

LARGE VOLUME NATURAL GAS SERVICE AGREEMENT

BETWEEN

AND

WESTERN KENTUCKY GAS COMPANY,
A Division Of
ATMOS ENERGY CORPORATION

DATED

LARGE VOLUME NATURAL GAS SERVICE AGREEMENT

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

W I T N E S S E T H :

WHEREAS, WKG desires to provide to Customer, and Customer desires to obtain natural gas service 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. WKG agrees to provide to Customer, and Customer agrees to receive from WKG, all of Customer's natural gas volumes and service requirements for Customer's facility located at or near _____ Kentucky, 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 WKG shall have no obligation to provide gas service to Customer in excess of the maximum volumes hereinafter specified:

<u>Tariffs</u>	<u>Maximum MCF/Day</u>
Sales Rate G-1 (Priority 4)	
Sales Rate G-2 (Priority 5)	
Transportation Rate T-2 (Priority 4, 5, or 6)	
Carriage Rate T-3 (Priority 7)	

During any billing period, volumes delivered to Customer shall, regardless of nominations, be deemed to first satisfy the G-1 commitment, if any; then the G-2 commitment, if any; and finally the T-3 commitment, if any. Subject to the above-stated daily levels, the parties further agree to the following levels of gas service:

(a) Base Period Volumes in Mcf
Priority No. 5 Priority No. ____ Priority No. ____

November

December

January

February

March

TOTAL WINTER

April

May

June

July

August

September

October

TOTAL SUMMER

(b) Utilization:

(c) Maximum Hourly Demand - Priority 5

(d) Maximum Hourly Demand - Priority ____

(e) Maximum Hourly Demand - Priority ____

(f) Maximum Daily Demand - Priority 5

(g) Maximum Daily Demand - Priority ____

(h) Maximum Daily Demand - Priority ____

(i) Delivery Pressure: 35 psig

(j) Customer's Service
Address

(k) Total Connected Load:

(l) Alternate Fuel(s):

Type: #2 Oil Volume: 11 Days Gallons: 205,000
Type: Propane Volume: 7 Days Gallons: 180,000

2. Price. The price to be paid by Customer shall be in accordance with the rate schedule under which the service is rendered. Such rates, including gas cost adjustments, shall be subject to change as permitted by law. Any Federal, State or other legal taxes other than those based upon or measured by WKG's income which apply now or may hereafter be imposed shall be paid by the Customer in addition to the rates as specified.

3. Term. This Service Agreement shall become effective on _____ and shall continue in full force and effect for _____ and year-to-year thereafter unless and until terminated at the end of any year by either party hereto upon thirty (30) days prior written notice to the other party. Customer agrees that while this Service Agreement is in effect, it will not file, nor cause or allow to be filed on its behalf with the Federal Energy Regulatory Commission, or any other appropriate authority, an application for authority to receive direct transportation service or sales, or otherwise attempt, in any manner, to circumvent or bypass WKG's service or facilities.

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 WKG:

WESTERN KENTUCKY GAS COMPANY
311 W. 7th Street
P.O. Box 866
Owensboro, Kentucky 42302
Attention: Large Volume Sales
Department

If to Customer:

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

5. Attachments. General Terms and Conditions, Exhibit "A," Receipt Point(s) and Delivery Point(s), Exhibit "B," Gas Exchange Terms and Conditions, and Exhibit "C," Agency Terms and Conditions 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 exhibit(s), and their 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: Carl Fischer *gk*
Title: President

Title: _____

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.

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. Title to sales gas shall pass from WKG to Customer, upon the delivery thereof, at the Customer's service address. 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.

4. As between the parties hereto solely, WKG 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. Customer agrees to indemnify, defend, and hold WKG harmless from and against any and all claims, liabilities, damages, losses, costs, and expenses (including attorneys' fees) incurred by WKG arising from or relating to any damages, losses, or injuries for which Customer is responsible pursuant to the provisions of this Service Agreement.

5. In the event that either WKG 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; 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 Service Agreement; or any other cause of a similar nature 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 an 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 the 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 imbalance or any other activity on the transporting interstate pipeline system. To the extent imbalances owed to Customer by WKG 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. When the volume of gas taken by Customer during a billing period exceeds the aggregate of its T-2 transportation nominations and its available "banked" volumes, Customer shall pay WKG for such overrun volumes at the applicable sales tariff rate. Provided, however, during any billing period during which Customer nominated under rate T-3, all overrun volumes in excess of transportation nominations, available T-3 "banked" volumes and residual G-1 and G-2 contract levels, if any, shall be deemed rate T-3 overrun gas for billing purposes.

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

8. This Service Agreement shall be binding upon the parties hereto and their respective successors and 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.

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

Receipt Point:

Delivery Point:

EXHIBIT "B"

GAS EXCHANGE TERMS AND CONDITIONS
TO THE
LARGE VOLUME NATURAL GAS SERVICE AGREEMENT

WKG and the Customer agree to exchange volumes of gas, from time to time at WKG's option, in a manner which will cause no added costs to be absorbed by WKG or its other customers, but will facilitate transportation of gas under the Service Agreement. The Customer will provide WKG with gas volumes in amounts and at locations acceptable to WKG in exchange for gas available within WKG's intrastate Kentucky gas pipeline system (WKG's Kentucky System). More specifically, the parties agree that:

WKG will, to the extent volumes of gas are available in excess of WKG's Kentucky System's sales customers' requirements and higher priority curtailment categories' requirements, exchange gas volumes with the Customer. The exchange gas tendered by WKG to the Customer will be delivered at a Texas Gas Transmission Corporation delivery point, designated in WKG's sole discretion, on WKG's Kentucky System. Simultaneously, or as near thereto as practicable, the Customer will cause an Adjusted Volume, as defined below, to be delivered for WKG's account at an inlet delivery point, designated by or acceptable to WKG, on Texas Gas Transmission Corporation's interstate pipeline system or such other delivery point as designated by WKG. "Adjusted Volume" is defined as a volume equivalent to the related exchange volume delivered by WKG plus the shrinkage and fuel retainage required to transport such a volume from the point delivered to WKG by the Customer to WKG's Kentucky System. The gas delivered by the Customer shall be of a quality which is acceptable for transportation by Texas Gas Transmission Corporation or such other pipeline transporter as designated by WKG.

WKG will have no obligation to deliver exchange gas to the Customer if (1) a corresponding Adjusted Volume has not been delivered to WKG, (2) the Customer is in arrears on cost reimbursement to WKG, (3) WKG does not have reasonable access, in WKG's sole opinion, to the appropriate transportation services which would allow the gas available from the Customer to be transported to WKG's Kentucky System, or (4) WKG's performance is prevented by force majeure, as defined in this Service Agreement.

Title to the exchanged gas volumes and Adjusted Volumes shall pass to the receiving party at the exchange delivery

point. The Customer warrants that the gas volumes tendered to WKG for exchange are free from all liens and adverse claims, including liens to secure payment of production or severance taxes and any and all taxes, charges or claims of any nature or kind and agrees to indemnify and hold harmless WKG from any such taxes, charges, claims, or related costs. Furthermore, the delivering party shall release, indemnify and hold harmless the receiving party from any and all liability from any suit, action, loss, or expense arising from any adverse claim related to the exchanged gas.

The Customer shall be deemed to be in control and have possession of the gas to be exchanged until it passes the delivery point designated or accepted by WKG.

The volume of gas to be exchanged to the Customer shall, unless otherwise designated by WKG, coincide with the volume scheduled for transportation pursuant to this Service Agreement. All gas measurement shall be by WKG or a party acceptable to WKG.

The exchange of volumes hereunder shall not be deemed by either party to be a transfer of tangible personal property for a consideration. Payments made by the Customer as described in this paragraph are payments made for transportation services provided by WKG under these Gas Exchange terms and conditions. The Customer agrees to reimburse WKG for all charges (not otherwise recovered under this Service Agreement) assessed by WKG's transporter for delivering the exchange gas to WKG's Kentucky System. The Customer warrants that the exchange of gas hereunder is exempt from sales and use taxes; however, in the event such taxes are found by law to be applicable, the Customer agrees to pay such taxes, and to release, indemnify, defend and hold harmless WKG from the payment of any such taxes or claims. Payments, notices, and other communications related to these Gas Exchange terms and conditions shall be delivered between the parties in the same manner as provided in this Service Agreement. The reimbursement shall be invoiced and paid contemporaneously with billings and due dates for transportation services under this Service Agreement.

EXHIBIT "C"

AGENCY TERMS AND CONDITIONS
TO THE
LARGE VOLUME NATURAL GAS SERVICE AGREEMENT

WKG and Customer agree that in order to facilitate the sale, exchange and/or transportation of gas under the Service Agreement, it is necessary that Customer appoint WKG to act as Customer's agent in respect to the gas sold, exchanged and/or transported hereunder. More specifically, the parties agree that:

1. WKG has the authority, as Customer's agent, to negotiate and execute, with Customer's prior approval, such gas agreements as may be necessary or convenient to carry out the terms of this Service Agreement. The terms of such agreements shall include, but shall not be limited to, the making of nominations on behalf of the Customer for gas transportation or supplies.
2. WKG shall transmit payments due under said agreements from Customer to the parties to whom said payments are due. In furtherance of this, WKG shall invoice Customer for said charges, and Customer shall pay the same contemporaneously with billings and due dates for services under the Service Agreement.
3. Customer agrees that WKG assumes no obligations or liabilities regarding (i) any nomination received by WKG from Customer, and (ii) any fees incurred by Customer in furtherance of this Exhibit "C".