THIS AGREEMENT, made and entered into this <u>26</u> day of <u>August</u>, 1969, by and between COLUMBIA GAS OF KENTUCKY, INC., a Kentucky corporation, hereinafter called "Seller", and AMERICAN STANDARD INC., a Delaware corporation, hereinafter called "Buyer":

<u>WITNESSETH</u>:

WHEREAS, Seller is engaged in the purchase, transportation and sale, at retail, of natural gas in various areas and localities in the Commonwealth of Kentucky and is a gas public utility corporation under the laws of Kentucky; and

WHEREAS, Buyer desires to obtain natural gas for use in its plant near Paintsville, Kentucky, and Seller desires to take such steps as may be necessary to enable it to sell and deliver such gas to Buyer; and

WHEREAS, Seller, because of the high investment costs required to provide facilities for gas service to Buyer and the relatively low depreciation rate normality booked, must have some assurance from Buyer for delli that is over a period of at least five (5) years; and

WHEREAS, the parties hereto desire to enter an Agreement for the sale and delivery of natural as Seller to Buyer under the terms and conditions set forth and referred to herein.

NOW, THEREFORE, WITNESSETH: In consideration of the premises and the mutual covenants herein contained, the parties hereto covenant and agree as follows:

1. Seller shall sell and deliver and Buyer shall purchase and receive natural gas for use in Buyer's plant located near Paintsville, Kentucky, in quantities up to eight hundred (800) Mcf of gas per day.

2. Natural gas delivered hereunder

- (a) shall be commercially free from dust 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 Buyer;
- (b) shall not contain more than a trace of hydrogen sulphide per one hundred (100) cubic feet of gas, as determined by methods prescribed in Standards of Gas Service, Circular of the National Bureau of Standards, No. 400, Bagerente Constant 134 (1934 Edition), and shall be considered at the free from hydrogen sulphide if a strip of

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white filter paper, moistened with a solution containing five percent (5%) by weight of lead acetate, is not distinctly darker than a second paper freshly moistened with the same solution, after the first paper has been exposed to the gas for one (1) minute in an apparatus of approved form, through which the gas is flowing at the rate of approximately five (5) cubic feet per hour, the gas not impinging directly from a jet upon the test paper; and

(c) shall not contain more than twenty (20) grains of total sulphur per one hundred (100) cubic feet. In the event the gas contains more than a trace of hydrogen sulphide per one hundred (100) cubic feet or more than twenty (20) grains of total sulphur per one hundred (100) cubic feet, by test prescribed by the Bureau of Standards or other recognized method, then upon the request of Buyer, Seller shall reduce the hydrogen sulphide content to not more than a trace per one hundred (100) cubic feet and the total sulphur content to twenty (20) grains less per one hundred (100) cubic feet.

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3. Natural gas delivered hereunder shall be subject to the terms and conditions of, and shall be paid for at the rates contained in, Seller's Rate Schedules G-2 and AC-1, on file with the Public Service Commission of Kentucky or any effective superseding Rate Schedules.

4. Seller shall construct, maintain in good repair, and operate a 3-1/2-inch gas pipeline approximately four and two-tenths (4.2) miles in length, required to connect the point of delivery to gas to Buyer with Seller's supply of gas. Seller shall also furnish, install, maintain in good repair, and operate such other pertinent equipment as may be necessary for the sale and delivery of gas by Seller to Buyer, including, but not limited to, the necessary measuring and pressure regulating facilities.

5. Buyer shall purchase through said line not less than 60,000 Mcf of gas from Seller during each year of the five (5) consecutive years commencing January 1, 1971 (the period from the date of initial delivery of natural gas hereunder through December 31, 1970, being allowed as a development period) or shall pay to Seller, in addition to the rates provided in Seller's Rate Schedules G-2 and AC-1, a Facilities Charge, computed as hereinafter provided, for every year during said five (5) years in

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which the purchase of gas through said line shall be less than 60,000 Mcf. Such Facilities Charge shall be computed by multiplying the difference between 60,000 Mcf and the total Mcf of gas purchased during the year by 20¢. For the purpose of computing the Facilities Charge, if any, payable during any year in which the volume of gas purchased by Buyer has been reduced because of curtailment by Seller or by Buyer due to Force Majeure, the estimated quantity of gas curtailed by Seller as well as the estimated reduction in consumption by Buyer due to Force Majeure during any year shall be calculated by comparing the deliveries on such days affected by curtailment or Force Majeure with the average of the thirty (30)-day period, not affected by curtailment or Force Majeure, immediately prior to the period under consideration, and such estimated curtailment or reduction in consumption shall be added to the actual purchases through said line, to determine the amount of gas which would have been purchased had the delivery not been curtailed by Seller or reduced by Buyer due to Force Majeure. Such Facilities Charge shall not be payable for any year commencing after the end of the said five (5)-year period.

6. Seller shall not be required to maintain a pressure in excess of fifteen (15) pounds per square with gauge at the point of delivery.

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7. The performance of this Agreement, and all parts thereof, shall be conditioned upon the obtaining of all necessary regulatory commission approvals by Seller and by its supplier, and shall be subject to the pertinent rules and regulations of such regulatory commissions.

8. Any notice, request, demand or other communication under this Agreement from one party to the other shall be in writing and shall be considered to have been delivered when sent postpaid by certified mail to the post office address of the recipient party, as follows:

> Columbia Gas of Kentucky, Inc. 1700 MacCorkle Avenue, S. E. Charleston, West Virginia 25314

American Standard Inc. 40 West 40th Street New York, New York 10018 Attention: Office of the Secretary

and

Roger McKenzie, Project Manager American Standard Inc. Box A Paintsville, Kentucky 41240

9. DEFINITIONS - As used throughout this contract, the following terms shall have the meanings set forth below:

Force Majeure - Neither Seller nor Buyer shall be

liable in damages to the other for any act, omission,

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circumstance occasioned by or in consequence of any acts of God, strikes, lockouts, acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, arrests and restraints of rulers and peoples, civil disturbances, explosions, breakage or accident to machinery or lines of pipe, and binding order of any court or governmental authority which has been resisted in good faith by all reasonable legal means, and any other cause, whether the kind herein enumerated or otherwise, not within the control of the party claiming suspension and which by the exercise of due diligence such party is unable to prevent or over-Failure to prevent or settle any strike or strikes come. shall not be considered to be a matter within the control of the party claiming suspension. Such causes or contingencies affecting the performance hereunder by either Seller or Buyer, however, shall not relieve it of liability in the event of its concurring negligence or in the event of its failure to use due diligence to remedy the situation and to remove the cause in an adequate manner and with all reasonable dispatch, nor shall such causes or contingencies affecting such performance relieve either party from its obligations to make payments of amounts then due hereunder in respect of gas theretofore delivered.

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In the event either party hereto may be by Force Majeure rendered unable wholly or in part, to carry out its obligations under this agreement, then on such party's giving notice and full particulars of such Force Majeure in writing to the other party after the occurrence of the cause relied on, the party giving such notice shall have his obligations under this contract insofar as they are affected by such Force Majeure, from its inception, suspended during the continuance of any inability so caused but for no longer period, and such cause shall as far as possible be remedied with all reasonable dispatch.

The terms, covenants and provisions hereof shall extend to and be binding upon the successors and assigns of the parties hereto.

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

By

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COLUMBIA GAS OF KENTUCKY, INC.

By Vice Pres

ATTEST:

Secretary

AMERICAN STANDARD INC.

ATTEST:

Treasurer



