommendations contained in Report No. 3 of the Gas Measurement Committee of the American Gas Association, including any revision made thereto, applied in a practical manner. The specific gravity of the gas being measured shall be determined at the beginning of this delivery and as often thereafter as conditions may warrant.

6.4 For displacement or turbine meters or other approved measuring device, the meter readings at varying pressures shall be converted to gas quantities at base conditions set forth in

Section 6.1 hereof.

6.5 In connection with the use of any type of measuring device, an atmospheric pressure of fourteen and four tenths (14.4) pounds per square inch shall be assumed, with no allowance for variation in atmospheric pressure. The flowing gas temperature may be recorded at Delta's discretion. In the absence of a flowing gas temperature recorder, sixty degrees Fahrenheit will be assumed.

6.6 Delta shall read the meter, furnish the charts, place and remove any and all recording gauge charts, calculate the deliveries, and perform any other service necessary in connection with the measurement of said gas.

6.7 If, upon any test, any measuring equipment is found to be in error, such errors shall be taken into account in a practical manner in computing the deliveries. If the resultant aggregate error in the computed deliveries is not more than two percent (2%), then previous deliveries corrected in such a manner shall be considered accurate. All equipment shall, in any case, be adjusted at the time of test to record correctly. If, however, the resultant aggregate error in computed deliveries exceeds two percent (2%) at a recording corresponding to the average hourly rate of gas flow for the period since the last preceding test, previous recordings of such equipment shall be corrected to zero error for any period which is known definitely or agreed upon, but

in case the period is not known definitely or agreed upon, such correction shall be for a period extending over one-half of the time elapsed since the date of the last test, not exceeding a correction period of sixteen (16) days.

6.8 If either party challenges the accuracy of any meter in use under this Agreement and operated by the other and requests to have the meter tested, such other shall test the meter in the presence of and to the satisfaction of the challenging party or a representative of such party if such party wishes to exercise the right to be present or represented at such test. If the meter on test shall prove to be accurate within plus or minus two percent (2%), the cost of testing and repairing the same shall be borne by the challenging party, but if the meter on the test proves to be in error by more than two percent (2%), then the cost of testing and repairing the same shall be borne by the operating party. Any resultant aggregate error exceeding two percent (2%) of computed delivery shall be adjusted, insofar as exact knowledge of such errors or contributing causes is obtainable. Such adjustments are to be made for a period not to exceed thirty (30) days previous to the date of the challenge.

6.9 In the event any measuring equipment is out of service for test or repair, or is inoperable for any reason, deliveries through such equipment shall be estimated in a practical manner utilizing all available information to determine the volume of gas

for the delivery period affected.

6.10 Upon written request from the party not maintaining meter charts respecting a particular measurement station, meter charts shall be forwarded to such party for inspection, subject to return to the other within ten (10) days after receipt thereof. Delta shall keep them on file for two (2) years after date of delivery, during which time they will be open for inspection by authorized parties during normal working hours.

6.11 Considering the possibility of inadvertent errors in measurement or calculating of amounts due and payable or paid, nothing herein contained shall constitute accord and satisfaction, waiver, release, full payment, satisfaction, laches, estoppel, or other defense to a claim by or against VEO or Delta for the true and actual amount accurately due and payable, for the full period of two (2) years in arrears. Errors in Delta's favor shall be rectified in full, without interest, by Delta within ninety (90) days of notice and substantiation of such inaccuracy. Errors in Delta's favor shall be rectified in full, without interest, by Delta within ninety (90) days of notice and substantiation of such inaccuracy.

ARTICLE VII. RATE

For all quantities of natural gas transported or redelivered by Delta to Columbia under the terms of this Agreement, VEO shall pay Delta the applicable Off-System Transportation Rate of Delta,

as set forth in Delta's tariffs on file with the PSC as same may be changed from time to time.

ARTICLE VIII. STATEMENTS AND PAYMENT

8.1 Billing. On or before the twenty-fifth day of each calendar month hereof, Delta shall render to VEO statements on which is reported the metered quantities of gas delivered to Delta at the Delivery Point(s) for the account of VEO during the previous month and the metered quantity of gas redelivered by Delta for the account of VEO hereunder during the previous month together with a computation of the amount due Delta pursuant to Section 1.1 hereunder. In the event a dispute over payment arises, VEO will nevertheless make payment of the billed amount in full.

8.2 Payments. Payments shall be made by check, payable to the order of DELTA NATURAL GAS COMPANY, INC., 3617 Lexington Road, Winchester, Kentucky 40391, and shall be sent to Delta within ten (10) days after receipt by VEO of the statement described in Section 8.1. Late payments and refunds of disputed amounts shall bear interest at the index rate in effect at BB&T, on the unpaid balance.

ARTICLE IX. WARRANTY

Each party warrants to the other that it will have good title to or be in lawful possession of all gas delivered or caused to be delivered to the other party or for the other party's account;

that such gas will be free and clear of all liens, encumbrances and claims whatsoever; that it will at the time of delivery have the right to deliver or cause to be delivered the gas hereunder; and that it will indemnify the other party and save it harmless from suits, actions, debts, accounts, damages, costs, losses and expenses arising from or out of adverse claims of any and all persons to said gas or to royalties, taxes, license fees or charges thereon.

ARTICLE X. RESPONSIBILITY

As between the parties hereto, it is agreed that from the time gas is delivered hereunder to Delta at the Delivery Point(s) until the redelivery of such gas to Columbia at the Redelivery Point, Delta will assume all responsibility for such gas, will indemnify and hold VEO harmless against any injuries or damages caused thereby and will have the unqualified right to commingle such gas with other gas in its pipeline system and to handle and treat such gas as its own. Prior to such delivery and subsequent to such redelivery, VEO will assume all responsibility for such gas and will indemnify and hold Delta harmless for any injuries or damages caused thereby.

ARTICLE XI. FORCE MAJEURE

In case either party to this Agreement fails to perform any obligations hereunder assumed by it and such failure is due to acts of God or a public enemy, strikes, riots, injunctions or

other interference through legal proceedings, breakage or accident to machinery or lines of pipe, washouts, earthquakes, storms, freezing of lines or wells, blowouts, the failure of wells in whole or part, or the compliance with any statute, either State or Federal, or with any order of the Federal Government or any branch thereof, or of the Governments of the State wherein subject premises are situated, or to any causes not due to the fault of such party, or is caused by the necessity for making repairs or alterations in machinery or lines of pipe, such failure shall not be deemed to be a violation by such party of its obligations hereunder, but such party shall use due diligence to again put itself in position to carry out all of the obligations which by the terms hereof it has assumed. It is expressly understood and agreed, however, that this Article XI shall not apply to the obligation of VEO to pay for the transportation of gas hereunder.

ARTICLE XII. GOVERNMENTAL REGULATION

12.1 This Agreement shall be subject to all applicable and valid statutes, rules, orders and regulations of any federal, state or local governmental authority or agency having jurisdiction over the parties, their facilities or gas supply, this Agreement or any provision hereof. The parties agree that should any state, federal or local governmental authority or agency with jurisdiction over this Agreement or transactions herein require approval for the transportation or sale of gas

hereunder, then each party shall make all necessary applications or filings and shall submit any records or data required by such governmental authority or agency.

12.2 Transportation under this Agreement is subject to the provisions of Subpart C of Part 284 of the regulations of the Federal Energy Regulatory Commission.

12.3 Delta shall not be liable for failure to perform hereunder if such failure is due to compliance with rules, regulations, laws, orders or directives of any state, federal or local governmental regulatory authority or agency. If at any time during the term of this Agreement, any federal, state or local governmental authority, agency or regulatory body shall take any action whereby Delta will be prohibited or prevented from receiving in full all amounts and monies which VEO has agreed to pay Delta or Delta shall be subject to terms, conditions or restraints that in the judgment of Delta are unduly burdensome, Delta may, upon the earlier of (a) the effective date of such action or (b) fifteen (15) days written notice to VEO, cancel and terminate this Agreement.

12.4 Nothing in this Agreement shall prevent either party from contesting the validity of any law, order, rule, regulation or directive of any state, federal or other governmental regulatory authority or agency, nor shall anything in this Agreement be construed to require either party to waive its right

to assert the lack of jurisdiction of such regulatory body, governmental entity, or agency over this Agreement or any party hereto.

12.5 This Agreement is subject to the terms and conditions of Delta's Rules and Regulations for Transportation of Gas for Others, Off-System Utilization, as set forth in Delta's tariffs on file with the PSC, as same may be changed from time to time.

ARTICLE XIII. TRANSFER AND ASSIGNMENT

Any company which shall succeed by purchase, merger or consolidation to the properties, substantially as an entirety, of Delta or of VEO, as the case may be, shall be entitled to the rights and shall be subject to the obligations of its predecessor in title under this Agreement. Either Delta or VEO may, without relieving itself of its obligations under this Agreement, assign any of its rights and obligations hereunder to either a parent corporation or a wholly-owned subsidiary at the time of such assignment. Otherwise no assignment of this Agreement or any of its rights or obligations hereunder shall be made by Delta or VEO without the written consent of the other first obtained. However, the provisions of this Article shall not in any way prevent either party to this Agreement from pledging or mortgaging its rights hereunder as security for its indebtedness. This Agreement shall be binding upon and shall inure to the benefits of the respective successors and assigns of the parties hereto.

ARTICLE XIV. NOTICES

All notices, requests, statements and other communications hereunder shall be in writing and shall be delivered as follows:

To VEO: VINLAND ENERGY OPERATIONS, LLC
104 Nami Plaza, Suite 1
London, KY 40741
Attn: Art Bowman

To Delta: DELTA NATURAL GAS CO., INC.
3617 Lexington Road
Winchester, Kentucky 40391
Attn: Brian S. Ramsey

or at such other address as the parties may designate in writing.

ARTICLE XV. WAIVER

A waiver by either party of any one or more defaults by the other in the performance of any provision of this Agreement, shall not operate as a waiver of any future default.

ARTICLE XVI. SEVERABILITY

Except as otherwise provided herein, any provision of this Agreement declared or rendered unlawful by a statute, court of law or regulatory agency with jurisdiction over the parties or either of them, shall not otherwise affect the other obligations of the parties under this Agreement.

ARTICLE XVII. HEADINGS

The headings of the provisions of this Agreement are used for convenience only and shall not be deemed to affect the meaning or

construction of such provision.

ARTICLE XVIII. ENTIRE AGREEMENT

This Agreement contains the entire agreement between the parties and there are no promises, agreements, warranties, obligations, assurances or conditions other than those contained herein.

WITNESS the signature and seals of the parties hereto, hereunto subscribed and affixed as of the day and year first hereinabove written.

DELTA NATURAL GAS COMPANY, INC.

By:

[Handwritten Signature]

Its:

VP-Transmission + Ops *[Handwritten Signature]*

VINLAND ENERGY OPERATIONS, LLC

By:

[Handwritten Signature]

Its:

President - CEO

**CONTRACT FOR GAS SALES AND DELIVERY SERVICE
OFF OF GATHERING FACILITIES**

between

COLUMBIA NATURAL RESOURCES, INC.

and

DELTA NATURAL GAS COMPANY, INC.

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CONTRACT FOR GAS SALES AND DELIVERY SERVICE

THIS AGREEMENT, made and entered into this ~~25th~~ day of ~~October~~, 1999, by and between DELTA NATURAL GAS COMPANY, INC. ("Buyer"), a Kentucky corporation with offices located at 3617 Lexington Road, Winchester, Kentucky 40391-9797 and COLUMBIA NATURAL RESOURCES, INC. ("Seller"), a Texas corporation with offices located at 900 Pennsylvania Avenue, P.O. Box 6070, Charleston, West Virginia 25362-0070.

RECITALS

WHEREAS, Seller owns and controls certain Gathering Facilities located in Kentucky; and

WHEREAS, Buyer provides regulated natural gas utility service to certain customers in the State of Kentucky that historically has been achieved by deliveries through Town Border Stations or Dual Purpose Meters (collectively "Meter(s)") that are located along, connected to, or otherwise depend upon the Gathering Facilities to physically receive gas; and

WHEREAS, Seller has adequate supplies of Gas to meet Buyer's existing needs and desires to sell Gas to Buyer; and

WHEREAS, Buyer and Seller desire to enter into this Agreement intending for Buyer to obtain reliable and economic gas sales and delivery service to continue to meet its utility service obligations to customers connected to the Gathering Facilities acquired by Seller;

NOW THEREFORE, in consideration of the mutual covenants contained herein, the parties hereto, intending to be legally bound, do hereby agree as follows:

ARTICLE I -- PURPOSE AND PROCEDURES

1.1 This Contract establishes the terms governing the sales and deliveries of Gas by Seller and the respective obligations of the parties during the period this Contract is in effect.

1.2 The entire Contract between the parties shall be governed by the provisions contained in this Agreement, including attachments incorporated herein.

ARTICLE II -- DEFINITIONS

Unless another definition is expressly stated, the following terms and abbreviations when used in this Contract will mean as follows:

2.1 "Agreed Index Price" shall mean the Index price of spot Gas delivered to Columbia Gas Transmission Corporation, Appalachia (West Virginia, Ohio, Kentucky) as reported in the first publication each Month of *Inside F.E.R.C.'s Gas Market Report*.

2.2 "Attachment A" shall mean the document attached to this Contract, as updated from time to time, and incorporated herein which lists the Meter(s) through which deliveries of Gas shall be made pursuant to this Contract. Attachment A shall identify a Maximum Daily Quantity (MDQ) for each Town Border Station and an aggregate MDQ for the Dual Purpose Meters.

2.3 "Billing Cycle" shall mean the interval between the times when Buyer reads the meters and/or changes the chart on the Meter(s) at the Delivery Point(s) identified in Attachment A herein. The Billing Cycle shall be identified by reference to the calendar Month in which the Meter(s) are read and/or the chart(s) removed.

2.4 "British Thermal Unit" or "Btu" shall mean the amount of heat required to raise the temperature of one pound of pure water from 59° Fahrenheit to 60° Fahrenheit at a constant pressure of 14.73 pounds per square inch absolute (psia).

2.5 "Business Day" shall mean any day except Saturday, Sunday or bank holidays.

2.6 "Buyer's Customers" shall mean the industrial, commercial and residential customers to whom Buyer provides natural gas utility services through Meters located along or connected to the Gathering Facilities and identified in Attachment A, attached hereto and expressly made a part hereof.

2.7 "Contract" shall mean this legally binding document setting forth the agreement and understanding held by the parties hereto, including all attachments, exhibits and appendices attached or otherwise required as supplements hereto.

2.8 "Contract Quantity" shall mean the total of all Maximum Daily Quantities listed for the Meters designated in Attachment A.

2.9 "Cubic Foot" and "Standard Cubic Foot" shall mean that quantity of Gas that occupies one cubic foot of volume at a pressure of fourteen and seventy-three one-hundredths pounds per square inch absolute (14.73 psia) and a temperature of sixty degrees Fahrenheit (60° F).

2.10 "Day" shall mean a period of twenty-four (24) consecutive hours commencing at 10:00 A.M. Eastern Standard Time (EST) or Eastern Daylight Time (EDT), as applicable.

- 2.11 "Dekatherm" or "Dth" shall mean one million British Thermal Units.
- 2.12 "Delivery Point(s)" or "Points of Delivery" shall mean the interconnection of Buyer's and Seller's facilities.
- 2.13 "Gas" shall mean any mixture of hydrocarbons or of hydrocarbons and non-combustible gases in a gaseous state consisting essentially of methane which conforms with Article VIII.
- 2.14 "Gathering Facilities" shall mean the pipelines and related facilities that are utilized to gather and deliver natural gas to Buyer and to other pipelines.
- 2.15 "Maximum Daily Quantity" or "MDQ" shall mean the maximum quantity of Gas that the Seller agrees to sell and deliver to Buyer at the Points of Delivery.
- 2.16 "Mcf" shall mean one thousand (1,000) Cubic Feet of Gas.
- 2.17 "Meter(s)" shall mean the Gas metering stations as set forth in Attachment A.
- a. "Town Border Station" or "Town Border Measuring Station" shall mean a metered point of delivery, uniquely identified by a meter number. Such meters and their identifying numbers shall be listed individually on Attachment A, Part A.
 - b. "Dual Purpose Meter" or "Dual Purpose Measuring Station" shall mean any meter or measuring station which is not a Town Border Station or Town Border Measuring Station and which facilitates service to individual customers of the Buyer. "Dual Purpose Meter" or "Dual Purpose Measuring Station" shall include meters of tap customers and meters of customers downstream of unmeasured delivery points. "Dual Purpose Meters" or "Dual Purpose Measuring Stations" shall be listed on Attachment A, Part B.
- 2.18 "MMBtu" shall mean one million British Thermal Units.
- 2.19 "Month" shall mean the period beginning on the first Day of the calendar Month and ending on the first Day of the next calendar Month.
- 2.20 "Total Heating Value" shall mean the gross heating value on a wet basis, which is the number of BTUs produced by the complete combustion of one Cubic Foot of Gas, with combustion air at the same temperature and pressure as the Gas, the products of combustion being cooled to the initial temperature of the Gas and air, and the water formed by combustion condensed to the liquid state.

ARTICLE III -- SERVICE TO BE RENDERED

3.1 Character and Availability of Service. Seller hereby agrees to sell and deliver on a firm basis to Buyer the quantities of Gas set forth in Section 4.1 herein. In addition, should Buyer wish to add a new customer to Seller's Gathering Facilities, and should Seller approve the additional tap pursuant to Article 4.2, Seller shall be responsible for providing the tap and first valve at a cost not to exceed \$400.00 per tap. In those instances where the cost exceeds \$400.00 per tap, Seller shall provide Buyer the opportunity to contribute the amount in excess of \$400.00 to add the new customer.

3.2 Seller's Responsibility for Abandonment. Buyer acknowledges that Seller is a producer and gatherer of Gas and, because Gas is a depletable natural resource, Seller reserves the right to take out of service all or any portion of its Gathering Facilities based upon its needs, or when the necessary supply of Gas is depleted. Seller acknowledges that Buyer may have certain public utility service obligations to Buyer's Customers that may require regulatory approval to terminate. Therefore, Seller agrees to notify Buyer in advance if and when Seller decides to remove any particular Facilities from service that would affect the delivery of Gas to one or more Meters subject to this Contract. Further, Seller agrees that it shall not reduce or terminate service to Buyer by removing such Gathering Facilities from service unless and until: (a) Buyer determines that the affected Buyer's Customer(s) can be served through means other than Seller's service pursuant to this Contract, and Buyer, in its sole discretion, determines that such other means of service will provide economic, adequate, and reliable service to the affected Buyer's customer(s); or (b) Buyer informs Seller in writing that it is able to terminate Gas service to the affected Buyer's Customer(s) based upon a contractual agreement with the Customer(s) providing for cessation of the service under circumstances that include lack of supply, and Buyer receives regulatory approval for such termination; or (c) Buyer is required to and does obtain regulatory approval to abandon the affected Buyer's Customer(s). Buyer agrees to cooperate with and facilitate Seller's decision to remove facilities from service. Attachment A shall be amended promptly to reflect the deletion of each of Buyer's Customer(s) abandoned pursuant to this Section 3.2.

3.3 Right of First Refusal. If Seller proposes to remove from service, pursuant to Section 3.2 above, any of the Gathering Facilities which serve a Town Border Station, Seller shall give Buyer the right to purchase such Gathering Facilities from Seller at fair market value on an "as is" basis before Seller seeks any other purchaser for such Gathering Facilities.

3.4 Failure to Perform. Notwithstanding anything herein to the contrary, and in addition to all other remedies under contract and at law, in the event Seller fails to meet its obligations pursuant to this Contract for any reason except Force Majeure as defined in Article XII, Seller shall pay Buyer any monetary loss experienced upon the commercially reasonable purchase of replacement services and all consequential damages that Buyer experiences upon Seller's failure to meet its obligations.

3.5 Except as specifically provided for in this Agreement, nothing herein shall be construed as making Seller responsible for any other cost or obligation associated with Buyer providing service to its customers served from Sellers Gathering Facilities.

ARTICLE IV - QUANTITIES

4.1 Seller agrees to sell to Buyer quantities of Gas up to the total of the Maximum Daily Quantities as established for each Delivery Point and listed on Attachment A as amended and updated from time to time. Demand by Buyer for quantities in excess of the total of the Maximum Daily Quantities shall be met by Seller through the Gathering Facilities on a best efforts basis, and shall be delivered pursuant to the terms of this Contract except for the difference between the reliability of service in relation to best efforts basis and firm basis.

4.2 If Buyer proposes to add new customers for service on the Gathering Facilities, Buyer shall notify Seller for the purpose of assuring that the addition of such customer(s) will not adversely affect reliability of service to Buyer's existing customers and for the purpose of determining whether adequate gas supplies are available upstream from the proposed point of delivery. Attachment A shall be amended promptly to reflect the addition of each additional Buyer's Customer, provided service to the new customer is approved by Seller. Unless otherwise agreed to by both parties, Buyer and Seller agree to utilize existing taps on Seller's Gathering Facilities to provide service to new customers if the tap for the new customer would otherwise be made within two-hundred (200) feet of any existing tap; provided, however, that new taps would be made within 200 feet of any existing tap if physical circumstances make the utilization of the existing tap impractical.

ARTICLE V -- TERM

5.1 This Agreement will become effective on November 1, 1999 and will remain in full force and effect for a primary term of five (5) years until October 31, 2004.

5.2 Upon the expiration of the primary term of this Contract, this Agreement will be automatically renewed each year for an additional one (1) year term, unless either party hereto has submitted written notice of termination at least six (6) months prior to the expiration date of the then-current term. Any termination by Seller is expressly subject to the abandonment provisions of Section 3.2, above.

ARTICLE VI -- PRICE

6.1 For each Dth of Gas sold and delivered hereunder, Buyer agrees to pay Seller the Contract Price. The Contract Price shall equal 100% of the Agreed Index Price plus \$0.75/Dth.

6.2 The total charge paid by Buyer to Seller each month will equal the Contract Price multiplied by the quantity of Gas (Dth) delivered during the Billing Cycle by Seller to Buyer at the Points of Delivery.

6.3 In the event that the Agreed Index of this agreement should cease to be published, Seller and Buyer shall select a replacement index by mutual agreement. If Seller and Buyer are unable to agree on a replacement index, each party shall select a replacement from among the following indices: (a) *Natural Gas Intelligence, Gas Price Index, Average Spot Gas Price for 30-Day Supply Transactions delivered into Columbia Gas -- Appalachia*; (b) *Natural Gas Week, Gas Price Report for Spot Prices delivered into Columbia Gas Transmission Corp. - Appalachian Pooled*, under the subheading "Bid Week for (Month)." Such designation shall be provided in writing to the other party within 30 days of the last publication of the original Agreed Index. The commodity charge each month shall be determined using the mutually agreed upon index or the average of the two replacement indices designated by the parties as substitutes for the original Agreed Index. If all the replacement indices should cease to be published, the parties will attempt to select a replacement index by mutual agreement. If Seller and Buyer are unable to agree upon a replacement index, the selection of replacement index shall be resolved pursuant to the dispute resolution procedures set forth in Article XIV herein.

ARTICLE VII-- QUALITY

7.1 The parties recognize that the Gas used to provide service from the Gathering Facilities is raw, unprocessed gas. Seller shall not be required to process or treat the Gas prior to its delivery to Buyer.

ARTICLE VIII -- MEASUREMENT

8.1 The measurement unit shall be one Dth of Gas and shall be calculated by multiplying the volume delivered in Mcf by a fraction, the numerator of which is the Total Heating Value and the denominator of which is one thousand (1,000).

8.2 The volumetric measurement base shall be one Cubic Foot of Gas.

8.3 The Btu value per Cubic Foot which shall be used in calculating the quantity of Gas delivered by Seller to Buyer at each Point of Delivery shall be 1.2 MMBtu / Mcf.

8.4 All Gas delivered by Seller to Buyer shall be measured at the Delivery Point(s) by an orifice, turbine or displacement type Meter or other approved measuring device of equal accuracy to be installed and operated by Buyer, except as hereinafter provided.

8.5 Where the delivery of Gas to Buyer is unmeasured at the interconnection of Seller's Gathering Facilities and Buyer's facilities, Seller may install test measurement equipment. Should quantities determined by test measurement differ from quantities

measured further downstream by Buyer by two percent or more, Buyer, within 30 days of notification of such difference, at its option may correct the cause of such difference by bringing the measurement within a two percent tolerance, by installing new measurement equipment at the said interconnection, or by any other mutually agreeable method at its sole expense. Should said quantities differ by less than two percent, Seller, at its option, may elect to install new measurement equipment at the interconnection of Seller's and Buyer's facilities at Seller's sole expense. New measurement installed by either Seller or Buyer at the interconnection of Seller's and Buyer's facilities shall be recognized as the new Delivery Point on Attachment A.

8.6 For orifice Meter measurements, the methods of computation shall conform with the recommendations of the American Gas Association Measurement Committee Report No. 3, (April, 1955) including the Appendix thereto, as amended from time to time, applied in a practical manner.

8.7 For displacement or turbine Meters or other approved measuring device, the Meter readings at various pressures shall be converted to Gas quantities at the base conditions of a Gas temperature of sixty degrees (60°) Fahrenheit when saturated with water vapor and at a pressure of 14.73 psia.

8.8 In connection with the use of any type measuring device an average atmospheric pressure of fourteen and four tenths (14.4) psia shall be assumed, with no allowance for variation in atmospheric pressure. The flowing Gas temperature may be recorded, at the Buyer's discretion. In the absence of a flowing Gas temperature recorder, sixty degrees (60°) Fahrenheit will be assumed.

8.9 The Buyer shall own, operate, maintain, test, repair and read all Meter(s) used to provide service under this Agreement and shall provide to Seller the volumes measured for billing purposes. If, upon any tests, any Meter is found to be in error, and the resultant aggregate error in computed deliveries at the recording rate corresponding to the average hourly rate of Gas flow for the period since the preceding test is not more than two percent (2%), then previous deliveries shall be considered accurate, and no adjustment made. If, however, any such Meter is found to be in error, and the resultant aggregate error in computed deliveries exceeds two percent (2%) at the recording rate corresponding to the average hourly rate of Gas flow for the period since the preceding test, then the previous recordings of such equipment shall be corrected to zero error, and the computed deliveries and billings shall be adjusted by Buyer. The adjustment shall not cover a period which is longer than 2 years. All equipment shall, in any case, be adjusted at the time of test to record correctly. To the extent errors, as calculated above, result in retroactive adjustments to the deliveries to Buyer's Customers served from the Meter(s), then those adjustments shall be made to the deliveries from Seller to Buyer.

8.10 If Seller challenges the accuracy of any Meter(s) operated by Buyer in use under this Contract and requests to have the Meter tested, the Meter operator shall test the Meter in the presence of Seller if Seller wishes to be present or to be represented at such

test. If the Meter upon test proves to be accurate within plus or minus two percent (2%), the cost of testing and repairing the Meter shall be borne by Seller, but if the Meter on test proves to be in error by more than two percent (2%), the cost of testing and repairing the same shall be borne by Buyer. Any resultant aggregate error exceeding two percent (2%) of computed sales and delivery shall be adjusted pursuant to Sections 9.8 and 9.9 of this Contract.

8.11 Buyer shall notify Seller 30 days prior to any routine field maintenance and/or field tests of its Meters, and shall allow Seller or its representative to be present at such tests.

8.12 If any Meter is out of service for test or repair, or is inoperable for any reason, Gas deliveries through such equipment shall be estimated by Buyer utilizing all available information to determine the volume of Gas for the sales and delivery period affected.

8.13 Upon written request from Seller, Buyer shall forward copies of Meter charts to Seller. Buyer shall keep the original Meter charts on file for two (2) years after the date of delivery, during which time they will be open for inspection by Seller.

8.14 Considering the possibility of inadvertent errors in measurement or calculation of amounts due and payable or paid, nothing herein contained shall constitute accord and satisfaction, waiver, release, full payment, satisfaction, laches, estoppel or other defense to a claim by or against the Seller or Buyer for the true and actual amount accurately due and payable for the full period of two (2) years in arrears. Errors in Buyer's favor shall be rectified in full, without interest, by Buyer within ninety (90) days of notice and substantiation of such inaccuracy. Errors in Seller's favor shall be rectified in full, without interest, by Seller within ninety (90) days of notice and substantiation of such inaccuracy or, at Buyer's option, such error may be rectified by Buyer withholding one hundred percent of payments accruing to Seller, or its benefit, under this Contract until the error is corrected in full.

8.15 As Attachment A is updated and as customers are added to or deleted from Attachment A, the parties will mutually agree on the appropriate MDQ change, if necessary. If Attachment A is found to have been incorrect for any previous month, then the parties will mutually agree on the retroactive payment or refund that will be required.

ARTICLE IX -- TAXES

9.1 Seller shall pay or cause to be paid all taxes, fees, levies, penalties, licenses or charges imposed by any government authority ("Taxes") on or with respect to the Gas prior to the Delivery Point(s). Buyer shall pay or cause to be paid all taxes on or with respect to the Gas at or after its delivery at the Delivery Point(s). If a party is required to remit or pay Taxes which are the other party's responsibility hereunder, such party shall promptly reimburse the other party for such Taxes.

9.2 Neither the price to be paid for sales and delivery service nor any other provision of this Agreement shall be affected by an increase or decrease in the rate or amount of any tax or the repeal of an existing tax imposed on either party, by the enactment of a new tax, or by the subsequent application hereto of any existing tax.

ARTICLE X -- BILLING, PAYMENT AND AUDIT

10.1 Buyer agrees to provide to Seller the quantities of gas, in Mcf, delivered by Seller for each Billing Cycle on or before the tenth (10th) day of the month following the meter reading and/or chart calculations for such period. Seller shall remit to Buyer an invoice based on the volumes provided by Buyer. Buyer shall remit payment to Seller within 10 days of receiving the invoice from Seller. Checks, payable to the order of Seller, shall be mailed to Seller at the address specified in Article XV herein.

10.2 Although the terms of this Contract extend to and are binding upon all parties to it, their respective successors, assigns, personal representatives, and heirs, in no event will Buyer issue, or be required to issue, more than one (1) monthly check in payment of the amounts due hereunder.

10.3 If, at any time, more than one (1) person, party, or entity shall claim or become entitled to payment for the amounts due hereunder, Buyer may withhold such payment, without interest, until Seller furnishes Buyer with the necessary documentation, properly executed and acknowledged by all necessary parties, designating an agent to receive such payment or until such time as the controversy is satisfactorily resolved.

10.4 Each Party shall have the right, upon reasonable notice and at reasonable times, to examine the books and records of the other party to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, computation or other documentation made under the Contract. Any such audit and any claim based upon errors must be made within two years of the date of such statement or any revision thereof. Following such two year period, a billing statement shall be deemed final. Errors in a party's favor shall be rectified in full by the other party within 30 Days of notice and substantiation of such inaccuracy.

10.5 The receipt of any invoice, statement or information concerning a transaction or the act of payment or partial payment shall not constitute accord and satisfaction, waiver, release, full payment, satisfaction, laches, estoppel or other defense to a claim by or against the Seller or Buyer for the true and actual amount accurately due and payable for the full period of two years in arrears.

ARTICLE XI -- TITLE, WARRANTY AND INDEMNITY

11.1 Seller warrants that at the time of sale and delivery it will have the right to sell and deliver the Gas sold hereunder and that it will indemnify Buyer and save it harmless from suits, actions, debts, accounts, damages, costs, losses and expenses arising from or out of

adverse claims of any and all persons to such Gas, and royalties, taxes, license fees or charges on such Gas, to the extent that they arise or attach prior to delivery at the Points of Delivery.

11.2 Seller shall be deemed to have title and to be in exclusive control and possession of the Gas delivered hereunder and shall have responsibility for and assume any liability with respect to the Gas prior to its delivery to Buyer at the specified Point(s) of Delivery. Buyer shall be deemed to have title and to be in exclusive control and possession of the Gas and shall have responsibility for and any liability with respect to said Gas after its delivery to Buyer at the Point(s) of Delivery.

11.3 Seller and Buyer each warrants that it is engaged in the direct commercial use of natural Gas in the ordinary course of its business, as producer, processor, merchant, or consumer or otherwise has knowledge of the practices associated with the purchase or sale of natural Gas. Each further warrants that it has and will maintain all the regulatory authorizations, certificates, and documentation as may be necessary and legally required to transport, buy, or make sales for resale of Gas sold or purchased hereunder.

11.4 If any claim related to the title to the Gas delivered hereunder is asserted at any time, Buyer may withhold payment of up to the amount of such claim without interest, as security for the performance of Seller's obligations hereunder until such claim has been finally determined, or until Seller has furnished a bond or other acceptable assurances to Buyer under terms and conditions satisfactory to Buyer, and in an amount with surety satisfactory to Buyer.

11.5 Seller agrees to indemnify Buyer and save it harmless from all suits, actions, debts, accounts, damages, costs, losses, liabilities and expenses arising from or out of claims of title, personal injury or property damage from any or all persons to said Gas or other charges thereon which attach before delivery to Buyer. Buyer agrees to indemnify Seller and save it harmless from all suits, actions, debts, accounts, damages, costs, losses, liabilities and expenses arising from or out of claims regarding payment, personal injury or property damage from said Gas or other charges thereon which attach at and after title passes to Buyer, subject to Seller's obligations enumerated specifically herein.

ARTICLE XII -- FORCE MAJEURE

12.1 Except with regard to a party's obligation to make payments due under the Contract, neither party shall be liable to the other for a failure to perform its obligations hereunder, if such failure was caused by Force Majeure. As used herein, the term "Force Majeure" shall mean an unforeseen occurrence or event beyond the control of the party claiming excuse which partially or entirely prevents that party's performance of its obligations, except the obligation to make payments due under any transaction.

12.2 The party whose performance is prevented by Force Majeure must provide notice to the other party. Initial notice may be given orally; however, written notification with

particulars of the event or occurrence is required as soon as reasonably possible. Upon providing written notification of Force Majeure to the other party, the affected party will be relieved of its obligation to make/accept sales and deliveries of Gas to the extent and for the duration of Force Majeure and neither party shall be deemed to have failed in such obligations to the other during such occurrence or event.

12.3 Force Majeure shall include but not be limited to the following: (i) physical events such as acts of God, landslides, lightning, earthquakes, fires, storms or storm warnings which result in evacuation of the affected area, floods, washouts, explosions, breakage or accident or necessity of repairs to machinery or equipment or lines of pipe, weather - related events such as hurricanes or freezing or failure of wells or lines of pipe which affects an entire geographic region; (ii) acts of others such as strikes, lockouts, or other industrial disturbances, riots, sabotage, insurrections or wars; (iii) governmental actions such as necessity for compliance with any court order, law, statute, ordinance, or regulation promulgated by a governmental authority having jurisdiction; and (iv) any other causes, whether of the kind herein enumerated or otherwise not reasonably within the control of the affected party. Seller and Buyer shall make reasonable efforts to avoid Force Majeure and to resolve the event or occurrence once it has occurred in order to resume performance.

12.4 Neither party shall be entitled to the benefit of the provisions of Force Majeure to the extent performance is affected from any or all of the following circumstances: (i) the sole or contributory negligence of the party claiming excuse; (ii) the party claiming excuse failed to remedy the condition and to resume the performance of such covenants or obligations with reasonable dispatch; (iii) economic hardship. As soon as possible after the Force Majeure event shall have been remedied, the party claiming suspension shall likewise give notice to the effect that the same has been remedied and that such party has resumed, or is then in a position to resume, the performance of such covenants or obligations.

12.5 Notwithstanding anything to the contrary herein, the parties agree that the settlement of strikes, lockouts or other industrial disturbances shall be entirely within the discretion of the party experiencing such disturbance.

ARTICLE XIII -- GOVERNMENTAL REGULATION

13.1 This Contract and all provisions herein will be subject to all present and future applicable and valid statutes, rules, orders and regulations of any Federal, State, or local governmental authority having jurisdiction over the parties, their facilities or Gas supply, this Contract or any provisions thereof.

13.2 Each party certifies that, during the performance of this Contract, its employment practices, pertaining to employees and applicants, shall comply with all federal, state and local laws and regulations regarding discrimination because of race, color, religion, national origin, sex, age, disability or veteran status, including but not limited to the

provisions of the Civil Rights Act of 1964, Fair Labor Standards Act of 1938, Americans with Disabilities Act of 1990, Executive Order 11246 of September 24, 1965, Family and Medical Leave Act of 1993, Code of Federal Regulations (CFR); 41 CFR Part 60-1, 41 CFR Part 60-250, and 41 CFR Part 60-741, all provisions as amended, and all provisions thereof being incorporated herein by reference.

13.3 Neither party will be held in default for failure to perform under this Contract, if such failure is due to compliance with the rules, regulations, laws, orders or directives of any State, Federal or other governmental regulatory authority having jurisdiction over the party.

13.4 Notwithstanding any other provision of this Agreement, if any applicable law, or any order, opinion, enactment of regulation of the FERC, the Public Service Commission of Kentucky, or of any other governmental authority (Federal or State) or of any court, may have the effect, either directly or as a precedent, of preventing Buyer's full recovery of any portion of the purchase price paid or to be paid to Seller hereunder, then Buyer, beginning in the next monthly billing cycle after the effective date of such law, order, opinion, enactment or regulation, or at such later date as Buyer may elect, may reduce the purchase price which Buyer is obligated to pay to Seller hereunder to that price level which will enable Buyer to have such full recovery. In such case, at Seller's option, the price provisions applicable to Seller's deliveries of gas to Buyer hereunder shall be deemed modified as appropriate so that Buyer will have such full recovery or Buyer and Seller shall negotiate a transportation arrangement for the delivery of gas to Buyer at a rate sufficient to compensate Seller for the service being provided under the terms of this Agreement. Seller shall not, however, be liable to Buyer for any overpayment hereunder prior to the effective date of such law, order, opinion, enactment or regulation. Buyer shall use its best efforts to prevent the enactment or promulgation of any such order, opinion, enactment or regulation.

ARTICLE XIV -- DISPUTE RESOLUTION

14.1 In the event a dispute arises between Buyer and Seller, or the successors or assigns of either of them, regarding the application or interpretation of any provision of this Contract, either party may promptly notify the other party to this Contract of its intent to invoke this dispute resolution procedure. If the parties shall have failed to resolve the dispute within ten (10) days after delivery of such notice, each party shall, within five (5) days thereafter nominate a senior officer of its management to meet at Buyer's offices or any other mutually agreed location to resolve the dispute. Should the parties be unable to resolve the dispute to their mutual satisfaction within ten (10) days after such nomination, such dispute shall be settled by arbitration.

14.2 The party desiring arbitration shall give notice to the other party in writing specifying the question or questions to be settled and at the same time naming an arbitrator. The party receiving such notice shall within ten (10) days thereafter give to the other party a like written notice giving the name of an arbitrator chosen by it and

specifying any additional matter on which an award is desired. If the party receiving notice of arbitration fails to name an arbitrator within ten (10) days, then the second arbitrator shall be appointed by the American Arbitration Association. Only parties certified as arbitrators with the American Arbitration Association will be appointed as arbitrators. A third arbitrator shall, within ten (10) days of the appointment of the second arbitrator, be selected by the two arbitrators theretofore appointed. If arbitrators shall have been appointed by the respective parties and shall have failed to select the third arbitrator within the time provided herein, the third arbitrator shall, upon application of either of the parties to the arbitration, be appointed by the American Arbitration Association within ten (10) days after receipt of a party's application to appoint a third arbitrator. The arbitrators shall proceed immediately to hear and determine the matter in controversy. Each party shall be entitled to produce witnesses and appear in person and by counsel before said arbitrators, but the number of witnesses to be heard, the length of argument, the time consumed in such hearing, and the general conduct of the proceedings shall conform to the rules promulgated by the American Arbitration Association. The arbitrators shall be limited to accepting the position contended for by either the Seller or the Buyer, without modification, in making their award. The arbitrators shall be instructed that their award must be made within forty-five (45) days of the appointment of the third arbitrator, subject to any reasonable delay due to unforeseen circumstances. The award of the arbitrators shall be drawn up in writing and signed by the arbitrators, or a majority of them, and shall be final and binding on the parties, and the parties shall abide by the award and perform the terms and conditions thereof. The award of the arbitrators shall be made retroactive to the date the first party notified the other party of its intent to invoke the dispute resolution procedure. Unless otherwise determined by the arbitrators, the fees and expenses of the arbitrator named by Seller shall be paid by Seller, the fees and expenses of the arbitrator named by Buyer shall be paid by Buyer and the fees and expenses of the third arbitrator shall be paid in equal proportions by the Buyer and Seller. Save as herein otherwise expressly provided, the rules of the American Arbitration Association shall apply, and wherever and whenever there is conflict between the provisions of this Article and the provisions of the said rules, the provisions of this Article shall apply. In no event shall the arbitration panel have the authority to award consequential, incidental, or punitive damages to either party.

ARTICLE XV -- NOTICES

15.1 All communications ("Communications") made pursuant to the Agreement shall be sent or hand delivered to the Buyer at the address shown below:

Delta Natural Gas Company, Inc.
3617 Lexington Road
Winchester, KY 40391
Attn: George S. Billings
Phone: (606) 744-6171
Fax: (606) 744-3623

15.2 All notices and payments shall be sent or hand delivered to the Seller at the address shown below:

Notices to:

Columbia Natural Resources, Inc.
900 Pennsylvania Avenue, P.O. Box 6070
Charleston, WV 25362-0070
Attn: Manager, Gas Supply
Phone: [REDACTED]
Fax: [REDACTED]

Payments to:

Columbia Natural Resources, Inc.
P.O. Box 640793
Pittsburgh, PA 15264-0793

15.3 Either party may modify any information specified above by written notice to the other party.

15.4 All Communications and payments ("Notices") required hereunder may be sent by telecopier or generally accepted electronic means, a nationally recognized overnight courier service, first class mail or hand delivered. All invoices required hereunder may be sent by first class mail.

ARTICLE XVI -- MISCELLANEOUS

16.1 This Contract shall be binding upon and inure to the benefit of the successors, assigns, personal representatives, and heirs of the respective parties hereto, and the covenants, conditions, and obligations of this Contract shall run for the full term of this Contract. No assignment of this Contract, in whole or in part, will be made without the prior written consent of the non-assigning party, which consent will not be unreasonably withheld.

16.2 If any provision in this Contract is determined to be invalid, void or unenforceable by any court having jurisdiction, such determination shall not invalidate, void, or make unenforceable any other provision, agreement or covenant of this Contract.

16.3 No waiver of any breach of this Contract shall be held to be a waiver of any other or subsequent breach. All remedies afforded in this Contract shall be taken and construed as cumulative.

16.4 This Contract sets forth all understandings between the parties respecting the subject matter of each transaction and any prior Contract, understandings and representations, whether oral or written, representing this subject matter are merged into and superseded by the Contract. This Contract may only be amended in writing.

16.5 This Contract may be executed in one or more counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument. As used herein, the singular of any term shall include the plural.

16.6 The interpretation and performance of this Contract shall be governed by the laws of the Commonwealth of Kentucky, excluding, however, any conflict of laws rule which would apply to the law of another jurisdiction.

16.7 This Contract was prepared jointly by Seller and Buyer, and, in the event of doubt or ambiguity in the language of any of its provisions, shall be construed with equal strength in favor of both parties.

16.8 All lines, valves and fittings furnished under this Agreement shall remain the property of the party furnishing same and may be removed by such party at the termination of this Agreement. Buyer shall have the right to operate Seller's valves located at the intersection of Buyer's and Seller's facilities, when necessary, to remove, repair, or replace Buyer's facilities.

IN WITNESS WHEREOF, this Contract has been properly executed by the parties hereto as of the date first above written.

ATTEST:
DELTA NATURAL GAS COMPANY, INC.

by: Angie S. Bice
title: Manager - Gas Supply
date: 10-28-99

COLUMBIA NATURAL RESOURCES, INC.

by: Michael D. [Signature]
title: Vice President
date: October 27, 1999

**ADDITIONAL ATTACHMENTS TO
DELTA_R_PSCDR2_NUM010d_072821
FILED UNDER SEAL PURSUANT TO THE PETITION FOR
CONFIDENTIAL TREATMENT FILED ON
JULY 28, 2021**

**ATTACHMENTS TO DELTA_R_PSCDR2_NUM010e_072821
FILED UNDER SEAL PURSUANT TO THE PETITION FOR
CONFIDENTIAL TREATMENT FILED ON
JULY 28, 2021**

**ATTACHMENTS TO DELTA_R_PSCDR2_NUM010f_072821
FILED UNDER SEAL PURSUANT TO THE PETITION FOR
CONFIDENTIAL TREATMENT FILED ON
JULY 28, 2021**

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DATED JULY 12, 2021**

11. Refer to the Direct Testimony of Jonathan Morpew (Morpew Testimony), page 3, lines 5–15. Explain whether Delta has any automatic leak detection systems.

Response:

Delta understands “automatic leak detection systems” to mean a mechanical device or equipment that detects leakage and alerts appropriate personnel. Delta does not have any automatic leak detection systems in its system.

Sponsoring Witness: Jonathan Morpew

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12. Refer to the Morphew Testimony, page 4, line 13. Delta has implemented the Simple, Handy, Risk-based, Integrity Management Plan (SHRIMP) in 2011 to comply with 49 CFR Subpart P. This PHMSA approved plan was developed to provide small operators with an alternative to comply with the Distribution Integrity Management Plan (DIMP) used by larger operators. Explain whether Delta has considered moving to DIMP as it has evolved and improved the required data acquisition needed for a more robust DIMP.

Response:

The SHRIMP tool is a program within the Distribution Integrity Management Program (“DIMP”) plan, not an alternative to DIMP. Numerous natural gas operators of varying sizes use the SHRIMP tool to create a complete, written DIMP plan that is customized for the specific needs of their system.

The SHRIMP tool was developed with the support and input from the Pipeline and Hazardous Materials Safety Administration (“PHMSA”) and various other state pipeline safety regulatory agencies. SHRIMP creates a complete, written DIMP plan that addresses all required elements as detailed in 49 CFR Subpart P. SHRIMP is constantly upgraded and enhanced by the Security and Integrity Foundation to ensure that all regulatory updates are adopted into the SHRIMP tool.

Since the implementation of Delta’s DIMP plan, total annual leaks have decreased by 36.86% and total annual excavation damages have decreased by 50.97%. The Kentucky Public

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Service Commission has inspected Delta's DIMP plan on numerous occasions; Delta has never received a notification of any deficiency with regard to meeting all requirements of Subpart P.

Sponsoring Witness: Jonathan Morpew

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13. Refer to the Morpew Testimony, page 6, line 21, through page 7, line 2. Explain what is meant by “19,727 line locates actually needed to be performed.” Explain why the remaining line locate request did not need to be performed.

Response:

There are many location requests made within Delta’s service areas. Oftentimes, Delta personnel respond to the line locate request and determine that there is no natural gas facility located in the area requested. In the calendar year 2020, Delta received 25,951 locate requests of which only 19,727 of the requests actually involved Delta’s facilities in the area. This resulted in 6,224 requests where no facilities existed to be located.

Sponsoring Witness: Jonathan Morpew

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14. Refer to the Morphew Testimony, page 6, line 11, through page 7, line 21.
 - a. Provide a detailed description of the procedure Delta uses to respond to an 811 locate request.
 - b. Provide an explanation for how Delta determines an underground facility is an untonable facility, meaning the underground facility is unable to be located from the surface using locating methods which meet industry standards and that the facility requires additional efforts and extended times to locate.
 - c. Provide a description of how Delta locates untonable underground facilities in response to 811 locate requests.
 - d. State whether it is Delta's practice to take and retain post-locate photographs to document where location markers were placed in response to an 811 locate request.
 - e. If it is not Delta's practice to take and retain post-locate photographs, state how Delta can document a particular underground facility was accurately located if required to do so following damage to the underground facility.
 - f. Describe any differences in Delta's actions in responding to an 811 locate request for an underground facility considered to be a farm tap, and an underground facility operated by Delta that is not considered to be a farm tap.
 - g. Describe how Delta intends to comply with the revisions to KRS 367.4909 requiring operators of underground facilities to provide a positive response to excavators. Provide an example of a positive response, if one currently exists.

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Response:

a. Delta utilizes the Utilisphere Ticket Management Software Program to automatically route all Kentucky 811 dig tickets to the appropriate District Office or Transmission Department electronic folder. All dig tickets are electronically assigned to an operator-qualified Customer Service or Transmission Department employee that is qualified to locate and mark buried facilities in accordance with Standard Practice O-16.1, Operator Qualification Plan. The assigned employee will then respond to the work site and determine if Delta has any pipeline facilities in the area. If Delta does have pipeline facilities in the requested area, the facilities are located and marked within the limits of the excavation area with yellow flags and/or paint. All details of the field location are documented, photographed, and uploaded to the Utilisphere database and retained for the life of the pipeline. The Utilisphere program provides an electronic positive response to the Kentucky 811 call center, as well as the excavator that initiated the dig ticket request, to confirm that the facilities have either been marked, or that the locator determined that Delta's facilities were clear of the excavation limits.

If there is additional concern that the pipeline could be damaged by the excavation activities, the excavator will be sent an electronic positive response notification stating no work can commence until a Delta representative is on site. The electronic notification will provide the excavator with all appropriate contact information in order to schedule a preconstruction meeting or to arrange for necessary excavation field inspections.

b. Delta may deem any plastic pipeline without adequate tracer wire or any mapping or installation records as untenable.

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c. When Delta deems a pipeline untonable, the excavator will be notified accordingly that the existing pipeline is untonable and that additional time is needed to locate and mark the line. Delta personnel will attempt to locate the existing pipeline by the use of a Gas Tracker pulsating locator or Jameson fish tape insertion tool. The existing pipeline will be marked with flags and/or paint. Delta will provide the excavator with contact information and require Delta personnel be notified for assistance whenever performing excavation within the tolerance zone of the marked facilities. This is done to determine the exact location and depth of the pipeline and thus avoid damage to the line.

d. All locates by company personnel require post-locate photographs. All dig ticket photographs and associated attachments described in the response to subpart a are retained in the Utilisphere database for the life of the pipeline.

e. Not applicable.

f. There are no differences in location practices between farm taps and any other Delta facility. Delta locates all of its facilities within the requested area when performing locates. Delta retains ownership of the service line from the main to the farm tap and thus responds to the 811 request in the same manner as detailed in subpart a. The location and marking of all yard line piping downstream of the farm tap meter is the responsibility of the property owner.

g. Delta uses Utilisphere's capability of automatically sending a positive electronic response to the excavator via text message, email, or voice message. Delta is already in full

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compliance with the revisions to KRS 367.4909. The attached ticket provides an example of the positive response.

Sponsoring Witness: Jonathan Morpew

Folder: Nicholasville; Assigned To: Bowman, Brad

0278 00001 KUPIa 06/07/2021 06:05:37 2106070064-00A NORM NEW STRT

NORMAL NOTICE

Ticket : 2106070064 Date: 06/07/2021 Time: 06:04 Oper: KENTUCKY811 Chan:000

State: KY Cnty: JESSAMINE City: NICHOLASVILLE
Subdivision:

Address : 408

Street :

Cross 1 :

Location: LOCATE ENTIRE PROPERTY

Boundary: n 37.901928 s 37.900432 w -84.560321 e -84.558769

Work type : INSTALLING CABLE TELEVISION SERVICE LINE

Done for : SPECTRUM

Start date: 06/09/2021 Time: 07:00 Hours notice: 49/48 Priority: NORM

Ug/Oh/Both: U Blasting: NO

Emergency: N

Duration : N/A Depth: 2 FT

Company : HALLS COMMUNICATION Type: CONT

Co addr : 1150 HARPERS RIDGE ROAD

City : MOUNT STERLING State: KY Zip: 40353

Caller :

Contact : - CELL Phone:

Mobile :

Fax :

Email :

Submitted date: 06/07/2021 Time: 06:04

Members: 0278 0387 0715 WINKY

Audit History:**6/7/2021 6:05:38 AM: Received***DETAILS:* Ticket received for registration code 0278**6/7/2021 6:05:38 AM: Put in Folder***DETAILS:* Put in Nicholasville by auto process*NOTE:* Auto Processed per All Tickets**6/7/2021 9:38:26 AM: Assigned (Action Time: 6/7/2021 9:37:43 AM)***DETAILS:* Assigned to Brad Bowman by Brad Bowman**6/7/2021 9:38:26 AM: Attachment Added (Action Time: 6/7/2021 9:38:07 AM)***DETAILS:* Attachment added by Brad Bowman GPS Coordinates: Latitude 37.84386, Longitude -84.55007, Compass Heading: 202.628372192383**6/7/2021 9:38:26 AM: Responded (Action Time: 6/7/2021 9:38:18 AM)***DETAILS:* Marked with flags and paint: added by Brad Bowman, Locate Time: 6/7/2021 9:38:00 AM, Units of Work: 0.01
Response entered at GPS Coordinates: Latitude 37.9012, Longitude -84.559**6/7/2021 9:38:31 AM: Ticket Queued***DETAILS:* Ticket queued for delivery**6/7/2021 9:38:31 AM: Positive Response to Center Queued***DETAILS:* Positive Response to Center queued for delivery**6/7/2021 9:38:31 AM: Positive Response to Excavator Queued***DETAILS:* Positive Response to Excavator queued for delivery**6/7/2021 9:38:34 AM: Positive Response to Center Delivered***DETAILS:* Positive Response to Center successfully sent**6/7/2021 9:38:46 AM: Ticket Delivered***DETAILS:* Ticket successfully sent to bbowman@deltagas.com**6/7/2021 9:40:38 AM: Positive Response to Excavator Delivered***DETAILS:* Positive Response to Excavator successfully sent to

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15. Refer to the Morphew Testimony, page 8.
- a. Explain why Delta did not defer the CPCN request until more information is available to the Commission to make a better informed decision.
 - b. State whether there are any costs associated with the Nicholasville Project included in the future test-year data provided in this case. If so, provide those amounts.
 - c. Provide more specific examples of any safety issues, operational situations involving lack of redundancy availability, and/or capacity (low pressure) incidents that have factored into the need for this project
 - d. Provide data to the support the statement that growth in the Delta service territory of Jessamine County does not contradict previous testimony that forecasted customer growth is zero.

Response:

- a. Delta sought the CPCN in this proceeding so that it did not incur significant engineering and acquisition costs before the Commission reviewed and approved the project. Such an approach is beneficial to customers in the event the Commission determines it cannot grant a CPCN.
- b. There are costs associated with the Nicholasville Project included in the future test-year data provided in this case. The costs include \$1,750,299 for the right-of-way acquisition of the entire Nicholasville Project in 2022. As described further in Delta's response to Question No. 17, Delta recently revised its capital plans in connection with Essential's recent 5-year planning process. The main change of significance was to stretch the Nicholasville Project through 2025

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instead of trying to complete the project on a more compressed timeline. All changes in the budget are beyond the forecasted test year; there are no changes to the amounts budgeted in the forecasted test year. Beyond the forecasted test year, Delta has budgeted \$2,564,005 in 2023 for all metering and regulating station construction and tap fees associated with the purchase station facilities, \$7,541,825 in 2024 for construction of one-half of the Nicholasville Project, and \$7,541,825 in 2025 for construction of the remaining half of the Nicholasville Project.

c. In 2014, the Nicholasville area experienced extreme cold weather conditions for an extended period of time. During this time, Kentucky Utilities was unable to provide electric service to a large portion of Delta's Nicholasville service area. As a result, Delta's customers were unable to use gas heat during the outage. When Kentucky Utilities restored electric service, it created a natural gas load demand throughout the system that Delta had never previously experienced in the history of its Nicholasville operations. Delta personnel were dispatched to key locations within the system to closely monitor pressure and volume levels as system recovery was re-established. As a result of the concentration effort by Delta Operations, Delta sustained supply throughout the system and there was no loss of service to customers. However, the Brannon crossing area on the north side of Nicholasville dropped to 1 psi pressure during the electric outage. This area has experienced significant commercial and residential gas load requirements in recent years. Since the 2014 electric outage, Delta has implemented system upgrades in anticipation of future outages that have helped with this concern to some degree, but the upgrades do not alleviate any concern with the single line feed to the entire system. If there had been alternate supply of

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natural gas as Delta is proposing with the Nicholasville Project, there likely would have been no operational concerns given the same electric outage conditions.

In addition to this example, Delta also has significant redundancy concerns about the Nicholasville system that will be remedied by the Nicholasville Project. Delta's supply from its Interstate Transmission supplier could be interrupted due to a catastrophic failure on its supplier's system. Should this occur, Delta would lose the ability to supply its Nicholasville system. The proposed additional tap on a separate Interstate supplier alleviates this concern by providing a redundant supply to the Nicholasville system.

d. Mr. Seelye analyzed sales growth on Delta's system by examining overall sales, which is appropriate because billing test year determinants used in the proceeding are based on Delta's overall sales and not sales for individual regions of the system. It is almost always the case with electric, gas, and water utilities that sales growth in one part of the system is offset by sales decreases in other parts of the system. When Delta's sales are analyzed in total, Delta has experienced no measurable growth over the past 10 years. See Delta's responses to Question Nos. 43 and 44.

Sponsoring Witness: Jonathan Morphew / William Steven Seelye

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16. Refer also to the Morphew Testimony, page 9, line 17. Explain why the upgrade of the existing pipeline project would not be needed if the Nicholasville Project CPCN were approved.

Response:

The high pressure steel pipeline in the Nicholasville system currently consists of predominantly 8-inch steel piping. However, it does contain two sections of steel piping centrally located in the system that are smaller in diameter. The two smaller sections are equally responsible for delivering higher pressure and volumes through the central part of the system to the northern area at Brannon Crossing and the Fayette County line. The two smaller sections consist of approximately 4,100 feet of 4-inch steel piping and 13,200 feet of 6-inch steel piping. Under heavy load demands, these two smaller sections of pipe create somewhat of a “bottleneck” resulting in reduced pressure and volume delivery in the north area of the system. By routing the requested transmission line to terminate in the north area of Delta’s system, abundant volumes and pressure can be delivered and provide a back feed to the existing supply coming from the south. With the secondary supply in place, it will not be necessary to upgrade the two sections of smaller diameter pipe.

Sponsoring Witness: Jonathan Morphew

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17. Refer to the Morpew Testimony, page 10, line 9. The proposed timeline provided for the Nicholasville Project projected the end of the 2023 construction season. Explain how Delta developed this aggressive timeline when preliminary right of way easements and required permitting has not yet begun.

Response:

Delta developed a swift timeline in order to address the redundancy and capacity issues in the Nicholasville system as soon as reasonably possible.

In connection with the recent 5-year planning process, Delta reexamined the capital plans and determined that extending the Nicholasville Project through 2025 would be more realistic than trying to complete the project on a more compressed timeline. As Delta explained in response to Question No. 15(b), all changes to the capital budget occur after the end of the forecasted test year so the change in the Nicholasville Project timeline does not impact Delta's proposed rates. A copy of the updated capital budget is attached.

Sponsoring Witness: Jonathan Morpew

<u>Budget ID</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>Total</u>
IT	3,147,261	391,289	185,479	262,393	164,639	4,151,061
JBB	1,080,852	1,232,547	1,184,000	1,145,696	1,159,000	5,802,095
JWM	13,110,199	14,330,505	19,873,326	20,203,278	10,896,500	78,413,808
DCC	-	10,000	10,000	10,000	-	30,000
Subtotal Delta	<u>17,338,312</u>	<u>15,964,341</u>	<u>21,252,805</u>	<u>21,621,367</u>	<u>12,220,139</u>	<u>88,396,964</u>
IT	97,922	100,784	136,574	67,600	51,762	454,642
JWM	200,000	200,000	200,000	200,000	200,000	1,000,000
Subtotal PKY	<u>297,922</u>	<u>300,784</u>	<u>336,574</u>	<u>267,600</u>	<u>251,762</u>	<u>1,454,642</u>
GRAND TOTAL	17,636,234	16,265,125	21,589,379	21,888,967	12,471,901	89,851,606
CHECK	<u>17,636,234</u>	<u>16,265,125</u>	<u>21,589,379</u>	<u>21,888,967</u>	<u>12,471,901</u>	<u>89,851,606</u>
	-	-	-	-	-	-
Remove Enpro (Nonreg)	<u>24,000</u>	24,000	24,000	24,000	24,000	
	<u>17,612,234</u>	<u>16,241,125</u>	<u>21,565,379</u>	<u>21,864,967</u>	<u>12,447,901</u>	
Per Rate Model (Delta and PKY)	<u>17,612,234</u>					

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18. Refer to the Morphew Testimony, page 10, lines 15–21.
- a. Explain why the attempts to tap into local natural gas companies were unsuccessful.
 - b. Explain when Delta last contacted these companies about such a project.

Response:

a. Both Columbia Gas of Kentucky and Louisville Gas and Electric cited the inability of their systems to meet Delta’s projected supply and pressure needs in addition to the estimated growth on their systems.

b. Columbia Gas of Kentucky informed Delta of their decision in February 2021, and Louisville Gas and Electric informed Delta of their decision in April 2021.

Sponsoring Witness: John B. Brown

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19. Refer to the Morpew Testimony, page 11, lines 4–9. Explain whether Delta expects to perform its own right-of-way mowing/maintenance in this area, or if it is to be performed by contract labor.

Response:

At this time, Delta plans to maintain the right of way of the Nicholasville pipeline by use of Company personnel.

Sponsoring Witness: Jonathan Morpew

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20. Refer to the Paul R. Moul Testimony (Moul Testimony), page 4, and Attachment PRM-3. The sample size of the Gas Group of proxy companies is very small.

a. Explain what makes NiSource, Inc.'s capital structure atypical for gas distribution utilities, and why it was not included in the Gas Group.

b. Explain why PNG Companies, LLC is not present in the Gas Group.

c. Water utilities have many similar characteristics as gas companies. Explain why it is not reasonable to include water companies as a part of the proxy group of companies.

d. If it is not reasonable to include water utilities in the proxy group, compare and contrast the specific attributes of water utilities with those current Gas group proxies that renders them unsuitable for use as proxies.

Response: This response will be supplemented. Delta has filed a Motion for Extension for Mr. Moul's responses.

Sponsoring Witness:

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21. Refer to the Moul Testimony, page 6, lines 5–21. Mr. Moul discusses the risk associated with natural gas utilities.

a. Explain the impact carbon regulation will have with the natural gas industry.

a. Explain any pending federal legislation that will either increase or decrease the demand and cost of natural gas.

Response: This response will be supplemented. Delta has filed a Motion for Extension for Mr. Moul's responses.

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22. Refer to the Moul Testimony, page 7, lines 1–15.

a. Explain the percentage of Delta’s annual revenue at risk due to by-pass by industrial and or transportation customers. Include in the response a breakout of customer revenue derived from transportation service only.

b. Explain whether Delta currently has any industrial or transportation customers by-passing its system.

c. Explain whether Delta has had any industrial or transportation customers by-pass its system in either 2019 or 2020, and if so, include in the response an estimate of the load and revenue lost.

d. Explain whether any natural gas from Delta’s storage fields is sold to industrial or transportation customers, and if so, what percentage of those customers total consumption.

e. Explain whether Mr. Moul agrees that natural gas is a preferred choice of many energy intensive industries and whether this dampens the competitive risk.

Response:

a. The annual off-system transportation revenue at risk to by-pass by transportation customers is 20%. 2019 revenue derived from off-system transportation service was \$3,585,965.09 and \$2,696,796.13 in 2020. The 2020 on-system industrial revenue at risk for bypass is \$2,979,508.75.

b. Delta Natural Gas has not lost a large industrial or transportation customer to a physical bypass of a customer constructing their own private transmission to another company

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with Delta facilities on the property. This possibility does exist. However, as discussed below in (c), there are examples of off-system transportation bypass.

c. In 2020, 4 Off-System Transportation customers by-passed Delta's system equaling \$283,533.94 in lost revenue and 1,003,304.81 dekatherms of load, none in 2019.

d. Delta Natural Gas utilizes its storage fields (Canada Mountain) to supplement the gas supply to all customers during the winter heating months of December through March.

e. This response will be supplemented. Delta has filed a Motion for Extension for Mr. Moul's data responses.

Sponsoring Witness: John B. Brown

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23. Refer to the Moul Testimony, page 8 generally. Explain whether filing a forecasted test year rate case as opposed to a historical has any effect on the perceived riskiness of Delta. Include in the explanation how credit rating agencies view forecasted test years.

Response: This response will be supplemented. Delta has filed a Motion for Extension for Mr. Moul's responses.

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24. Refer to the Moul Testimony, page 8, lines 6–14. Provide a detailed explanation of whether Delta has had any trouble placing program costs into or timely recovering program costs through its pipeline replacement program. If not, explain why participation in this program does not reduce risk for the company.

Response:

Delta has generally not had difficulty placing program costs into or timely recovering program costs through its pipeline replacement program. Please refer to the Mr. Moul's testimony on page 8, lines 6-14 in which he explains that all of the proxy group companies whose data has been used to develop the cost of equity for Delta in this proceeding have at least some form of a PRP or similar infrastructure rehabilitation mechanism. As such, the impact of a pipeline replacement program is already reflected in the market evidence of the cost of equity for the proxy group.

Sponsoring Witness: John B. Brown

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25. Refer to the Moul Testimony, page 8, lines 15–22, and page 9, lines 1–8. Explain why the weather normalization adjustment does not lower Delta’s risk.

Response: This response will be supplemented. Delta has filed a Motion for Extension for Mr. Moul’s responses.

Sponsoring Witness:

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26. Refer to the Moul Testimony, page 10, lines 3–19. For the last two-year period, provide a copy of any Value Line reports and any credit rating agency reports regarding Delta including any that discuss the merger of Delta with its current parent. If no Value Line or credit rating agency reports exist within the requested period for Delta, provide them for Delta’s parent, PNG Companies, LLC.

Response: This response will be supplemented. Delta has filed a Motion for Extension for Mr. Moul’s responses.

Sponsoring Witness:

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27. Refer to the Moul Testimony, page 16, lines 10–16, page 17, lines 2–13, and Attachment PRM-6.

a. Explain how Delta obtains its debt capital financing. If the debt capital comes solely from its parent, explain how the parent obtains its debt capital and then transfers that to Delta or any other wholly owned affiliate.

b. For Attachment PRM-6, explain whether the short term debt belongs to Delta or Peoples KY. If the short term debt belongs to Delta, explain why it is not included in the capital structure.

c. For Attachment PRM-6, pages 1 and 2 of 3,

(1) Explain why there is no change in the Peoples KY Tranches outstanding amounts and annualized debt service, but the Delta Tranche 2 outstanding amount and annualized debt service declines.

(2) Explain whether the amortization of issuance expenses is being financed and considered debt and whether any of these expenses are attributable to Delta.

Response:

a. Delta will obtain future debt capital financing from its parent, PNG Companies (“PNG”) in the form of Intercompany Promissory notes. PNG obtains the funds to be lent to Delta from its indirect parent, Essential Utilities Inc.(“Essential”), pursuant to a promissory note between PNG and Essential. Essential obtains its funds by issuing debt in the external debt markets at

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competitive market rates and prices. Essential follows generally accepted debt placement procedures to ensure market-based interest rates and terms for the debt.

b. Pursuant to the Commission's order in Case No. 2020-00346, the transfer of ownership of Peoples Kentucky to Delta was approved on February 22, 2021. Therefore, the short-term debt estimated as of December 31, 2022 effectively belongs to both Delta and Peoples KY. The Company has not projected any short-term debt as of December 31, 2022 as the short-term debt is to be repaid by \$25.3M of long-term debt (Delta – Tranche 3) anticipated to be issued prior to the beginning of the fully forecasted test year. Please see the response to PSC 2-28.

c. (1) The legacy tranches of the Peoples KY do not include prepayments whereas the underlying tranches of the Delta debt include \$1.5M worth of prepayments annually.

(2) These debt issuance costs are attributable to Delta and are funded via operating cash flow or borrowings.

Sponsoring Witness: Andrea Schroeder

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28. Refer to the Moul Testimony, Attachment PRM-6, page 3 of 3.

a. Provide support for the projected interest rate of 3.10 percent for the Delta – Tranche 3 anticipated debt issuance.

b. Provide support for the projected interest rate of 1.00 percent for the forecasted short-term debt rate.

Response:

a. The 3.1% rate is based upon the anticipated interest rate that Delta will obtain from Essential, by way of a promissory note with PNG, through a planned long-term financing in November. Delta is preparing an application to request approval of the financing from the Commission. The interest rate consists of a 3.06% coupon rate and 0.04% amortization of issuance costs. This coupon rate is supported by external Essential issuances as follows:

	Interest Rate	Issue Date	Maturity Date	Allocated Balance	Weighted Avg Interest Rate
Senior Unsecured Notes - Essential	2.70%	4/15/2020	4/15/2030	\$ 11,506,580	1.23%
Senior Unsecured Notes - Essential	3.35%	4/15/2020	4/15/2050	\$ 13,807,895	1.83%
				\$ 25,314,475	3.06%
				Debt Issuance Expenses	0.04%
				Total Rate	3.10%

b. This 1.00% short-term interest rate was derived by rounding down the actual April 2021 rate of 1.2%.

Sponsoring Witness: Andrea Schroeder

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29. Refer to the Moul Testimony, page 19, lines 19–21, and page 20, lines 1–2.
- a. Explain how the month end stock prices were adjusted.
 - b. Provide the average three, six, and 12 month dividend yields using the average monthly stock price as opposed to the adjusted month end stock price.
 - c. Provide further explanation as to how the historic six month average dividend yield is a better reflection of current capital costs rather than the three month average yield. Include in the explanation how the historic three month yield does not avoid spot yields, but the six month average yield does.

Response: This response will be supplemented. Delta has filed a Motion for Extension for Mr. Moul's responses.

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30. Refer to the Moul Testimony, page 20, lines 5–8 and to Attachment PRM-7. Provide an explanation for each of three methods utilized to make a forward adjustment to the dividend yield, and the strengths and shortfalls of the each method.

Response: This response will be supplemented. Delta has filed a Motion for Extension for Mr. Moul's responses.

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31. Refer to the Moul Testimony, page 25, lines 17–21. The average of the three earnings per share growth estimates from IBES/First Call, Zacks, and Value Line is 5.82 percent. Provide further explanation of why 6.75 percent is reasonable.

Response: This response will be supplemented. Delta has filed a Motion for Extension for Mr. Moul's responses.

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32. Refer to the Moul Testimony, pages 2–26, lines 18–22 and 1–2 respectively, and to Attachment PRM-9.

a. Explain and provide support for the statement that DCF growth rates should not be established by mathematical formulation.

b. Explain how the midpoint of the growth rate forecasts was determined.

Response: This response will be supplemented. Delta has filed a Motion for Extension for Mr. Moul's responses.

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33. Refer to the Moul Testimony, page 31. Explain whether Delta is aware of this Commission's recent rate case Orders and whether a leverage or a flotation cost adjustments has been accepted in DCF analyses.

Response: This response will be supplemented. Delta has filed a Motion for Extension for Mr. Moul's responses.

Sponsoring Witness:

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34. Refer to the Moul Testimony, page 34, lines 1–15 and 35 lines 1–12. The discussion indicates that interest rates are expected to rise per the Blue Chip Financial Forecasts.

a. Explain why it is reasonable to accept a 6.75 percent equity risk premium which is even higher than the stated low interest rate 6.63 percent premium and explain in greater detail how the 6.75% equity risk premium was derived from the data and the current low-interest environment considerations.

b. Since interest rates are expected to rise per the Blue Chip Financial Forecasts, explain why a 5.67 percent would be an unreasonable equity risk premium.

c. Explain why current interest rates on long term Treasuries do not embody an investor's expectations of the future and, therefore, would also be appropriate for use in the model.

d. Explain the cutoff for what is considered a "low interest rate" and a "high interest rate".

Response: This response will be supplemented. Delta has filed a Motion for Extension for Mr. Moul's responses.

Sponsoring Witness:

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35. Refer to the Moul Testimony, page 36, lines 6–21. Explain whether Delta is aware of this Commission’s recent rate case Orders and whether leverage adjustments to Value Line Betas have been accepted.

Response: This response will be supplemented. Delta has filed a Motion for Extension for Mr. Moul’s responses.

Sponsoring Witness:

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36. Refer to the Moul Testimony, page 36, lines 9–11. Provide support that the Betas published by Value Line are not formulated on the basis of book-value capital structure.

Response: This response will be supplemented. Delta has filed a Motion for Extension for Mr. Moul's responses.

Sponsoring Witness:

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37. Refer to the Moul Testimony, page 38, lines 8–21, Attachment PRM-13, and Attachment PRM-14.

a. Explain why it is appropriate to use the market return on large company stocks as opposed to the market as a whole.

b. Provide an updated Attachment PRM-13 the years selected to derive the 12.06 percent return and include the accompanying rates of interest. Also, include in the response, the range of interest rates for each year selected.

c. Provide an updated Attachment PRM-13 using the entire market and all years to calculate the market return.

d. Value Line covers about 1,700 companies. For Attachment PRM-14, page 2, explain whether for the forecasted market premiums, the companies present in the S&P 500 are also present in the Value Line based calculations.

e. For the Value Line based forecasted market premium, explain how the Dividend Yield and the Median Appreciation Potential were either derived or were found in a Value Line publication. If published by Value Line, provide a copy of the publication.

Response: This response will be supplemented. Delta has filed a Motion for Extension for Mr. Moul's responses.

Sponsoring Witness:

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38. Refer to the Direct Testimony of William C. Packer (Packer Testimony), page 12, lines 5–8 and 19–20. Explain whether employee compensation is equal to or better than the 50th percentile of the market with or without consideration of “at-risk” pay.

Response:

As explained on page 12, lines 22-23, Delta benchmarks the 50th percentile based on all-in compensation, which includes “at-risk” pay.

Sponsoring Witness: William C. Packer

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39. Refer to the Packer Testimony, pages 12–13.
- a. Provide the test-year amount of payments under Delta’s long-term incentive plan, short-term incentive plan, and Achievement Awards.
 - b. Explain how the short-term incentive plan metrics are used to fund the plan and determine the payout amounts.
 - c. Provide the metrics used for the long-term incentive plan and explain how they are used to fund the plan and determine the payout amounts.
 - d. Explain whether Achievement Awards are ever rewarded based on financial performance measures.

Response:

a.

Long-term incentive plan	\$ 49,989
Short-term incentive plan	197,677
Achievement awards	120,582
Executive bonus	177,711
Total per FR Tab 57 – Schedule D-2.6	\$ 545,959

- b. As of 2021, the Short-Term Incentive program is based solely on non-financial measures. A copy of the plan is provided in response to Item No. 81 of the Attorney General’s First Request for Information.

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Metric	Metric Component	Weight	Threshold 90%	Target 100%	Maximum 110%
Safety	Lost Time/Restricted Time #	10.00%	3	4	5
	Responsible Vehicle Accident #	5.00%	8	7	6
	Peoples Gas Safety Compliance Measures	10.00%	99.98%	99.99%	100.00%
Customer Satisfaction	Peoples Service Level	10.00%	80%/30 sec	82%/30 sec	84%/30 sec
Environmental Stewardship	Reduction - Leaks Outstanding	2.50%	10	5	0
	LTIP Mileage Replacement	2.50%	97.50%	100.00%	102.50%
Diversity	State Supplier Diversity	5.00%	3.6%	4.0%	4.4%
	State Employee Diversity	5.00%	N/A	0.6%	1.3%
Individual Goals		50.00%			
		100.00%			

The safety, customer satisfaction, environmental stewardship, diversity and individual goal metrics are all considered customer-based metrics. These are items important to the community, the employees, and lower costs to consumers.

- Safety: Lowering the number of injuries and accidents to employees as well as ensuring the safe delivery of gas to customers is critical to our success for customers.
- Customer Satisfaction: Responding to customer calls within established service levels is critical to customer satisfaction.
- Diversity: Ensuring that our suppliers and employees are representative of the diversity of the communities in which we operate ensures that we support those communities as an employer and purchaser of goods and services.
- Individual Performance Goals: encourage employees to perform at their best. Employee performance is critical to the customers as employees are constantly interacting with the public in performance of their duties.

The metrics are as follows:

Metric	Metric Component	Date as of	Threshold - 90%	Target - 100%	Max - 110%	Actual	Actual Attainment	Primary Source	Primary Share	Secondary Source	Secondary Share	Total Attainment	Weight	Projected Achievement
Peoples & Delta KY														
Total														
Financial	Earnings Per Share	Dec-2020	\$1.50	\$1.55	\$1.60	\$1.67	110.6%	Essential	100.00%		0.00%	110.6%	10.0%	22.5%
Financial	Return on Equity	Dec-2020	-0.75%	0.00%	0.75%	1.62%	113.6%	Essential	100.00%		0.00%	113.6%	7.5%	8.52%
Financial	EBITD Peoples Corporate	Dec-2020	\$172,482,829	\$179,341,849	\$185,961,869	\$185,832,380	102.37%	Peoples Corporate	100.00%		0.00%	102.37%	18.0%	13.24%
Financial	EBITD Peoples State	Dec-2020	\$8,382,111	\$8,884,791	\$9,327,479	\$7,994,454	85.6%	Peoples Corporate	0.00%	State	100.00%	85.6%	17.5%	0.00%
Safety	Responsible Vehicle Accidents	Dec-2020	13	11	9	7	100.0%	Peoples Corporate	75.00%	State	75.00%	100.0%	5.0%	7.50%
Safety	Lost/Restricted Incidents	Dec-2020	7	6	5	5	100.0%	Peoples Corporate	75.00%	State	75.00%	100.0%	18.0%	15.00%
Safety	Gas Safety Rate	Dec-2020	99.99%	99.99%	100.00%	100.00%	100.0%	Peoples Corporate	75.00%	State	75.00%	100.0%	18.0%	15.00%
Customer Satisfaction	Peoples Service Level	Dec-2020	80.00%	82.00%	84.00%	83.18%	100.0%	Peoples Corporate	100.00%		0.00%	100.0%	18.0%	15.00%
Environmental Stewardship	Gas Leaks	Dec-2020	28	24	20	5	100.0%	Peoples Corporate	75.00%	State	75.00%	100.0%	2.5%	3.75%
Environmental Stewardship	Pipeline Replacement Program	Dec-2020	100.00%	100.00%	110.00%	100.00%	100.0%	Peoples Corporate	60.10%	State	74.00%	100.0%	3.5%	3.35%
Individual Goals	Individual Goals	N/A Q1-Q2 '21	90.00%	100.00%	110.00%	100.00%	100.0%	Peoples Corporate	0.00%	State	100.00%	100.0%	18.0%	18.00%

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c. The Long Term Incentive Program uses a blend of customer-based and financial-based incentives for Essential Utilities as a whole. They include Total Shareholder Return Percentage as compared to peers, Average Rate Base Growth, and Achievement of Targeted Operating and Maintenance Expenses. Copies of the plan documents are provided in response to Item No. 81 of the Attorney General's First Request for Information.

20% of Long Term Incentive Program awards are based on the achievement of Targeted Operating and Maintenance Expenses, which is a critical measure of cost control that directly benefits our customers through measurable operating efficiencies. The remaining 80% of awards are based on Total Shareholder Return Percentage as compared to peers and Average Rate Base Growth.

O&M Target	Attainment
\$ 1,592,911	200%
\$ 1,595,611	190%
\$ 1,598,311	180%
\$ 1,601,011	170%
\$ 1,603,711	160%
\$ 1,606,411	150%
\$ 1,609,111	140%
\$ 1,611,811	130%
\$ 1,614,511	120%
\$ 1,617,211	110%
\$ 1,619,911	100%
\$ 1,622,611	90%
\$ 1,625,311	80%
\$ 1,628,011	70%
\$ 1,630,711	60%
\$ 1,633,411	50%

d. Achievement awards are not based on financial performance measures. The Achievement Award program is a completely discretionary program awarded to hourly and lower-level salaried employees who are not eligible to participate in the Short-Term Incentive Plan. It is

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based solely on individual performance and awarded at the discretion of the leadership team to deserving employees. It is budgeted at 2.5% of base salary for eligible participants and administered during the annual merit and performance review process.

Sponsoring Witness: William C. Packer

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40. Refer to the Packer Testimony, page 15. Confirm that current employees do not participate in both a defined benefit plan and 401(k) matching. If this cannot be confirmed, provide the test-year amount of 401(k) matching contributions provided to employees who participate in a defined benefit plan.

Response:

Confirmed.

Only employees hired prior to May 2008 ever accrued benefits under the defined benefit plan. Employees hired after May 2008 have participated solely in the defined contribution plan. Delta froze accruals in its defined benefits plan effective as of May 2021. As such, as those employees who participated in the defined benefit plan retire, only their service through May 2021 and their 2021 salary is considered in calculating their retirement benefit from the defined benefit plan.

Therefore currently, and throughout the test year, the only retirement benefit accruing to any employee is 401(k) matching.

The Company noted in PSC-1 Question 33 that the test year should include (\$880,000) of pension income due to Essential freezing the defined benefit plan during 2021 which would have required Delta to reduce test year pension expense by an additional \$511,670. Subsequent to the filing of that response, Willis Towers Watson issued a new Essential Utilities, Inc. Estimated 5-Year ASC 715-30 Accounting Cost Forecast-Pension that reduced the estimate of pension income to (\$746,000). This new estimate changes the additional pension expense adjustment from

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\$511,670 as previously disclosed to \$377,670. The Company will reflect the accompanying reduction in revenue requirement in its base period update.

Sponsoring Witness: William C. Packer / John B. Brown

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41. Refer to the Packer Testimony, pages 13–14, and Delta’s Response to Commission Staff’s First Request for information (Staff’s First Request), Item 46. Explain whether Delta compares its salaries and benefits to any local or regional benchmarks.

Response:

Yes, Delta considers local and regional data for its salaries and benefits. Delta and its ultimate parent company, Essential Utilities, utilizes data from Willis Tower Watson Energy Services and the American Gas Association to establish competitive market rates for roles that are specific to the gas industry. For other business functional roles, such as finance and information technology, data from the Willis Towers Watson General Industry Services and the Comp Analyst database in Salary.com is used. This data is then compared against the Economic Research Institute data to determine how wages in Kentucky compare to national averages and adjustments are made to reflect same. In 2020, Delta’s leadership worked with Essential to establish benchmarks for every Delta position to ensure the market data was accurate.

Sponsoring Witness: William C. Packer

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42. Refer to the Direct Testimony of William S. Seelye (Seelye Testimony), page 11, lines 6-

8. Explain why Delta's design-days demands are determined at the design day of -3 degrees Fahrenheit?

Response:

The design day temperature of -3 degrees Fahrenheit represents the average of the three coldest annual mean temperatures that have occurred during the last 30 years:

1994	-8 F
1996	-1 F
2015	<u>0 F</u>
Average	-3 F

Sponsoring Witness: William Steven Seelye

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43. Refer to the Seelye Testimony, pages 17-21. Regarding the development of the forecasted billing determinants, explain whether any econometric analysis was performed. If so, provide this analysis. If not, explain why not.

Response:

As discussed in Mr. Seelye's testimony, after analyzing data for the last 10-year period, his recommendation was to use the temperature normalized billing determinants for the 12 months ended December 31, 2020, as the basis for Delta's forecasted sales and transportation volumes for the test year. The 10-year analysis of Delta's billing determinants indicated that the average usage per customer and number of customers have remained essentially flat over the period. Because Delta's sales and customer count have remained relatively flat over the 10-year period, Mr. Seelye concluded that it was not necessary or meaningful to perform an econometric analysis, particularly given the absence of variation in the sales and customer count data which would be captured in the regression models that would be used to perform an econometric analysis. Based on the relative lack of variance in the sales data for the last 10 years, it was also concluded that the normalized 2020 billing units were representative of sales and transportation on a going forward basis.

Sponsoring Witness: William Steven Seelye

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44. Refer to the Seelye Testimony, page 21, lines 13-22. Regarding the development of the forecasted sales, explain whether any econometric analysis was performed. If so, provide this analysis. If not, explain why not.

Response:

A limited econometric analysis was performed using a regression analysis that evaluated the normalization of heating sensitive sales over a ten-year basis. See attached.

Because of the lack of variation in the sales and customer data, it was determined that incorporating other economic variables in the analysis would not be particularly meaningful. See the response to Question 43.

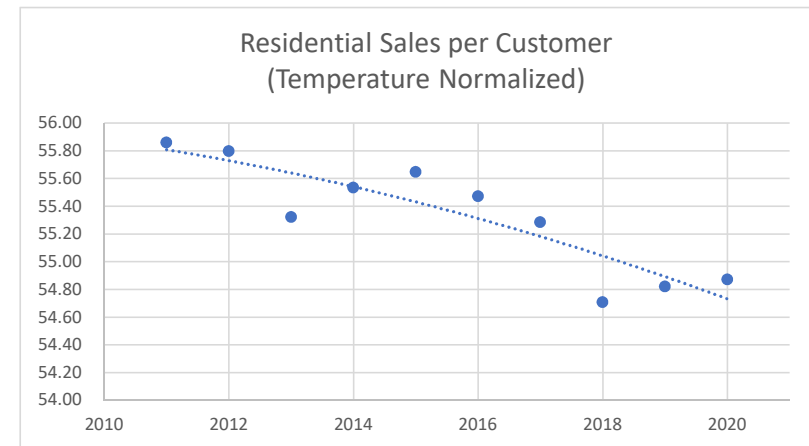
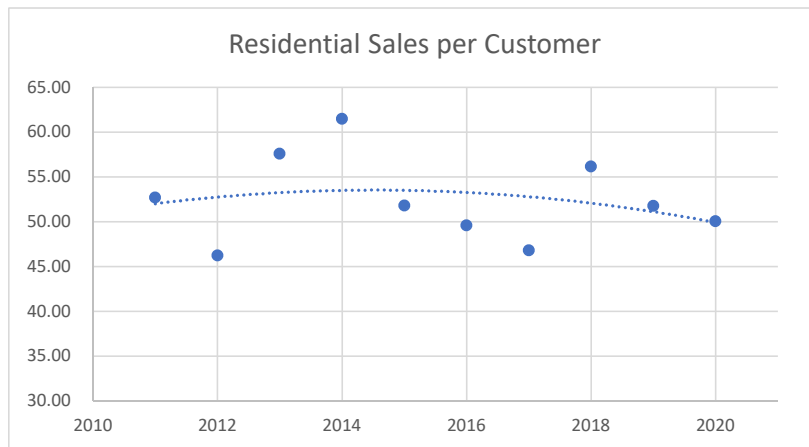
Sponsoring Witness: William Steven Seelye

		2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	Average	
Degree Days	Actual	4,360	4,016	4,462	3,737	4,026	4,328	4,915	4,650	3,975	4,394		
	Normal	4,483	4,479	4,470	4,516	4,531	4,545	4,536	4,519	4,557	4,562		
	%	97%	90%	100%	83%	89%	95%	108%	103%	87%	96%		
Volume	Regulated												
	Gas Sales												
	Residential	1,528,336	1,548,051	1,668,921	1,385,061	1,464,535	1,528,760	1,810,186	1,707,546	1,375,475	1,590,452	1,560,732	
	Small Non-Residential	532,156	556,381	598,902	481,561	513,536	535,022	618,008	561,996	436,510	496,642	533,071	
	Large Non-Residential	772,420	858,119	910,637	799,262	825,863	789,269	902,154	852,827	699,484	779,335	818,937	
	Interruptible	29,409	30,459	28,980	23,922	22,035	23,537	27,340	24,003	28,241	33,453	27,138	
	Gas Light	722	660	897	888	903	940	997	984	998	1,043	903	
	Total Gas Sales	2,863,043	2,993,670	3,208,337	2,690,694	2,826,872	2,877,528	3,358,685	3,147,356	2,540,708	2,900,925	2,940,782	
	Transportation												
	On-system transportation	4,855,537	5,054,399	4,978,147	4,906,786	5,043,085	5,180,835	4,797,639	5,117,178	4,829,380	4,769,573	4,953,256	
Off-system transportation	8,430,473	11,224,103	9,839,613	11,985,610	12,533,962	11,867,827	11,402,247	11,863,640	11,094,761	11,881,274	11,212,351		
Total Transportation	13286010	16278502	14,817,760	16,892,395	17,577,046	17,048,661	16,199,886	16,980,818	15,924,141	16,650,847			
Total Regulated	16149053	19272172	18,026,097	19,583,089	20,403,918	19,926,189	19,558,571	20,128,174	18,464,849	19,551,772			
Customers	Residential	30,545	29,911	29,728	29,600	29,540	29,506	29,449	29,654	29,766	30,192	29,789	
	Commercial	4,184	4,955	4,926	4,920	4,907	4,900	4,846	4,885	4,883	4,939		
	Industrial	889	39	38	39	39	40	41	40	40	43		
	Total	35,618	34,905	34,692	34,559	34,486	34,446	34,336	34,579	34,689	35,174		
Mcf per Cust	Residential	50.04	51.76	56.14	46.79	49.58	51.81	61.47	57.58	46.21	52.68	52.41	
	Non-Residential	1,220.09	1,301.43	1,312.79	1,252.58	1,294.89	1,321.59	1,298.37	1,331.17	1,217.47	1,220.19		
Aggregate Mcf	Residential	1,529,058	1,548,711	1,669,818	1,385,949	1,465,438	1,529,700	1,811,183	1,708,530	1,376,473	1,591,495	1,561,636	
	C&I Sales and Transportation	6,189,522	6,499,358	6,516,666	6,211,531	6,404,519	6,528,663	6,345,141	6,556,004	5,993,615	6,079,003	6,332,402	
	Off-System Transportation	8,430,473	11,224,103	9,839,613	11,985,610	12,533,962	11,867,827	11,402,247	11,863,640	11,094,761	11,881,274	11,212,351	
	Total	16,149,053	19,272,172	18,026,097	19,583,089	20,403,918	19,926,189	19,558,571	20,128,174	18,464,849	19,551,772		

Residential Analysis

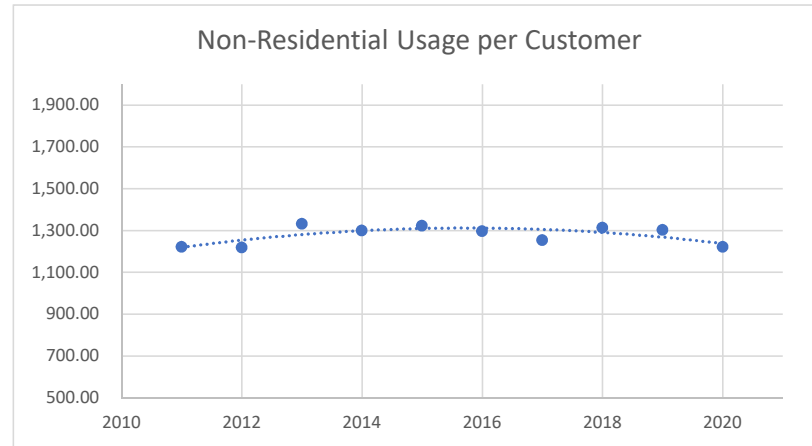
Slope 0.012529074
 Intercept -1.29824025

	53.33	49.02	54.61	45.52	49.14	52.93	60.28	56.96	48.50	53.75
	3.29	(2.74)	(1.53)	(1.27)	(0.43)	1.12	(1.19)	(0.62)	2.30	1.08
Normalized	54.87	54.82	54.71	55.28	55.47	55.65	55.53	55.32	55.80	55.86
	51.58	57.56	56.24	56.55	55.91	54.53	56.72	55.94	53.50	54.78



Non-Residential Analysis

Non-Residential Customers	5,073	4,994	4,964	4,959	4,946	4,940	4,887	4,925	4,923	4,982
Slope	0.046261748									
Intercept	1078.76548									
Normalized	1,286.16	1,285.97	1,285.56	1,287.68	1,288.38	1,289.03	1,288.61	1,287.82	1,289.58	1,289.81



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45. Refer to the Seelye Testimony, page 23, lines 6-11. Regarding the proposed one percentage point increase for the Residential service above the increases for the small and large non-residential service, provide any analysis supporting this proposal.

Response:

The decision to increase the Residential class one percentage point more than Small Non-Residential and Large Non-Residential was to reduce the subsidies between rate classes. Since both the Small Non-Residential and Large Non-Residential classes have rates of return higher than the system rate of return, these classes are paying a subsidy to rate classes such as Residential whose rates of return are below the overall system rate of return. By increasing the Residential class one percent above the Small Non-Residential and Large Non-Residential classes, the subsidies are reduced from where they would be if those classes were increased by the same percentage.

The choice of one percent above the increases to Small Non-Residential and Large Non-Residential was based on balancing the size of the total increase to the Residential class with the need to reduce subsidies between the rate classes. Mr. Seelye concluded that the one percent additional increase to Residential strikes the appropriate balance. There was not additional analysis that was performed.

Sponsoring Witness: William Steven Seelye

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46. Refer to the Seelye Testimony, page 24, lines 1-2. Regarding the proposed increase in base rates for special contracts, provide the analysis supporting the proposed 33.2 percent increase.

Response:

The Special Contract rate class had the lowest rate of return of any class at -15.81%. It is receiving the most significant subsidy of any class in the study. As with the Residential class, the 33.2% increase was chosen to balance the need to reduce the subsidy received by this class with the size of the overall increase it would receive. Even after the proposed increase of 33.2%, the Special Contract class will have a negative margin of \$316,884 and a rate of return of -12.36%. The increase necessary to bring the class up to break even (0.0% rate of return) is approximately 152%.

Mr. Seelye concluded that the proposed increase to the Special Contract class balances gradualism with the need to make the rates fairer and more equitable through the reduction of the subsidy this class is receiving. Besides the cost of service study, there is no additional analysis that was performed.

Sponsoring Witness: William Steven Seelye

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47. Refer to the Seelye Testimony, page 24, line 9. Regarding the proposed increase in base rates for off-system transportation, provide the analysis supporting the proposed 15.3 percent increase.

Response:

The volume of gas transported by the Off-system Transportation class is dependent on how competitive Delta's transportation rates are compared with alternative services to transport the gas. As a result, there is a limit to what the market will bear before these customers choose to transport their gas using resources other than Delta Gas. Since there are no marginal costs associated with providing this service, any lost revenue from the off-system transportation class would ultimately be borne by the captive customers on Delta's system. With this in mind, we limited the increase to this class to 15.3% even though the cost-of-service study would have supported a larger increase. Besides the cost of service study, there is no additional analysis that was performed.

Sponsoring Witness: William Steven Seelye

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48. Refer to the Seelye Testimony, page 28, line 15-20. Regarding the proposal to apply Delta's GCR to all sales and service schedules, including farm tap customers. Explain how Delta proposed to handle any over or under GCR collection from the recently acquired People's Kentucky farm tap customers.

Response:

See response to PSC 2-10.

Sponsoring Witness: William Steven Seelye

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49. Refer to the Seelye Testimony, page 30, line 17-20, which discusses the change to the Availability section of the On-System Transportation rate schedule. Explain the reason for making this rate schedule available to government or university-owned housing facilities that may be served as residential.

Response:

The proposed change is being made for clarity. It should not impact Delta's current operational practices. For all intents and purposes, government and university-owned are commercial customers that happen to take service under the residential rate. Because Delta makes transportation service available to commercial and industrial customer, this change needs to be made to clarify that these commercial government owned customers that happen to take service under Residential service would be eligible to receive transportation service.

Sponsoring Witness: William Steven Seelye

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50. Refer to the Seelye's Testimony, pages 31–32, regarding the three Special Contract customers.

a. Provide the three Special Contracts and the date the Commission approved each active Special Contract.

b. Explain whether Delta provided notice to these three Special Contract customers regarding the proposed change to their rates being requested in this case.

Response:

a. See attached. The Novelis and AGC Glass North America contracts are being filed pursuant to a petition for confidential protection.

The contract with Novelis was entered into with a predecessor-in-interest, Alcan Aluminum Corporation, in 2002. The Commission approved the contract effective September 13, 2002.

The contract with AGC Glass North America was entered into with a predecessor-in-interest, AFG Industries, Inc., in 1998. The Commission approved the contract effective May 11, 1998.

The contract with Meridian Brick was entered into with a predecessor-in-interest, Sipple Brick, Inc., in 1989. The Commission approved the contract effective August 30, 1989.

b. Yes. Delta provided individual notice to each of the three special contract customers regarding the proposed changes to their rates when the application was filed.

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Sponsoring Witness: John B. Brown / William Steven Seelye

AGREEMENT

THIS AGREEMENT is made and entered into this the 1st day of April, 2002, by and between DELTA NATURAL GAS COMPANY, INC. (Delta), a Kentucky corporation, and ALCAN ALUMINUM CORPORATION (Alcan), an Ohio Corporation.

W I T N E S S E T H:

THAT WHEREAS, Alcan intends to purchase certain quantities of natural gas from a supplier to be designated (Supplier); and

WHEREAS, Alcan desires to have said quantities of natural gas purchased from Supplier transported and delivered to Alcan in Berea, Kentucky, by Delta; and

WHEREAS, Delta, subject to the terms and conditions set forth herein, desires to transport and deliver to Alcan that quantity of natural gas purchased by Alcan from Supplier and delivered by Supplier to Delta at a certain designated point;

NOW, THEREFORE, the parties hereto agree as follows:

ARTICLE 1. DEFINITIONS.

Unless this Agreement provides otherwise, the following definitions shall apply:

1.1. "Natural Gas" or "Gas" shall mean any mixture of hydrocarbons or hydrocarbons and non-combustible gases in a gaseous state, consisting essentially of methane.

1.2. "Delivery Point" shall mean the point of interconnection between the pipeline facilities of Delta and the metering facilities of Tennessee Gas Pipeline Company

(TGP) at or near Kirksville, Madison County, Kentucky and/or Columbia Gulf Transmission Company (CGT) at or near Speedwell, Madison County, Kentucky or other points which may be agreed to through mutual written agreement of the parties hereto.

1.3. "Redelivery Point" shall mean the point of interconnection between the pipeline facilities of Delta and the metering facilities of Delta for Alcan.

1.4. "Supplier Contract Gas" shall mean the volumetric quantity of natural gas delivered at the Delivery Point to Delta by Supplier for the account of Alcan.

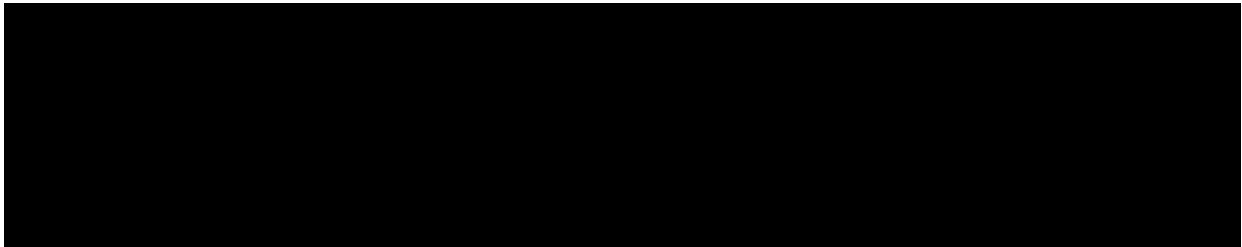
1.5. "Excess Gas" shall mean the amount or quantity of natural gas delivered by Delta to Alcan at the Redelivery Point in excess of or in addition to the Supplier Contract Gas (after adjustment for Delta's retainage for losses [1%]). Excess Gas shall not include Supplier Contract Gas delivered to correct an imbalance by mutual agreement of the parties.

1.6 "Distributor" shall mean that entity which provides the service of either transporting natural gas or selling Excess Gas from an interstate or intrastate pipeline facility to Alcan.

1.7. "Mcf" shall mean the quantity of gas occupying a volume of one thousand (1,000) cubic feet at a pressure base of 14.73 pounds per square inch absolute (14.73 psia) and a temperature base of 60 degrees Fahrenheit (60° F).

ARTICLE 2. TERM.

2.1. Subject to the terms and conditions herein, the term of this Agreement shall commence on [REDACTED] and shall continue in full force and effect for a term of [REDACTED]



ARTICLE 3. TRANSPORTATION AND DELIVERY OF GAS.

3.1. Subject to the terms and conditions herein, to the extent that Delta is able to deliver, Delta shall be the exclusive Distributor of natural gas to Alcan while the Agreement is in effect.

3.2. Subject to the provisions of Article 6 hereof and subject to available capacity and the daily needs of Alcan, Delta shall accept from Supplier on behalf of Alcan all daily Supplier Contract Gas which is delivered by Supplier to the Delivery Point, up to a daily maximum of [REDACTED]



3.3. Delta shall transport and deliver to Alcan in Berea, Kentucky, natural gas in quantities which are equivalent to the amount of Supplier Contract Gas less one percent (1%) by volume for line loss.

3.4. Volumes of Supplier Contract Gas nominated by Alcan and transported and delivered by Delta as provided in Article 3.2 herein shall be as closely balanced on a daily basis as is reasonable and practical. Should an imbalance

exist at any time during the term of this Agreement or upon the termination of this Agreement, such imbalance will be corrected within thirty (30) days unless an extension is mutually agreed upon by the parties herein. If, at any time during the term hereof, Excess Gas (as defined in paragraph 1.5 hereof) is delivered to Alcan, then Delta will notify Alcan to correct such imbalance. If Alcan fails to promptly take action to correct such imbalance, then Delta, upon providing reasonable notice to Alcan, may adjust deliveries to Alcan until Supplier has delivered a quantity of gas to Delta sufficient to balance deliveries from Supplier with redeliveries to Alcan. Alcan shall purchase any Excess Gas delivered by Delta to Alcan in accordance with Articles 4 and 5 of this Agreement.

3.5. Delta's transportation obligation hereunder shall be to provide interruptible service to Alcan. Supplier Contract Gas transported hereunder for Alcan will be subject to interruption in accordance with normal interruption procedures applicable to the Interruptible Rate schedule of Delta on file with the Kentucky Public Service Commission, as same may be changed from time to time. Without limiting the generality of the foregoing, Delta shall have the right at any time to curtail or interrupt the receipt, transportation or delivery of gas hereunder when, in its judgment, such curtailment or interruption is necessary to enable Delta to maintain delivery to customers of higher priority, to respond to any emergency or to minimize or

eliminate excessive imbalance of deliveries under this Agreement. Upon notification by Delta of the necessity to interrupt or curtail the use of gas, Alcan shall reduce or curtail its gas usage in accordance with Delta's notification and cause deliveries of Supplier Contract Gas to Delta's facilities to reduce accordingly. Delta shall promptly advise Alcan as soon as conditions indicate curtailment or interruption of service to Alcan is imminent and also promptly notify Alcan as soon as full usage can resume. In this respect, Delta shall use its best efforts to notify Alcan of pending interruption four (4) hours prior to interruption.

3.6. Delta shall not be responsible for any TGP and/or CGT transportation or storage costs, including related line loss, compressor fuel, any penalties, transition costs or any other costs associated with the transportation of Alcan's Supplier Contract Gas.

ARTICLE 4. PRICE.

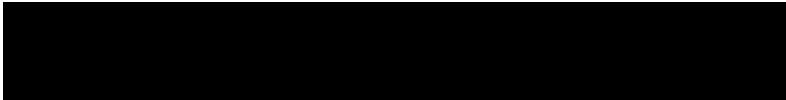
4.1. Subject to the terms and conditions herein, Alcan shall pay Delta the following rates per Mcf for the gas transported by Delta and received by Alcan under the terms of this Agreement:

[REDACTED]

MONTHLY	
<u>BILLING PERIOD MCF TRANSPORTED</u>	<u>RATES PER MCF TRANSPORTED</u>

[REDACTED]

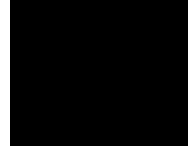
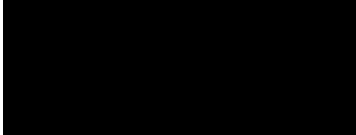
[REDACTED]





MONTHLY

BILLING PERIOD MCF TRANSPORTED

RATES PER MCF TRANSPORTED



If Delta does not receive and transport a total volume of  Mcf of gas during any billing month after any twelve consecutive billing periods during which Delta has not transported or delivered for Alcan a total of  Mcf of gas, then Alcan, if Delta so requests, shall pay Delta for transportation during such billing month at Delta's then effective transportation rates for On-System Transportation as set forth in Delta's tariffs on file with the Kentucky Public Service Commission, as same may be changed from time to time.

4.2. For any Excess Gas delivered or sold by Delta to Alcan, Alcan shall pay Delta the applicable Interruptible Service Rate of Delta (Base Rate plus Gas Cost Recovery Rate and any other charges), as set forth in Delta's tariffs on file with the Kentucky Public Service Commission, as same may be changed from time to time.

4.3. Notwithstanding the terms and conditions herein, at any time during the term of this Agreement Alcan may, at its option, elect to obtain the service(s) provided hereunder pursuant to Delta's then effective transportation rate(s) for such service(s) on file with the Kentucky Public

Service Commission. In the event Alcan elects to obtain the service(s) provided hereunder pursuant to Delta's then effective transportation rate(s) for such service(s) and provided that such rate(s) are lower than those set forth in Article 4.1 hereof, Alcan and Delta agree to renegotiate in good faith the terms or conditions of this Agreement, it being expressly understood that neither party to such renegotiation has any obligation to revise any terms or conditions of this Agreement, but only to engage in such negotiations in good faith.

4.4. Subject to the terms and conditions herein, during the term of this Agreement, either party may request renegotiation of any terms or conditions of this Agreement if performance of this Agreement results in significant adverse economic impact upon the party requesting renegotiation. In the event a request for renegotiation is made, the parties hereto agree to negotiate in good faith the terms or conditions of this Agreement in an effort to ameliorate such significant adverse economic impact, it being expressly understood that neither party to such renegotiation has any obligation to revise any terms or conditions of this Agreement, but only to engage in such negotiations in good faith.

ARTICLE 5. STATEMENTS AND PAYMENTS.

5.1. Statements shall be rendered by Delta as appropriate to Alcan each month showing the amounts due to

Delta for services rendered by Delta for Alcan during the preceding billing month.

5.2. Each statement required to be furnished shall be mailed to the address set forth in this Agreement. Payment by check payable to the order of Delta Natural Gas Company, Inc. shall be made by Alcan by mailing same within fifteen (15) days after receipt of the bill. Alcan agrees to pay interest at the rate of one and one-half percent (1 1/2%) per month on any outstanding balance which is due Delta under the terms of this Agreement and which is not paid within the time period previously set forth.

ARTICLE 6. QUALITY.

6.1. All gas delivered hereunder shall at all times be in compliance with the gas quality specifications set forth in TGP's and/or CGT's Federal Energy Regulation Commission approved gas tariff, as same may be changed from time to time.

ARTICLE 7. MEASUREMENT

7.1. Meters and other related equipment installed and maintained by or on behalf of Delta shall be the exclusive method and means of determining the quantity of gas redelivered to Alcan or delivered to Delta by Supplier for the account of Alcan. Reading, calibration and adjustment of Delta's meters and related measurement equipment shall be performed solely by Delta using generally accepted procedures. Delta shall read said meters at regular intervals and the cost of reading, calibrating, adjusting

and otherwise maintaining said meters, excluding repair of damage due to the negligence or willful misconduct of Alcan, shall be borne by Delta. Delta shall test the accuracy of any Delta-owned meter in use under this Agreement in accordance with its standard practices.

7.2. If Alcan challenges the accuracy of any meters maintained by Delta and requests to have the meters tested, Delta shall test the meters in the presence of Alcan or its representatives, if Alcan exercises the right to be present or represented at such test. If the test shall prove the meter to be accurate within plus or minus two percent ($\pm 2\%$), the cost of testing the same shall be borne by the party requesting the test, but if the test proves the meter to be in error by more than plus or minus two percent ($\pm 2\%$), then the cost of testing and repairing the same shall be borne by Delta. Meter measurements found to be in error more than plus or minus two percent ($\pm 2\%$) shall be corrected and the accounts for the period during which the meter error existed shall be adjusted accordingly. In the event the period during which the meter error existed is unknown, then the accounts shall be adjusted for one-half of the elapsed time since the last previous test but in no event for a period of more than sixty (60) days.

ARTICLE 8. DELIVERY POINTS AND TITLE.

8.1. Supplier Contract Gas. The point of delivery from Supplier to Delta for the account of Alcan shall be that Delivery Point herein described in Paragraph 1.2.

While Delta is in control and possession of the Supplier Contract Gas, it shall be responsible for any damage, claim, liability or injury caused by the gas.

8.2. Excess Gas. The title to the Excess Gas sold by Delta to Alcan hereunder shall pass to Alcan at the Redelivery Point. Before the Excess Gas passes the Redelivery Point, Delta shall be in control and possession thereof.

8.3. After delivery at the Redelivery Point of the Supplier Contract Gas and the Excess Gas sold by Delta to Alcan hereunder, Alcan shall be deemed in control and possession thereof and shall be responsible for any damage, claim, liability or injury caused by the gas.

ARTICLE 9. TAXES AND FRANCHISE FEES.

Delta may collect from Alcan any taxes and franchise fees, including, but not limited to, sales tax, school tax and gross receipts tax, which, by its tariff or by law, may be collected from Alcan and is being collected from other similarly situated Delta customers and which are not otherwise paid by Alcan, whether such tax is now in existence or hereinafter promulgated or applied. The obligation to pay such taxes shall be in addition to the obligation to pay the appropriate rate set forth in Article 4 of this Agreement.

ARTICLE 10. FORCE MAJEURE.

10.1. Suspension of Obligations. If by reason of force majeure any party hereto is rendered unable, wholly or

in part, to carry out its obligations under this Agreement, and if such party gives notice and reasonably full particulars of such force majeure, by an express means of written communication, to the other party within a reasonable time after the occurrence of the force majeure relied on, the party giving such notice, to the extent that it is affected by such force majeure, shall not be in default of its obligations hereunder or liable in damages during the continuation of any inability so caused. The party claiming suspension due to force majeure shall use due diligence to put itself again in position to carry out all of the obligations which it assumes in this Agreement.

10.2. Force Majeure. The term "force majeure" as used herein means any cause not reasonably in the control of the party claiming suspension, including but not limited to, acts of God or a public enemy, strikes, riots, injunctions or other interference through legal proceedings, breakage or accident to machinery, equipment or pipelines not due to negligence or willful misconduct of the party invoking force majeure, wash-outs, earthquakes, storms, freezing of lines or wells, blowouts, shutdowns to make emergency or unexpected repairs to machines, equipment or pipelines, and compliance with any statute or regulation, either State or Federal, or with any order of the Federal government of any branch thereof, or of the government of the Commonwealth of Kentucky.

10.3. Obligation to Pay. Notwithstanding the foregoing provisions of this Article, Alcan may not claim suspension, by reason of force majeure, of its obligations under Articles 4 and 9 of this Agreement to pay Delta for transportation service previously rendered [including applicable taxes and franchise fees] which Delta may collect from Alcan.

ARTICLE 11. GOVERNMENTAL REGULATION.

11.1. This Agreement shall be subject to all applicable and valid statutes, rules, orders and regulations of any federal, state or local governmental authority or agency having jurisdiction over the parties, their facilities or gas supply, this Agreement or any provision thereof. The parties agree that should any state, federal or local governmental authority or agency with jurisdiction over the parties to this Agreement or transactions herein require approval for the sale or transportation of gas hereunder, then each party shall make all necessary applications or filings and shall submit any records or data required by such governmental authority or agency.

11.2. Neither party shall be liable for failure to perform hereunder if such failure is due to compliance with rules, regulations, laws, orders or directives of any state, federal or local governmental regulatory authority or agency.

11.3. If at any time during the term of this Agreement, the Kentucky Public Service Commission, the

Federal Energy Regulatory Commission or their successor agencies shall take action [a] whereby Delta will be prohibited or prevented from receiving in full all amounts and monies which Alcan has agreed to pay Delta for service rendered, or, [b] which action in the reasonable judgment of either party, would cause performance of this Agreement to be unduly burdensome, the effected party may cancel and terminate this Agreement as of the date on which such action would so prevent, prohibit or unduly burden that party. Notification, in writing, of such cancellation and termination and the reason therefor shall be as soon as is practicable. The non-terminating party shall have seven (7) business days to assist in alleviating, to the other's satisfaction, such prevention, prohibition or burden, after which time such cancellation and termination shall be effective at the terminating party's discretion.

11.4. Nothing in this Agreement shall prevent any party from contesting the validity of any law, order, rule, regulation or directive of any state, federal or other governmental regulatory authority or agency, nor shall anything in this Agreement be construed to require any party to waive its right to assert the lack of jurisdiction of such regulatory body, governmental entity, or agency over this Agreement or any party thereto.

11.5. This Agreement shall not be effective in whole or in part until and unless all necessary regulatory approvals or authorizations shall have been obtained to the

satisfaction of each of the parties hereto. In the event any such approval or authorization is withdrawn or expires (and any renewal is refused by the appropriate regulatory authority), this Agreement may be canceled at the option of any party hereto.

11.6. Except as otherwise provided herein, this Agreement is subject to the terms and conditions of Delta's Rates, Rules and Regulations, as set forth in Delta's tariffs on file with the Kentucky Public Service Commission, as same may be changed from time to time.

ARTICLE 12. CONFIDENTIALITY.

Except as otherwise provided herein, Delta and Alcan shall maintain the confidentiality of the terms and conditions of this Agreement, and Delta and Alcan agree not to divulge same to any third party except to the extent required for Alcan to purchase Supplier Contract Gas or as may be required by law, court order or the order or regulation of any administrative agency having jurisdiction over either party.

ARTICLE 13. GOVERNING LAW.

This Agreement was entered into under and, to the extent permitted by law, shall be construed in accordance with the laws of the Commonwealth of Kentucky.

ARTICLE 14. NOTICES.

Any notice, request, demand, statement, bill, payment, or other communication from any party to any other shall be in writing and shall be delivered to the addresses listed

below or at such other address as the receiving party may designate in writing:

To DELTA: Delta Natural Gas Company, Inc.
3617 Lexington Road
Winchester, KY 40391
Attention: George S. Billings

To ALCAN: Alcan Aluminum Corporation
302 Mayde Road
Berea, KY 40403
Attention: Daniel Duclos

ARTICLE 15. ASSIGNMENT.

Either party may assign this Agreement or any of its rights or obligations hereunder provided the assigned party has the ability to perform.

ARTICLE 16. SUCCESSORS.

Subject to the terms and conditions of this Agreement, this Agreement shall extend to and be binding upon the successors and assigns of the parties hereto.

ARTICLE 17. WAIVER.

A waiver by any party of any one or more defaults by any other party in the performance of any provision of this Agreement, shall not operate as a waiver of any future default.

ARTICLE 18. SEVERABILITY.

Except as otherwise provided herein, any provision of this Agreement declared or rendered unlawful by a statute, court of law or regulatory agency with jurisdiction over the parties or either of them, shall not otherwise affect the other obligations of the parties under this Agreement.

ARTICLE 19. HEADINGS.

The headings of the provisions of this Agreement are used for convenience only and shall not be deemed to affect the meaning or construction of such provisions.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands this the day and year first above written.

DELTA NATURAL GAS COMPANY, INC.

By Glenn R. Jennings
Title President & CEO

ALCAN ALUMINUM CORPORATION

By J. Jacobs
Title Plant Manager

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Ac # 74392

CONFIDENTIAL INFORMATION REDACTED

AGREEMENT

THIS AGREEMENT is made and entered into this the 24th day of March, 1998, by and between DELTA NATURAL GAS COMPANY, INC. (Delta), a Kentucky corporation, and AFG INDUSTRIES, INC. (AFG), a Delaware Corporation.

W I T N E S S E T H:

THAT WHEREAS, AFG intends to purchase certain quantities of natural gas from a supplier to be designated (Supplier); and

WHEREAS, AFG desires to have said quantities of natural gas purchased from Supplier transported and delivered to AFG in Richmond, Kentucky, by Delta; and

WHEREAS, Delta, subject to the terms and conditions set forth herein, desires to transport and deliver to AFG said quantities of natural gas purchased by AFG from Supplier and delivered by Supplier to Delta at certain designated points;

NOW, THEREFORE, the parties hereto agree as follows:

ARTICLE 1. DEFINITIONS.

Unless this Agreement provides otherwise, the following definitions shall apply:

1.1. "Natural Gas" or "Gas" shall mean any mixture of hydrocarbons or hydrocarbons and non-combustible gases in a gaseous state, consisting essentially of methane.

1.2. "Delivery Point" shall mean each of the following points (i) the point of interconnection between the pipeline facilities of Delta and the metering facilities of Tennessee Gas Pipeline Company (Tennessee Gas) at or near Kirksville, Madison County, Kentucky, (ii) the interconnection between the pipeline facilities of Delta and Columbia Gulf Transmission (Columbia) at or near Speedwell, Madison County, Kentucky or (iii) other points which may be agreed to through mutual written agreement of the parties hereto.

1.3. "Redelivery Point" shall mean the point of interconnection between the pipeline facilities of Delta and the metering facilities of Delta for AFG.

1.4. "Supplier Contract Gas" shall mean the volumetric quantity of natural gas delivered at the Delivery Points to Delta by Supplier for the account of AFG.

1.5. "Excess Gas" shall mean the amount or quantity of natural gas delivered by Delta to AFG at the Redelivery Point in excess of or in addition to the Supplier Contract Gas (after adjustment for Delta's 2% retainage for losses.) Excess Gas shall not include Supplier Contract Gas delivered to correct an imbalance by mutual agreement of the parties.

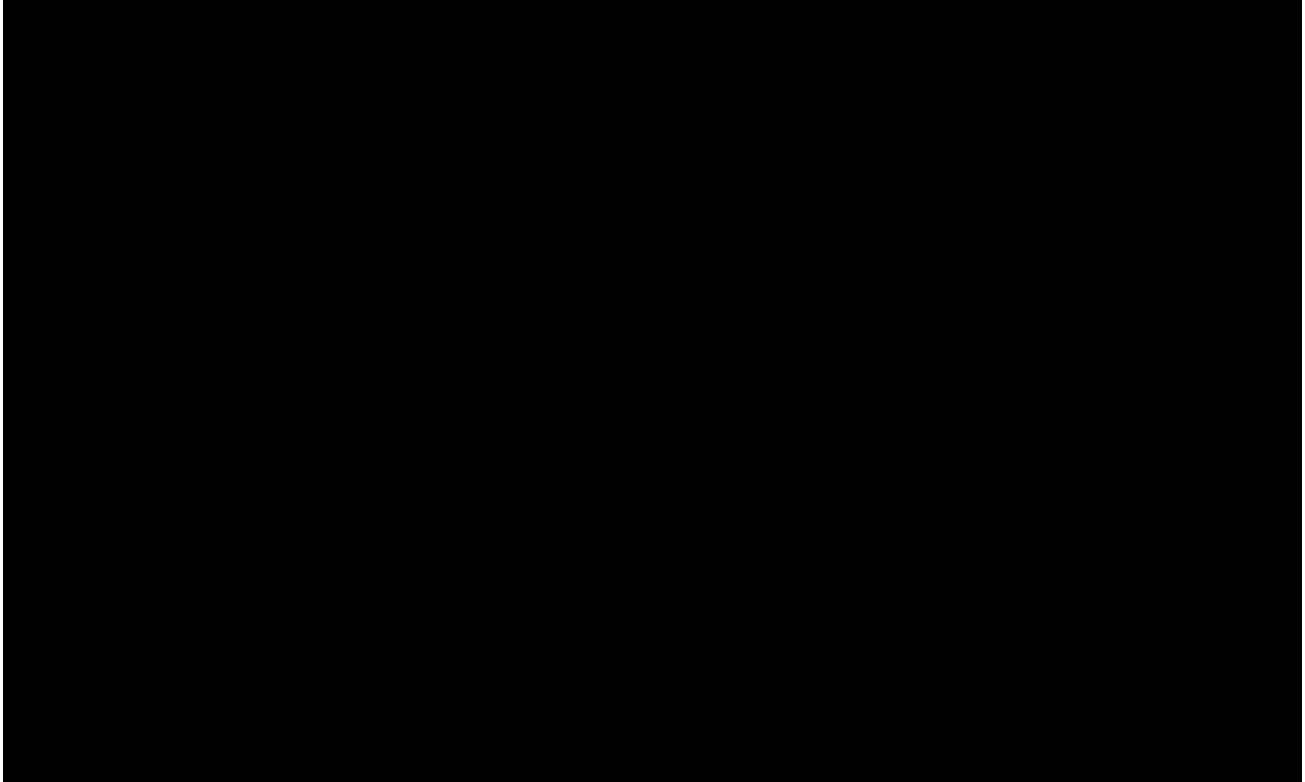
1.6 "Distributor" shall mean that entity which provides the service of either transporting natural gas or selling Excess Gas from an interstate or intrastate pipeline facility to AFG.

1.7. "Mcf" shall mean the quantity of gas occupying a volume of one thousand (1,000) cubic feet at a pressure base

of 14.73 pounds per square inch absolute (14.73 psia) and a temperature base of 60 degrees Fahrenheit (60 F).

ARTICLE 2. TERM.

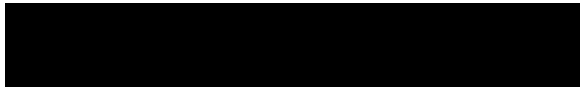
2.1. Subject to the terms and conditions herein, the Preliminary Term of this Agreement shall commence on the



ARTICLE 3. TRANSPORTATION AND DELIVERY OF GAS.

3.1. Subject to the terms and conditions herein, Delta shall be the exclusive Distributor of natural gas to AFG while the Agreement is in effect.

3.2. Subject to the provisions of paragraphs 3.4 and 6.1 herein and the daily needs of AFG, Delta shall accept from Supplier on behalf of AFG all daily Supplier Contract Gas which is delivered by Supplier to the Delivery Points, up to a daily maximum of



3.3. Delta shall transport and deliver to AFG in Richmond, Kentucky, natural gas in quantities which are equivalent to the amount of Supplier Contract Gas less two percent (2%) by volume for losses.

3.4. Volumes of Supplier Contract Gas nominated by AFG and transported and delivered by Delta as provided in paragraph 3.2 herein shall be as closely balanced on a daily basis as is reasonable and practical, provided, however, that from November through March AFG shall have the right to maintain a positive balance of up to ten percent (10%) of normal monthly requirements. If at any time during the term of this Agreement or upon the termination of this Agreement, Delta experiences either underdeliveries or overdeliveries of Supplier Contract Gas, and Delta notifies AFG that action needs to be taken to correct such underdelivery or overdelivery, such underdelivery or overdelivery shall be corrected by AFG as soon as possible, but no later than within ten (10) days from the date of notice, unless an extension is mutually agreed upon by the parties herein. If Delta so requests, AFG shall purchase any Excess Gas delivered by Delta to AFG in accordance with Articles 4 and 5 of this Agreement.

3.5. Delta's transportation obligation hereunder shall be to provide firm service to AFG as defined in the General Service Rate schedule of Delta on file with the Kentucky Public Service Commission, as same may be changed from time to time.

3.6. Delta shall not be responsible for any interstate pipeline transportation or storage costs, including related line loss, compressor fuel, any penalties, transition costs or any other costs associated with the transportation of AFG's Supplier Contract Gas to the Delivery Points.

ARTICLE 4. PRICE.

4.1. During the Preliminary Term of this Agreement, for the services described herein, AFG shall pay Delta rates as set forth in Delta's tariffs on file with the Kentucky Public Service Commission as same may be changed from time to time.

4.2. During the Primary Term of this Agreement, if Delta does not receive and transport an average daily volume of [REDACTED] of gas during any billing month then AFG shall pay Delta for transportation during such billing month at Delta's then effective transportation rates for On-System Transportation as set forth in Delta's tariffs on file with the Kentucky Public Service Commission, as same may be changed from time to time.

4.3. During the Primary Term of this Agreement, if Delta receives and transports an average daily volume in excess of [REDACTED] but less than [REDACTED] [REDACTED] of gas during any billing month, then AFG shall pay Delta for transportation at the following rates per month:
[REDACTED]

[REDACTED]

4.4. During the first [REDACTED] of this Agreement, provided that Delta receives and transports an average daily volume in excess of [REDACTED]

[REDACTED] during any billing month then AFG shall pay Delta the following rates per month:

a) For gas received from Columbia by Delta, and redelivered to AFG - [REDACTED]

b) For gas received from Tennessee Gas by Delta, and redelivered to AFG - [REDACTED]

[REDACTED]

Spec. Cost
Trans.
Del. Bob
AFG
Trans.

4.5. During the second [REDACTED] of this Agreement, provided that Delta receives and transports an average daily volume in excess of [REDACTED]

[REDACTED] during any billing month then AFG shall pay Delta the following rates per month:

a) For gas received from Columbia by Delta, and redelivered to AFG - [REDACTED]

b) For gas received from Tennessee Gas by Delta, and redelivered to AFG - [REDACTED]

[REDACTED]

[REDACTED]

4.6. Beginning with the first billing period of the [REDACTED] of this Agreement, the rates shall be those as set forth in paragraph 4.5 plus an annual inflation adjustment based on changes in the Consumer Price Index for the preceding twelve month period.

4.7. For any Excess Gas delivered or sold by Delta to AFG, AFG shall pay Delta the applicable General Service Rate of Delta (Base Rate plus Gas Cost Recovery Rate and any other charges), as set forth in Delta's tariffs on file with the Kentucky Public Service Commission, as same may be changed from time to time.

4.8. In any billing month in which AFG rebuilds its furnace or experiences an emergency repair situation at its plant in Richmond, Kentucky the applicable rate for transportation shall be the transportation rate in effect during the billing month immediately preceding the furnace rebuild or the emergency repair situation provided, however, that any such special rate consideration shall not be in effect for a period of time exceeding one hundred (100) days.

ARTICLE 5. STATEMENTS AND PAYMENTS.

5.1. Statements shall be rendered by Delta as appropriate to AFG each month showing the amounts due to Delta for services rendered by Delta for AFG during the preceding billing month.

5.2. Statements rendered by Delta shall reflect the rates established in Articles 4 and 9 of this Agreement. In the event gas is received from Tennessee Gas by Delta and redelivered to AFG, the statements shall reflect the maximum rate for such gas as specified in paragraphs 4.4, 4.5 and 4.6. Should AFG demonstrate that it is not responsible for the maximum rate, Delta shall make any appropriate refund.

5.3. Each statement required to be furnished shall be mailed to the address set forth in this Agreement. Payment by check payable to the order of Delta Natural Gas Company, Inc. shall be made by AFG by mailing same within twenty (20) days after receipt of the bill. AFG agrees to pay interest at the rate of one and one-half percent (1 1/2%) per month on any outstanding balance which is due Delta under the terms of this Agreement and which is not paid within the time period previously set forth.

ARTICLE 6. QUALITY.

6.1. All gas delivered hereunder shall at all times be in compliance with the gas quality specifications as set forth in Columbia's and/or Tennessee Gas' Federal Energy Regulation Commission approved tariffs, as same may be amended from time to time.

ARTICLE 7. MEASUREMENT

7.1. Meters and other related equipment installed and maintained by or on behalf of Delta shall be the exclusive method and means of determining the quantity of gas redelivered to AFG or delivered to Delta by Supplier for the

account of AFG. Reading, calibration and adjustment of Delta's meters and related measurement equipment shall be performed solely by Delta using generally accepted procedures. Delta shall read said meters at regular intervals and the cost of reading, calibrating, adjusting and otherwise maintaining said meters, excluding repair of damage due to the negligence or willful misconduct of AFG, shall be borne by Delta. Delta shall test the accuracy of any Delta-owned meter in use under this Agreement in accordance with its standard practices and timely communicate the test results to AFG.

7.2. If AFG challenges the accuracy of any meters maintained by Delta and requests to have the meters tested, Delta shall test the meters in the presence of AFG or its representatives, if AFG exercises the right to be present or represented at such test. If the test shall prove the meter to be accurate within plus or minus two percent (2%), the cost of testing the same shall be borne by AFG, but if the test proves the meter to be in error by more than plus or minus two percent (2%), then the cost of testing and repairing the same shall be borne by Delta. Meter measurements found to be in error more than plus or minus two percent (2%) shall be corrected and the accounts for the period during which the meter error existed shall be adjusted accordingly. In the event the period during which the meter error existed is unknown, then the accounts shall be adjusted for one-half of the elapsed time since the last

previous test but in no event shall the accounts be adjusted for a period of more than one hundred and eighty (180) days.

ARTICLE 8. DELIVERY POINTS AND TITLE.

8.1. Supplier Contract Gas. The point of delivery from Supplier to Delta for the account of AFG shall be those Delivery Points herein described in Paragraph 1.2. While Delta is in control and possession of the Supplier Contract Gas, it shall be responsible for any damage, claim, liability or injury caused by the gas.

8.2. Excess Gas. The title to the Excess Gas sold by Delta to AFG hereunder shall pass to AFG at the Redelivery Point. Before the Excess Gas passes the Redelivery Point, Delta shall be in control and possession thereof.

8.3. After delivery at the Redelivery Point of the Supplier Contract Gas and the Excess Gas sold by Delta to AFG hereunder, AFG shall be deemed in control and possession thereof and shall be responsible for any damage, claim, liability or injury caused by the gas.

ARTICLE 9. TAXES AND FEES.

Delta may collect from AFG any taxes and franchise fees, including, but not limited to, sales tax, school tax and gross receipts tax, which, by regulatory authority or by law, are generally collected by utilities or other providers of the services which are the subject of this Agreement from customers based upon the services rendered, whether such tax is now in existence or hereinafter promulgated or applied. The obligation to pay such taxes shall be in addition to the

obligation to pay the appropriate rates set forth in Article 4 of this Agreement.

ARTICLE 10. FORCE MAJEURE.

10.1. Suspension of Obligations. If by reason of force majeure any party hereto is rendered unable, wholly or in part, to carry out its obligations under this Agreement, and if such party gives notice and reasonably full particulars of such force majeure, by an express means of written communication, to the other party within a reasonable time after the occurrence of the event of force majeure relied on, the party giving such notice, to the extent that it is affected by such event of force majeure, shall not be in default of its obligations hereunder or liable in damages during the continuation of any inability so caused. The party claiming suspension due to force majeure shall use due diligence to put itself again in position to carry out all of the obligations which it assumes in this Agreement.

10.2. Force Majeure. The term "force majeure" as used herein means any cause not reasonably in the control of the party claiming suspension, including but not limited to, acts of God or a public enemy, strikes, riots, injunctions or other interference through legal proceedings, breakage or accident to machinery, equipment or pipelines not due to negligence or willful misconduct of the party invoking force majeure, wash-outs, earthquakes, storms, freezing of lines

or wells, blowouts, shutdowns to make emergency or unexpected repairs to machines, equipment or pipelines.

10.3. Obligation to Pay. Notwithstanding the foregoing provisions of this Article, AFG may not claim suspension, by reason of force majeure, of its obligations under Articles 4 and 9 of this Agreement to pay Delta for transportation service previously rendered, including applicable taxes and franchise fees, which Delta is permitted to collect from AFG hereunder.

ARTICLE 11. GOVERNMENTAL REGULATION.

11.1. This Agreement shall be subject to all applicable and valid statutes, rules, orders and regulations of any federal, state or local governmental authority or agency having jurisdiction over the parties, their facilities or gas supply, this Agreement or any provision thereof. The parties agree that should any state, federal or local governmental authority or agency with jurisdiction over the parties to this Agreement or transactions herein require approval for the sale or transportation of gas hereunder, then each party shall make all necessary applications or filings and shall submit any records or data required by such governmental authority or agency.

11.2. Neither party shall be liable for failure to perform hereunder if such failure is due to compliance with rules, regulations, laws, orders or directives of any state, federal or local governmental regulatory authority or agency.

11.3. Nothing in this Agreement shall prevent any party from contesting the validity of any law, order, rule, regulation or directive of any state, federal or other governmental regulatory authority or agency, nor shall anything in this Agreement be construed to require any party to waive its right to assert the lack of jurisdiction of such regulatory body, governmental entity, or agency over this Agreement or any party thereto.

11.4. This Agreement shall not be effective in whole or in part until and unless all necessary regulatory approvals or authorizations shall have been obtained to the satisfaction of each of the parties hereto. In the event any such approval or authorization is withdrawn or expires (and any renewal is refused by the appropriate regulatory authority), this Agreement may be canceled at the option of any party hereto. Delta shall seek the appropriate regulatory approvals in a manner calculated to allow for service to AFG by May 1, 1998.

11.5. Except as otherwise provided herein, this Agreement is subject to the terms and conditions of Delta's Rates, Rules and Regulations "Regs", as set forth in Delta's tariffs on file with the Kentucky Public Service Commission, as same may be changed from time to time. (Delta shall provide a copy of the "Regs" to AFG).

ARTICLE 12. CONFIDENTIALITY.

Except as otherwise provided herein, Delta and AFG shall maintain the confidentiality of the terms and conditions of Articles 2 and 4 of this Agreement, and Delta and AFG agree not to divulge same to any third party except to the extent required for AFG to purchase or monitor Supplier Contract Gas or as may be required by law, court order or the order or regulation of any administrative agency having jurisdiction over either party.

ARTICLE 13. GOVERNING LAW.

This Agreement was entered into under and shall be construed in accordance with the laws of the Commonwealth of Kentucky.

ARTICLE 14. NOTICES.

Any notice, request, demand, statement, bill, payment, or other communication from any party to any other shall be in writing and shall be delivered to the addresses listed below or at such other address as the receiving party may designate in writing:

To DELTA: Delta Natural Gas Company, Inc.
 3617 Lexington Road
 Winchester, KY 40391
 Attention: George S. Billings

To AFG: AFG Industries, Inc.
 P. O. Box 929
 Kingsport, TN 37662
 Attention: Steven E. Kramer

Copies to: Don Clutterbuck
AFG Energy
1200 Smith Street, Suite 670
Houston, TX 77002

Vance Waller
Kimball Resources
10370 1370 Richmond Ave., Suite 560 560
Houston, TX 77042

ARTICLE 15. ASSIGNMENT.

Either party may assign this Agreement or any of its rights or obligations hereunder with the express written consent of the other party which shall not be unreasonably withheld provided that Delta may assign this Agreement or any of its rights or obligations hereunder to another entity affiliated with or controlled by Delta.

ARTICLE 16. SUCCESSORS.

Subject to the terms and conditions of this Agreement, this Agreement shall extend to and be binding upon the successors and assigns of the parties hereto.

ARTICLE 17. WAIVER.

A waiver by any party of any one or more defaults by any other party in the performance of any provision of this Agreement, shall not operate as a waiver of any future default.

ARTICLE 18. SEVERABILITY.

Except as otherwise provided herein, any provision of this Agreement declared or rendered unlawful by a statute, court of law or regulatory agency with jurisdiction over the

parties or either of them, shall not otherwise affect the other obligations of the parties under this Agreement.

ARTICLE 19. HEADINGS.

The headings of the provisions of this Agreement are used for convenience only and shall not be deemed to affect the meaning or construction of such provisions.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands this the day and year first above written.

DELTA NATURAL GAS COMPANY, INC.

By *Karen C. Hazelrigg*

Title *VP Public and Consumer Affairs*

AFG INDUSTRIES, INC.

By *Christopher F. Conroy*

Title *Asst. Secretary & Assoc. General Counsel*

AGREEMENT

THIS AGREEMENT, made and entered into this 29th day of August 1989, by and between DELTA NATURAL GAS COMPANY, INC. (Delta), a Kentucky Corporation, and SIPPLE BRICK, INC. (End User), a Kentucky Corporation.

W I T N E S S E T H :

THAT, WHEREAS, End User desires to purchase certain quantities of natural gas from a supplier to be designated (Supplier) and Supplier intends to sell the same to End User; and

WHEREAS, End User desires to have said quantities of natural gas purchased from Supplier transported and delivered to End User in Stanton, Kentucky, by Delta; and

WHEREAS, Delta, subject to the terms and conditions set forth herein, desires to transport and deliver to End User that quantity of natural gas purchased by End User from Supplier and delivered by Supplier to Delta at a certain designated point;

NOW THEREFORE, the parties agree to as follows:

ARTICLE 1. DEFINITIONS

Unless this Agreement provides otherwise, the following definitions shall apply:

1.1. "Natural Gas" or "Gas" shall mean any mixture of hydrocarbons or hydrocarbons and non-combustible gases in a gaseous state, consisting essentially of methane.

1.2. "Delivery Point" shall mean the point of interconnection between the pipeline facilities of Delta and the

metering facilities of Columbia Gas Transmission Corporation (Columbia Gas) at or near Stanton, Kentucky or other points which may be agreed to through mutual written agreement of the parties hereto.

1.3. "Redelivery Point" shall mean the point of interconnection between the pipeline facilities of Delta and the metering facilities of Delta for End User.

1.4. "Supplier Contract Gas" shall mean the volumetric quantity of natural gas delivered at the Delivery Point to Delta by Supplier for the account of End User.

1.5. "Excess Gas" shall mean the amount or quantity of natural gas delivered by Delta to End User at the Redelivery Point in excess of or in addition to the Supplier Contract Gas (as adjusted for Delta's retainage of two percent (2%) for losses).

1.6. "Mcf" shall mean the quantity of gas occupying a volume of one thousand (1,000) cubic feet at a pressure base of 14.73 pounds per square inch absolute (14.73 psia) and a temperature base of 60 degrees Fahrenheit (60° F).

ARTICLE 2. TERM.

2.1. Subject to the terms and conditions herein, the term of this Agreement shall commence effective the date transportation commences under the Columbia Gas and Columbia Gulf Transmission Company (Columbia Gulf) agreements contemplated herein, but not later than October 1, 1989, and shall continue in full force and effect for a primary term of three (3) years and thereafter for any additional period which may be agreed to through mutual written agreement of the parties hereto. This agreement shall

become null and void in the event End User, Delta or an affiliate are unsuccessful in entering into agreements with Supplier, Columbia Gas and Columbia Gulf prior to October 1, 1989. End User and Delta shall each further have the right to terminate this Agreement in the second and third years if End User is unsuccessful in securing a transportation rate from Columbia Gas and Columbia Gulf that is acceptable to End User.

ARTICLE 3. TRANSPORTATION AND DELIVERY OF CONTRACT GAS.

3.1. Subject to the provisions of Article 6 hereof and subject to available capacity and the daily needs of End User, Delta shall accept from Supplier on behalf of End User all daily Supplier Contract Gas which is delivered by Supplier to the Delivery Point, up to a daily maximum of one thousand (1,000) Mcf.

3.2. Delta shall transport and deliver to End User in Stanton, Kentucky, natural gas in quantities which are equivalent to the amount of Supplier Contract Gas less two percent (2%) by volume for line loss.

3.3. Volumes transported and delivered by Delta to End User as provided in Article 3.1 herein shall be balanced on a daily basis as nearly as possible. Should such an imbalance exist upon the termination of this Agreement, such imbalance will be corrected within thirty (30) days of such termination. If, at any time during the term hereof, Excess Gas (as defined in paragraph 1.5 hereof) is delivered to End User, then Delta will notify End User to promptly correct such imbalance. If End User fails to promptly correct such imbalance, then Delta may adjust deliveries to End User until Supplier has delivered a quantity of gas to

Delta sufficient to balance deliveries from Supplier with redeliveries to End User. End User shall purchase from Delta the Excess Gas delivered to End User in accordance with Articles 4 and 5 of this Agreement.

3.4. Delta's transportation obligation hereunder shall be to provide interruptible service to End User. Supplier Contract Gas transported hereunder for End User will be subject to interruption in accordance with normal interruption procedures applicable to the Interruptible Rate schedule of Delta or of any intermediate transporters of Supplier Contract Gas. Delta shall have the right at any time to curtail or interrupt the receipt, transportation or delivery of gas hereunder when, in its sole judgment, such curtailment or interruption is necessary to enable Delta to maintain delivery to customers of higher priority, to respond to any emergency or to minimize or eliminate any imbalance of deliveries under this Agreement.

3.5. Delta shall not be responsible for paying any transportation or related costs of intermediate transporters, including related line loss, compressor fuel, gas inventory charges and any penalties or other costs.

ARTICLE 4. PRICE.

4.1. Subject to the provisions of Article 3.1, End User shall pay Delta Forty-eight cents (\$.48) per Mcf during the three year term of this Agreement for the services of Delta in transporting to End User under the terms of this Agreement the natural gas in amounts equal to or less than the amount of

Supplier Contract Gas (minus two percent (2%) by volume for line loss).

4.2. For any Excess Gas delivered or sold by Delta to End User, End User shall pay Delta the applicable Interruptible Service Rate of Delta (Base Rate plus Gas Cost Recovery Rate), as set forth in Delta's tariffs on file with the PSC, as same may be changed from time to time.

4.3. To the extent that Supplier Contract Gas is available at the Redelivery Point, natural gas shall supply End User's full requirements and there shall be an annual minimum usage of 100,000 Mcf by End User. If End User fails to use at least 100,000 Mcf during any twelve month period under this Agreement, the amount paid for all gas transported during said twelve month period shall be a minimum of \$48,000.

ARTICLE 5. STATEMENTS AND PAYMENTS.

5.1. Statements shall be rendered by Delta as appropriate to End User each month showing the amounts due to Delta for services rendered by Delta for End User during the preceding billing month.

5.2. Each statement required to be furnished shall be mailed to the address set forth in this Agreement. Payment by check payable to the order of Delta Natural Gas Company, Inc. shall be made by End User by mailing same within fifteen (15) days after receipt of the bill. End User agrees to pay interest at the rate of one and one-half percent (1 1/2%) per month on any outstanding balance which is due Delta under the terms of this

Agreement and which is not paid within the time period previously set forth.

ARTICLE 6. QUALITY.

6.1. All Supplier Contract Gas and all gas delivered to End User hereunder shall at all times be merchantable and be free from gasoline, oil, water, salt, gum, dust and other foreign substances that might interfere with the marketability of the gas. The gas delivered by Supplier shall contain not less than 1,000 Btu per cubic foot (as determined by calorimeter test at 60 degrees Fahrenheit (60 F) and saturated with water vapor), and a utilization factor of 1,300 plus or minus 6% (U.F. = heating value (BTU) divided by the square root of gravity). The gas delivered shall not contain more than:

- (a) Seven (7) pounds of water per million cubic feet measured at 14.7 psia and 60 degrees Fahrenheit on an approved dew point apparatus;
- (b) Three percent (3%) by volume of carbon dioxide;
- (c) Twenty-five hundredths (0.25) grain of hydrogen sulfide per one hundred (100) cubic feet; or
- (d) Ten (10) grains of total sulphur per one hundred (100) cubic feet.

6.2. The requirement that the natural gas tendered by Supplier to Delta on behalf of End User conform with the foregoing specifications is a condition precedent to the performance by Delta of the obligation to transport gas to End User imposed by this Agreement.

ARTICLE 7. MEASUREMENT.

7.1. Meters and other related equipment installed and maintained by or on behalf of Delta shall be the exclusive method and means of determining the quantity of gas redelivered to End User or delivered to Delta by Supplier for the account of End User. Reading, calibration and adjustment of Delta's meters and related measurement equipment shall be performed solely by Delta using generally accepted procedures. Delta shall read said meters at regular intervals and the cost of reading, calibrating, adjusting and otherwise maintaining said meters, excluding repair of damage due to the negligence or willful misconduct of End User, shall be borne by Delta. Delta shall test the accuracy of any Delta-owned meter in use under this Agreement in accordance with its standard practices as filed with the Kentucky Public Service Commission (Practices 0-8.1 and 0-8.2) for such testing.

7.2. If End User challenges the accuracy of any meters maintained by Delta and requests to have the meters tested, Delta shall test the meters in the presence of End User or its representatives, if End User exercises the right to be present or represented at such test. If the test shall prove the meter to be accurate within plus or minus two percent (+ or - 2%), the cost of testing the same shall be borne by the party requesting the test, but if the test proves the meter to be in error by more than plus or minus two percent (+ or - 2%), then the cost of testing and repairing the same shall be borne by the party who benefitted from the inaccuracy. Meter measurements found to be in error more than plus or minus two percent (+ or - 2%) shall be corrected and the

accounts for the period during which the meter error existed shall be adjusted accordingly. In the event the period during which the meter error existed is unknown, then the accounts shall be adjusted for one-half of the elapsed time since the last previous test but in no event for a period of more than sixty (60) days.

ARTICLE 8. DELIVERY POINTS AND TITLE.

8.1. Supplier Contract Gas. The point of delivery from Supplier to Delta for the account of End User shall be that Delivery Point herein described in Paragraph 1.2. End User shall retain title to the gas from the Delivery Point to the Redelivery Point. While Delta is in control and possession of the Supplier Contract Gas, it shall be responsible for any damage, claim, liability or injury caused by the gas and shall be responsible for the gas itself.

8.2. Excess Gas. The title to the Excess Gas sold by Delta to End User hereunder shall pass to End User at the Redelivery Point. Before the Excess Gas passes the Redelivery Point, Delta shall be in control and possession thereof and shall be responsible for the gas itself.

8.3. After delivery at the Redelivery Point of the Supplier Contract Gas and the Excess Gas sold by Delta to End User hereunder, End User shall be deemed in control and possession thereof and shall be responsible for any damage, claim, liability or injury caused by the gas.

ARTICLE 9. TAXES AND FRANCHISE FEES.

Delta may collect from End User any taxes and franchise fees, including, but not limited to, sales tax, school tax and

gross receipts tax, which, by law, may be collected from End User and which are not otherwise paid by End User, whether such tax is now in existence or hereinafter promulgated or applied. The obligation to pay such taxes shall be in addition to the obligation to pay the appropriate rate set forth in Article 4 of this Agreement.

ARTICLE 10. FORCE MAJEURE.

10.1. Suspension of Obligations. If by reason of force majeure any party hereto is rendered unable, wholly or in part, to carry out its obligations under this Agreement, and if such party gives notice and reasonably full particulars of such force majeure, by an express means of written communication, to the other party within a reasonable time after the occurrence of the force majeure relied on, the party giving such notice, to the extent that it is affected by such force majeure, shall not be in default of its obligations hereunder or liable in damages during the continuation of any inability so caused. The party claiming suspension due to force majeure shall use due diligence to put itself again in position to carry out all of the obligations which it assumes in this Agreement.

10.2. Force Majeure. The term "force majeure" as used herein means any cause not reasonably in the control of the party claiming suspension, including but not limited to, acts of God or a public enemy, strikes, riots, injunctions or other interference through legal proceedings, breakage or accident to machinery, equipment or lines of pipe not due to negligence or willful misconduct of the party invoking force majeure, washouts,

earthquakes, storms, freezing of lines or wells, blowouts, shutdowns to make emergency or unexpected repairs to machines, equipment or lines of pipe, and compliance with any statute or regulation, either State or Federal, or with any order of the Federal government of any branch thereof, or of the government of the Commonwealth of Kentucky.

10.3. **Obligation to Pay.** Notwithstanding the foregoing provisions of this Article, End User may not claim suspension, by reason of force majeure, of its obligations under Article 4 and 9 of this Agreement to pay Delta for transportation service rendered and those taxes and franchise fees which Delta may collect from End User.

ARTICLE 11. GOVERNMENTAL REGULATION.

11.1. This Agreement shall be subject to all applicable and valid statutes, rules, orders and regulations of any federal, state or local governmental authority or agency having jurisdiction over the parties, their facilities or gas supply, this Agreement or any provision thereof. The parties agree that should any state, federal or local governmental authority or agency with jurisdiction over the parties to this Agreement or transactions herein require approval for the sale of gas hereunder, then each party shall make all necessary applications or filings and shall submit any records or data required by such governmental authority or agency.

11.2. Delta shall not be liable for failure to perform hereunder if such failure is due to compliance with rules,

regulations, laws, orders or directives of any state, federal or local governmental regulatory authority or agency.

11.3. If at any time during the term of this Agreement, any federal, state or local governmental authority, agency or regulatory body shall take any action whereby Delta will be prohibited or prevented from receiving in full all amounts and monies which End User has agreed to pay Delta or Delta shall be subjected to terms, conditions or restraints that in the reasonable judgment of Delta would cause performance of this Agreement to be unduly burdensome to Delta, Delta may cancel and terminate this Agreement as of the date on which such action would so prevent, prohibit or unduly burden Delta. Delta shall notify End User, in writing, of such cancellation and termination and the reason therefor as soon as is practicable. End User shall have seven (7) business days to assist Delta in alleviating, to Delta's satisfaction, such prevention, prohibition or burden, after which time such cancellation and termination shall be effective at Delta's discretion.

11.4. Nothing in this Agreement shall prevent any party from contesting the validity of any law, order, rule, regulation or directive of any state, federal or other governmental regulatory authority or agency, nor shall anything in this Agreement be construed to require any party to waive its right to assert the lack of jurisdiction of such regulatory body, governmental entity, or agency over this Agreement or any party thereto.

11.5. This Agreement shall not be effective in whole or in part until and unless all necessary regulatory approvals or authorizations shall have been obtained to the satisfaction of each of the parties hereto. In the event any such approval or authorization is withdrawn or expires (and any renewal is refused by the appropriate regulatory authority), this Agreement may be cancelled at the option of any party hereto. This Agreement may be terminated by Delta at any time during the term hereof if performance of this Agreement would subject Delta to the jurisdiction of the Federal Energy Regulatory Commission (FERC) or its successor. To the extent that Delta is aware of impending jurisdiction by FERC, Delta shall notify End User, in writing, of such impending action and the reason therefor thirty (30) days prior to termination.

11.6. Except as otherwise provided herein, this Agreement is subject to the terms and conditions of Delta's Rates, Rules and Regulations, as set forth in Delta's tariffs on file with the PSC, as same may be changed from time to time.

ARTICLE 12. GOVERNING LAW.

This Agreement was entered into under and, to the extent permitted by law, shall be construed in accordance with the laws of the Commonwealth of Kentucky.

ARTICLE 13. NOTICES.

Any notice, request, demand, statement, bill, payment, or other communication from any party to any other shall be in writing and shall be delivered to the addresses listed below or at

such other address as the receiving party may designate in writing:

To Delta: Delta Natural Gas Company, Inc.
3617 Lexington Road
Winchester, Kentucky 40391
ATTN: George S. Billings

To End User: Sipple Brick, Inc.
P.O. Box 567
Stanton, Kentucky 40380
Attention: Wm. F. Harrison, Jr.

ARTICLE 14. ASSIGNMENT.

This Agreement nor any of the rights or obligations hereunder may be assigned without mutual written consent of the parties hereto.

ARTICLE 15. SUCCESSORS.

Subject to the terms and conditions of this Agreement, this Agreement shall extend to and be binding upon the successors and assigns of the parties hereto.

ARTICLE 16. WAIVER.

A waiver by any party of any one or more defaults by any other party in the performance of any provision of this Agreement, shall not operate as a waiver of any future default.

ARTICLE 17. SEVERABILITY.

Except as otherwise provided herein, any provision of this Agreement declared or rendered unlawful by a statute, court of law or regulatory agency with jurisdiction over the parties or either of them, shall not otherwise affect the other obligations of the parties under this Agreement.

ARTICLE 18. HEADINGS.

The headings of the provisions of this Agreement are used for convenience only and shall not be deemed to affect the meaning or construction of such provisions.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands this the day and year first above written.

DELTA NATURAL GAS COMPANY, INC.

By Glenn R. Jennings
Title President

SIPPLE BRICK, INC.

By W. F. Harrison, Jr.
Title V. PRES. & GEN. MGR.

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**SECOND PSC DATA REQUEST
DATED JULY 12, 2021**

51. Refer to the Seelye Testimony, page 33, line 5-12. Regarding the carryover of the over- or under-recoveries from the normal operation of the current Pipe Replacement Program (PRP) for 2021. Provide how Delta proposed to return any over- or under-recovery.

Response:

Delta will calculate any over/under recovery for 12 months ended December 31, 2021 and calculate a balancing adjustment factor pursuant to the "Pipeline Replacement Program Factors" section of the PRP Rider. The balancing adjustment factor will be calculated by dividing the over/under recovery amount by the applicable sales amount, which will be filed by March 31, 2022 and placed into effect beginning with May 2022 billings.

Sponsoring Witness: William Steven Seelye

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**SECOND PSC DATA REQUEST
DATED JULY 12, 2021**

52. Refer to the Seelye Testimony, page 33, and Case No. 2021-00098-Delta's most recent pipeline replacement rider (PRP) filing. Explain how Delta plans to calculate any over- or under-recovery of its 2021 PRP.

Response:

As explained in its response to PSC 2-52, Delta will calculate any over/under recovery for 12 months ended December 31, 2021 and calculate a balancing adjustment factor pursuant to the "Pipeline Replacement Program Factors" section of the PRP Rider. The balancing adjustment factor will be calculated by dividing the over/under recovery amount by the applicable sales amount, which will be filed by March 31, 2022 and placed into effect beginning with May 2022 billings.

Sponsoring Witness: William Steven Seelye

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53. Refer to the Seelye Testimony, page 34. For situations when sufficient data was not available or the resulting statistics were not satisfactory, explain why the National Association of Regulatory Utility Commissioners (NARUC) midpoint depreciation rates should not be used. Provide a comparison of the proposed depreciation rates and the NARUC midpoint.

Response:

To the best of Mr. Seelye's knowledge, the NARUC publication *Public Utility Depreciation Practices* do not set forth recommended depreciation rates. The manual describes methodologies for calculating average service lives and negative net salvage but does not prescribe depreciation rates that should be used by gas utilities.

Sponsoring Witness: William Steven Seelye

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54. Refer to the Seelye Testimony, Exhibit WSS-4, page 1 of 5. Also refer to Case No. 2010-00116 (2010 Rate Case), Seelye Testimony, Exhibit 7, page 1 of 5. Explain why the total allocation factors for underground storage between the residential, small non-residential, and large non-residential classes changed between the two rate cases.

Response:

While the number of customers served under the Residential and Small Non-Residential rates have seen very little growth, the number of customers served under Large Non-Residential has experienced some growth since the 2010 rate case. The growth in the Large Non-Residential class shifted the storage allocation away from Residential and Small Non-Residential and toward Large Non-Residential.

Sponsoring Witness: William Steven Seelye

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55. Refer to the Seelye Testimony, Exhibit WSS-5, page 1 of 2. Also refer to Case No. 2010-00116 (2010 Rate Case), Seelye Testimony, Exhibit 8, page 1 of 2. The customer portion of distribution mains have increased from 66.79 percent in the 2010 rate case to 71.08 percent in the instant case. Provide support for this increase in customer costs.

Response:

Support for the 71.08 percent customer portion of distribution mains comes from a zero-intercept analysis that was performed on Delta's continuing property records (CPR) data for account 376 as of December 31, 2020. It was provided in William Steven Seelye's testimony as Exhibit WSS-5. Support for the 66.79 percent in the 2010 rates case was based on CPR data for the 12 months ended December 31, 2009.

The same statistical analysis (weighted linear regression) was performed on both data sets. The difference in the customer-related percentage is simply due to differences in the plant installed on Delta's distribution system. Since 2009, Delta has installed 747,278 feet of 2-inch pipe and 317,203 feet of 4-inch pipe at a significantly higher cost. The unit costs for these two pipe sizes increase \$2.45/ft for the 2-inch pipe and \$3.51/ft for the 4-inch pipe. The increases in units installed and in the cost per unit for these two pipe sizes (which are some of the smaller pipe sizes) resulted in a change in the parameter estimates in the weighted linear regression analysis, increasing the intercept value from \$5.6580 in the last study to \$7.7973. While the parameter estimate for the slope also increased, the impact was greater for the intercept parameter. In both cases, the statistical analysis produced a high R-squares, indicating strong statistical validity.

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Sponsoring Witness: William Steven Seelye

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56. Refer to the Seelye Testimony, Exhibit WSS-6, page 1 of 1.

a. Provide the unit cost of service based on the cost of service study for the Residential Farm Tap rate class in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.

b. Provide the unit cost of service based on the cost of service study for the Small Non-Residential rate class in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.

c. Provide the unit cost of service based on the cost of service study for the Large Non-Residential rate class in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.

d. Provide the unit cost of service based on the cost of service study for the Interruptible Service rate class in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.

e. Provide the unit cost of service based on the cost of service study for the Off-System rate class in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.

Response:

See attached Excel spreadsheet.

Sponsoring Witness: William Steven Seelye

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57. Refer to Delta's Response to Staff's First Request, Item 12, page 38, and the Application, Tab 55, page 6. Explain whether Delta preformed a lead/lag study to determine its cash-working capital component of rate base. If not, explain why "Lead Lag Study" is a listed expense description. If so, provide the results of the lead/lag study.

Response:

Delta requested that its consultant, Mr. Seelye, provide the estimated cost to perform a lead/lag study. Delta began compiling information to provide to Mr. Seelye to complete the study, before electing to utilize the 1/8th methodology to calculate cash working capital. Delta has utilized the 1/8th methodology in its prior rate cases.

Sponsoring Witness: John B. Brown / William Steven Seelye

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58. Refer to Delta's Response to Staff's First Request, Item 53.
- a. Provide a detailed explanation for how the amounts in the Forecasted Test Year (Calendar 2022) were derived and provide the underlying data used to arrive at those amounts.
 - b. Explain what the \$8,367 in the row labeled "Peoples Kentucky" consists of.
 - c. Explain whether any adjustments were made to the forecast to account for the COVID-19 pandemic. If not, explain why not.

Response:

- a. In total, \$79,920 of Miscellaneous Gas Service Revenues were recorded September 2020 through March 2021. \$2,500 was budgeted in these accounts for April 2021 through August 2021, for a total of \$82,420 summarized in Staff's First Request, Item 53. See attached for the billing detail supporting that total from which the earlier response was derived.
- b. \$8,367 represents the portion of the \$82,420 total miscellaneous charges related to the Pikeville system. See attached for the detail of the \$8,367.
- c. Delta analyzed its sales volumes and revenues and concluded that they were not materially affected by the COVID-19 pandemic during 2020.

Sponsoring Witness: John B. Brown / William Steven Seelye

Total	-	-	475	100	-	-	175	750
PKY Turn On Charge								
Count	4	1	-	-	-	2	1	
Rate	<u>75</u>	<u>75</u>	<u>75</u>	<u>75</u>	<u>75</u>	<u>75</u>	<u>75</u>	
Total	300	75	-	-	-	150	75	600
PKY Transfer Service Charge								
Count	1	-	-	-	-	-	1	
Rate	<u>25</u>	<u>25</u>	<u>25</u>	<u>25</u>	<u>25</u>	<u>25</u>	<u>25</u>	
Total	25	-	-	-	-	-	25	50
PKY Meter Install Charge								
Count	4	2	1	5	5	-	-	
Rate	<u>150</u>	<u>150</u>	<u>150</u>	<u>150</u>	<u>150</u>	<u>150</u>	<u>150</u>	
Total	600	300	150	750	750	-	-	2,550
PKY Meter Install Charge								
Count	1	-	1	4	3	4	6	
Rate	<u>25</u>	<u>25</u>	<u>25</u>	<u>25</u>	<u>25</u>	<u>25</u>	<u>25</u>	
Total	25	-	25	100	75	100	150	475
Regulator Change								
Count	2	1	1	-	3	-	-	
Rate	<u>260</u>	<u>308</u>	<u>211</u>	<u>25</u>	<u>134</u>	<u>25</u>	<u>25</u>	
Total	520	308	211	-	403	-	-	1,442
Budget for April 21-August 21								<u>2,500</u>
PKY Subtotal								<u>8,367</u>
Total Base Period								<u><u>82,420</u></u>

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59. Refer to the Direct Testimony of Andrea Schroeder (Schroeder Testimony), page 4, lines 1–2, and to the Application, Tab 29. Provide an update to the 2021 actual and forecast pipeline purchase total.

Response:

Delta Natural Gas Company				
Mix of Gas Supply				
Calendar Years 2021, 2022, 2023, 2024				
MMcF	2021*	2022	2023	2024
Total Pipeline Purchase	4,193	4,214	4,223	4,240

*2021: 5 months actual, 7 months forecast

Sponsoring Witness: Andrea Schroeder

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60. Refer to the Schroeder Testimony, page 4, lines 9–12.
- a. Provide support for the anticipated 4.5 percent increase in total wages for 2022.
 - b. Provide support for the anticipated 3.0 percent increase in wages for 2023 and 2024.
 - c. Explain why the increase is 1.5 percent larger in 2022 and in subsequent years.
 - d. Refer to the Application, Tab 31. Confirm whether the Total Wages forecasts also assumes that Delta is fully staffed and does not count any wages from part-time employees.

Response:

- a. See attached.
- b. Please refer to the 2021 Rate Case Compensation Overview provided in response to Tab 60 of the Application. As noted on page 3 of the Overview, a 3.0 percent merit increase in wages for 2021 was based on data from various budget surveys performed by Willis Towers Watson and others. This is the most current market expectation for annual merit increases and has thus been utilized for 2023 and 2024 wages. The basis for the 4.5 percent increase for 2022 is described in subpart c. of this response.
- c. As the attachment for subpart a. illustrates, the 4.5 percent increase represents adjusting salary expense from the 12 month base period ending 8/31/21 to the 12 month test period ending December 31, 2022. Had the period being compared been the 12 months ended December 31, 2021, the increase percentage would have been closer to 3.0 percent, but since the base period was four months prior to that, it required a greater adjustment. In addition, due to the market study completed, several market adjustments were made,

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primarily to field/construction employees, which also resulted in the overall percentage for 2022 being higher than 3.0 percent.

- d. The Total Wages is based on actual wages paid September 2020-March 2021 and budgeted wages paid April 2021-August 2021. The months of actual wages were not adjusted to assume full staffing. The months of budget wages do assume full staffing. Wages for all months include part-time employees.

Sponsoring Witness: Andrea Schroeder

