

CONTRACT NO.

LARGE VOLUME NATURAL GAS SERVICE AGREEMENT

BETWEEN

AND

WESTERN KENTUCKY GAS COMPANY,
A Division of
ATMOS ENERGY CORPORATION

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

JUL 08 1998

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

BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

LARGE VOLUME NATURAL GAS SERVICE AGREEMENT

THIS NATURAL GAS SERVICE AGREEMENT ("Agreement") is made and entered into this day of , 1998, by and between WESTERN KENTUCKY GAS COMPANY, a division of Atmos Energy Corporation, a Texas and Virginia corporation, ("WKG"), and ("Customer"), also referred to as the "parties".

WITNESSETH:

WHEREAS, WKG desires to provide natural gas service to Customer, and Customer desires to obtain natural gas service from WKG, 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 deliver to WKG for transportation or purchase from WKG all of Customer's natural gas service requirements for Customer's facility located of the type specified below, according to the terms and conditions set forth in this Agreement and subject to the provisions of the tariffs referenced herein and the related rules and regulations governing natural gas service pursuant to such tariffs as promulgated by the Kentucky Public Service Commission (the "Commission") and in effect during the Term (as defined in Section 3) of this Agreement; provided, however, that WKG shall have no obligation to provide natural gas transportation or sales service to Customer in excess of the maximum volumes hereinafter specified:

Tariffs

Maximum

Mcf/Day
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In the event Customer's actual requirements exceed the above total daily volume, WKG 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, as then reasonably projected by Customer on the basis of historical data and/or changes in operations, facilities, product demand, expansion, or other changed conditions occurring or likely to occur. Authorized volumes delivered to WKG in excess of WKG's contractual pipeline capacity will be redelivered to Customer, if operationally possible.

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2. Price. Except as provided below, the price to be paid by the Customer during the Term shall be in accordance with the tariff rate schedule under which the service is rendered. Such rates, excluding simple margin (which shall remain unchanged during the Term) shall be subject to changes as permitted by law. Any Federal, State or other taxes (other than those based upon or measured by WKG's income) which apply and are charged to or imposed upon Customer on the purchase of services or gas from WKG hereunder shall be paid by 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.

The Simple Margin

To the extent any charge is imposed upon WKG by virtue of proceedings before the Federal Energy Regulatory Commission (or successor authority) ("FERC"), WKG shall impose such charge on Customer to the extent approved by the Commission.

3. Term. This Agreement shall become effective on _____, 1998, (or the first day of the month during which it is accepted by the Commission, if later), and shall continue in full force and effect until _____, ("Initial Term"), and year-to-year thereafter unless and until terminated by either party upon written notice 180 days prior to the end of the Initial Term or any subsequent renewal term. Such termination shall become effective at the end of the then current term.

4. Notices. Any notice required to be given under this Agreement or any notice which either party hereto may desire to give the other party shall be in writing and shall be considered given (a) on the date of personal delivery, or (b) on the third day following the date of deposit in the United States mail, postage prepaid, registered or certified, return receipt requested, or (c) on the date following the date of delivery to a nationally known overnight courier service, in each case addressed as follows:

If to WKG:

WESTERN KENTUCKY GAS COMPANY
A Division Of
Atmos Energy Corporation
2401 New Hartford Road
Owensboro, Kentucky 42303 PUBLIC SERVICE COMMISSION
Attention: Marketing Department OF KENTUCKY
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If to Customer:

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or such other address as WKG, 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, addressed as provided above.

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 Agreement for all purposes, and all references herein and therein to "this 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 as of the date first above written.

WESTERN KENTUCKY GAS COMPANY
A Division of
Atmos Energy Corporation

By: _____

Title: _____

By: _____

Title: _____

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

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1. This Service Agreement is subject to all applicable and valid statutes, ordinances, and the rules, regulations and orders of the Commission. This Agreement shall not be effective until accepted by the Commission 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 WKG's specified herein and such tariff shall be included herein by reference.

2. If not presently installed, the necessary regulating and metering equipment constructed to WKG'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 WKG 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. 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 WKG is designated on Exhibit "A," attached hereto. Title to sales or overrun gas shall pass from WKG to Customer, upon the delivery thereof, at the Customer's service address.

4. The parties agree that, solely as between them, (a) WKG shall be deemed to be in exclusive control and possession of gas from and after its delivery at the Receipt Point, as defined in this Agreement, and prior to delivery of the gas by WKG to Customer's Delivery Point, as defined in this Agreement, (b) Customer shall be deemed in exclusive control and possession of the gas at other times, (c) each party shall be responsible for any claims, liabilities, damages, losses, costs or expenses resulting from or arising out of its handling, delivery or receipt of gas deemed to be in its control and possession hereunder, or otherwise arising from occurrences with respect to such gas when it is deemed to be in such party's control and possession hereunder except to the extent such claims, liabilities, damages, losses, costs or other expenses result from or are caused by any act or omission of the other party, and (d) each party agrees to

indemnify, defend and hold the other party harmless from and against any and all such claims, liabilities, damages, losses, costs, and expenses (including attorneys' fees) incurred by the other party except to the extent such claims, liabilities, damages, losses, costs, or other expenses result from or are caused by any act or omission of the other party.

5. In the event that either WKG or Customer is rendered unable, wholly or in part, by reason of any event of force majeure, to perform its obligations under this 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; inability to obtain or delay in obtaining rights-of-way, materials, supplies, or labor permits; temporary or permanent failure of gas supply or transportation services; capacity constraints; repair, maintenance, or replacement of facilities used in the performance of the obligations contained in this Agreement; 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 WKG and its receipt of gas from WKG in continuous balance or as near thereto as practicable on a Mcf or MMBtu basis, as designated by WKG. WKG is authorized to require an adjustment to Customer's transportation nominations as WKG, in its sole discretion, deems appropriate to avoid or eliminate an imbalance on any transporting interstate pipeline system. Further, the Customer agrees to be liable to WKG for all cost, expense and liability to WKG related to the Customer's transportation related activity on any transporting interstate pipeline system.

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WKG's monthly reconciliation of deliveries to Customer shall occur in the manner hereinafter set forth.

When the volume of gas taken by Customer during a billing period exceeds the aggregate of its transportation nominations and its available "banked" volumes, if any, Customer shall pay WKG for such overrun volumes at the applicable tariff rate. 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, such excess volumes shall be subject to the "cash-out" provisions of WKG's tariff

7. 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 Agreement shall be binding upon the parties hereto and their respective successors and permitted assigns.

8. In the event of default hereunder by either party, in addition to all other 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. Each party agrees to indemnify, defend and hold the other party harmless with regard to any and all claims, liabilities, damages, losses, costs, and expenses (including reasonable attorneys' fees) incurred by the non-defaulting party resulting from the breach or nonperformance by the defaulting party of any agreement contained in this Agreement, except to the extent the claims, liabilities, damages, losses, costs, and expenses incurred by the non-defaulting party are caused by or result from the non-defaulting party's acts or omissions, or by its breach or nonperformance of any agreement herein.

9. This 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 POINTS:

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DELIVERY POINT: