

LARGE VOLUME NATURAL GAS SERVICE AGREEMENT BETWEEN



AND

ATMOS ENERGY CORPORATION

**KENTUCKY
PUBLIC SERVICE COMMISSION**

**Talina R. Mathews
EXECUTIVE DIRECTOR**

Talina R. Mathews

EFFECTIVE

4/12/2017

PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

LARGE VOLUME NATURAL GAS SERVICE AGREEMENT

THIS NATURAL GAS SERVICE AGREEMENT ("Service Agreement") is made and entered into this 23rd day of December, 2016, by and between ATMOS ENERGY CORPORATION, a Texas and Virginia corporation, ("Atmos Energy"), and [REDACTED], a [REDACTED] ("Customer"), also referred to individually as a "Party" and collectively as the "Parties."

WITNESSETH:

WHEREAS, Atmos Energy desires to provide to Customer, and Customer desires to obtain natural gas service from Atmos Energy, in accordance with the terms and conditions hereinafter set forth:

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the Parties hereto agree as follows:

1. Natural Gas Service Type and Volume Levels. Customer agrees to purchase from Atmos Energy or deliver to Atmos Energy for transportation all of Customer's natural gas service requirements for Customer's facility located on [REDACTED] at or near [REDACTED] Kentucky. Any natural gas used as fuel for electric generation by or for Customer is not covered by this Service Agreement. Atmos Energy agrees to provide service to Customer of the type specified below, subject to the provisions of the referenced tariffs, the related rules and regulations governing natural gas service and this Service Agreement, including its attached exhibits and General Terms and Conditions; provided, however, that Atmos Energy shall have no obligation to provide natural gas sales or transportation service to Customer in excess of the maximum volumes hereinafter specified:

<u>Tariffs</u>	<u>Maximum Mcf/Day</u>
Interruptible Transportation Service (T-3)	[REDACTED]

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In the event Customer's actual requirements exceed the above total daily volume, Atmos Energy will allow a nomination equal to Customer's requirements and, if capacity is available, shall authorize and provide an increase in the maximum daily contractual volumes equal to the excess daily requirement, provided Customer demonstrates that the increased requirements are representative of Customer's future use. Authorized volumes delivered to Atmos Energy in excess of Atmos Energy's contractual pipeline capacity will be redelivered to Customer, if operationally possible.

2. Price. Except as provided below, the price to be paid by Customer shall be in accordance with the rate schedule under which the service is rendered. Such rates, excluding the simple margin set forth herein, shall be subject to change as permitted by law. Any Federal, State or other taxes (other than those based upon or measured by Atmos Energy's income) which apply and are charged to Customer now or may hereafter be imposed upon Customer or upon the services performed herein by Atmos Energy shall be paid by the Customer in addition to the rates as specified, provided that where any such taxes are reduced or eliminated, the charges to Customer shall be adjusted downward to reflect that fact.

During the Term of this Service Agreement, the Simple Margin for all volumes delivered under Interruptible Transportation Service (T-3) shall be [REDACTED]

To the extent any charge is imposed upon Atmos Energy by virtue of proceedings before the Federal Energy Regulatory Commission (or successor authority), Atmos Energy shall impose such charge on Customer only to the extent approved or accepted by the Kentucky Public Service Commission. Customer retains the right to contest the applicability or amount of any such charge.

The "Lost and Unaccounted For" gas percentage ("L&U") to be applied under this Service Agreement shall be determined in the following manner. Effective each November 1, Atmos Energy shall adjust the L&U factor based on Atmos Energy's review of the system L&U for upstream Atmos Energy facilities. The L&U factor may range from 0% up to the L&U percentage as stated in the Atmos Energy tariff. The initial L&U percentage to be applied is 0%.

3. Term. This Service Agreement shall become effective on January 1, 2017, (or the first day of the month during which it is accepted by the Kentucky Public Service Commission; if later) ("Effective Date"), and shall continue in full force and effect for a period of three (3) years from the Effective Date ("Initial Term"), and year-to-year thereafter (each year a "Rollover Term") unless and until terminated by Customer upon written notice no more than 270 days nor less than 180 days prior to the effective date of termination as set forth in Customer's notice at any point during the Term. Atmos Energy may terminate the Service Agreement upon written notice no more than 270 days nor less than 180 days prior to the effective date of termination as set forth in Atmos Energy's notice, with such effective date of termination being no earlier than the end of the Initial Term. The Initial Term and any subsequent Rollover Term shall be co

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referred to as the "Term."

Customer agrees that while this Service Agreement is in effect, all natural gas consumed by Customer under this Service Agreement other than natural gas used as fuel for electric generation shall be delivered by Atmos Energy. During the Initial Term, in the event Customer requires natural gas, other than natural gas used as fuel for electric generation, and beyond the capacity which Atmos Energy is able to deliver, Customer shall be able to receive natural gas from a party other than Atmos Energy provided, however, that during all months in which Customer receives natural gas from such party, Customer shall pay promptly each month to Atmos Energy the difference between the Required Monthly Simple Margin and the actual simple margin for each month should the actual simple margin be lower than the Required Monthly Simple Margin. The "Required Monthly Simple Margin" is based on an average annual Customer usage of [REDACTED] at [REDACTED], or [REDACTED] for each month plus monthly base charges and transportation administration fees for the applicable period. In the event Customer makes a filing with the Federal Energy Regulatory Commission, or directs another party to make a filing on the Customer's behalf to receive direct gas service, Customer shall notify Atmos Energy of such filing contemporaneously with the filing. In any event, Customer shall not commence construction of bypass facilities prior to submitting written notice of construction commencement to Atmos Energy under the terms and conditions herein.

In the event Customer terminates this Service Agreement prior to the end of the Initial Term, Customer shall pay promptly to Atmos Energy the difference between the Required Initial Term Simple Margin and the actual simple margin for the period of the Initial Term as of the date such termination becomes effective, as determined by Atmos Energy. The "Required Initial Term Simple Margin" is based on an average annual Customer usage of [REDACTED] over the three years of the Initial Term at [REDACTED] or [REDACTED] for the Initial Term plus monthly base charges and transportation administration fees for the applicable period.

4. Notices. Any notice required to be given under this Service Agreement or any notice which either Party hereto may desire to give the other Party shall be in writing and shall be considered duly delivered when hand-delivered or when deposited in the United States mail, postage prepaid, registered or certified, and addressed as follows:

If to Atmos Energy:

ATMOS ENERGY CORPORATION
(Kentucky/Mid-States Division)
5430 LBJ Freeway, Suite 160
Dallas, Texas 75240-2601
Attention: Contract Administration
Telephone: (214) 206-2574
Fax: (214) 206-2101
Duplicate To:

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ATMOS ENERGY CORPORATION
(Kentucky/Mid-States Division)
2850 Russellville Road
Bowling Green, KY 42101
Attention: Bill Greer
Telephone: (270) 901-1701
Fax: (270) 782-6271

If to Customer:



or such other address as Atmos Energy, Customer, or their respective successors or permitted assigns shall designate by written notice given in the matter described above. Routine communications, including monthly invoices, may be mailed by ordinary mail, postage prepaid, and addressed to the above-designated name and address, or to any person designated in writing by the either Party.

5. Attachments. General Terms and Conditions and Exhibit "A" Receipt Point(s) and Delivery Point(s), attached hereto are expressly incorporated herein and made a part of this Service Agreement for all purposes, and all references herein and therein to "this Service Agreement" include all such exhibits and the terms and provisions contained therein.

IN WITNESS WHEREOF, the Parties hereto have executed this Large Volume Natural Gas Service Agreement to be effective as of the date first above written.

[Redacted]
By: [Redacted]
Title: [Redacted]

ATMOS ENERGY CORPORATION

By: Bill Greer

Bill Greer

Vice President, Marketing
Kentucky/Mid-States Division



**GENERAL TERMS AND CONDITIONS
TO LARGE VOLUME NATURAL GAS SERVICE AGREEMENT**

1. This Service Agreement is subject to all applicable and valid statutes, ordinances, and the rules, regulations and orders of the Kentucky Public Service Commission ("KPSC"). This Service Agreement shall not be effective until accepted by the KPSC upon additional conditions, if any, acceptable to each of the Parties. Except for specific deviations noted in this Service Agreement, all terms and conditions of Atmos Energy's T-3 tariff shall apply to the Interruptible Transportation Service specified herein and such tariff shall be included herein by reference.

2. If not presently installed, the necessary regulating and metering equipment constructed to Atmos Energy's specifications shall be installed for delivery of the gas as specified here, and the Customer shall install additional regulating equipment to provide suitable pressure and operation at the various points of utilization. A suitable location for the regulating and metering equipment shall be provided by the Customer without charge, and Atmos Energy shall have the right to operate, maintain and alter this equipment as is necessary or desirable. Each Party hereto agrees to maintain any equipment owned by it and used in the performance of its obligations herein in good, safe, and efficient operating condition and repair.

3. Title to sales gas shall pass from Atmos Energy to Customer, upon the delivery thereof, at the Customer's service address which is designated on Exhibit "A" attached hereto and made part hereof. The title to all gas transported hereunder shall remain with the Customer. The Receipt Point(s) at which the Customer will deliver transportation gas to Atmos Energy is designated on Exhibit "A."

4. As between the Parties hereto solely, Atmos Energy shall be deemed in exclusive control and possession of the gas after the delivery thereof at the Receipt Point(s) and prior to the redelivery thereof, to or for the account of Customer at the Customer's service address. At all other times, as between the parties hereto solely, Customer shall be deemed in exclusive control and possession of the gas and responsible for any damages, losses, or injuries caused by Customer's handling, delivery, or receipt thereof. Each Party agrees to indemnify, defend, and hold the other Party harmless from and against any and all claims, liabilities, damages, losses, costs, and expenses (including attorneys' fees) incurred by the indemnified Party arising from or relating to any damages, losses, or injuries for which the indemnifying Party is responsible p

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the provisions of this Service Agreement, except to the extent such damages, losses, or injuries are caused by the negligence of the indemnified Party.

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5. In the event that either Atmos Energy or Customer is rendered unable, wholly or in part, by reason of an event of force majeure, to perform its obligations under this Service Agreement, other than to make payment due thereunder, and such Party has given notice and full particulars of such force majeure in writing to the other Party as soon as possible after the occurrence of the cause relied on, then the obligations of the Parties, insofar as they are affected by such force majeure, shall be suspended during the continuance of such inability, but for no longer period, and such cause shall, insofar as possible, be remedied with all reasonable dispatch; provided, however, that the settlement of strikes or lock-outs shall be entirely within the discretion of the Party having such difficulty, and the above requirement that any force majeure be remedied with all reasonable dispatch shall not require the settlement of strikes or lock-outs by acceding to the demands of the opposing Party when such course is inadvisable in the discretion of the Party having the difficulty.

The term "force majeure" as used herein shall mean any cause, not reasonably within the control of the Party claiming suspension and includes, but is not limited to, acts of God; strikes; lock-outs; wars; riots; orders or decrees of any lawfully constituted federal, state, or local body; fires; storms; floods; wash-outs; explosions; breakage or accident to machinery, or lines of pipe; or any other cause of a similar nature not reasonably within the control of the Party whether of the kind herein enumerated or otherwise.

6. During each billing period involving transportation services, Customer agrees to maintain its deliveries of gas to Atmos Energy and its receipt of gas from Atmos Energy in continuous balance or as near thereto as practicable on a Mcf or MMBtu basis, as designated by Atmos Energy. Atmos Energy is authorized to require an adjustment to Customer's transportation nominations as Atmos Energy, in its sole discretion, deems appropriate to avoid or eliminate an imbalance on the transporting interstate pipeline system. Further, the Customer agrees to be liable to Atmos Energy for all cost, expense and liability incurred by Atmos Energy and caused by Customer's transportation related activity on the transporting interstate pipeline system. To the extent imbalances owed to Customer by Atmos Energy occur, such "banked" volumes of the Customer shall be deemed, for billing purposes, to be the first volumes delivered to the Customer during the succeeding billing period. Atmos Energy agrees to allow the Customer to have a monthly "banked" gas balance of up to [REDACTED] without charge. Customer understands that system operational constraints may occasionally restrict the ability to access or increase "banked" volumes. During periods of curtailment of overrun sales deliveries, Customer understands that access to any accumulated "banked" volumes is restricted. If such curtailment occurs at the end of a month, Atmos Energy shall provide a supplemental balancing allowance of [REDACTED] to accommodate both the positive imbalances in excess of [REDACTED] entering into the curtailment period and the positive imbalances incurred during the curtailment period.

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When the volume of gas taken by Customer during a billing period exceeds the aggregate of its transportation nominations and its available "banked" volumes, Customer shall pay Atmos Energy for such overrun volumes at the applicable tariff rate. The customer agrees to notify Atmos Energy in advance of Customer attempting to take any overrun volumes. Such notification does not, however, entitle Customer to any overrun volumes. The curtailment violation penalty charge provided in Atmos Energy's tariff for Interruptible Transportation Service (Rate T-3) is not changed by this Service Agreement, but may be waived by Atmos Energy in its sole discretion. When the volume of gas taken by Customer during a billing period is less than the aggregate of its transportation nominations and its available "banked" volumes, if any, and the imbalance exceeds the banking allowance set forth herein, such excess volumes shall be subject to the "cash-out" provisions of Atmos Energy's tariff for Interruptible Transportation Service (Rate T-3).

7. In the event of default hereunder by either Party, in addition to all rights and remedies at law or in equity to which the non-defaulting Party may be entitled, the defaulting Party agrees to reimburse the non-defaulting Party for all attorneys' fees, court costs, and other expenses incurred. Further, each Party agrees to indemnify and hold the other Party harmless with regard to any and all fees, costs, and expenses (including attorneys' fees) incurred by the non-defaulting Party in relations to all claims, disputes, and suits which arise under or are related to the defaulting Party's default under this Service Agreement, except to the extent the non-defaulting Party was negligent in the performance of its duties as expressly defined in this Service Agreement.

8. Neither Party may assign any of its rights or obligations hereunder to any person or entity without the prior written consent of the other, such consent not to be unreasonably withheld. This Service Agreement shall be binding upon the Parties hereto and their successors and permitted assigns.

9. This Service Agreement constitutes the entire agreement between the Parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral and written, between the Parties hereto with respect to the subject matter hereof. No amendment or other modification hereto shall be binding upon any Party unless executed in writing by both Parties.

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EXHIBIT "A"
RECEIPT POINT(S)
AND
DELIVERY POINT(S)

RECEIPT POINT:

[REDACTED]

DELIVERY POINT:

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