

SALES AGREEMENT

THIS AGREEMENT made and entered into this first day of February , 1967, by and between COLUMBIA GAS OF KENTUCKY, INC., a Kentucky corporation (hereinafter called Seller), and PITTSBURGH ACTIVATED CARBON COMPANY, a Pennsylvania corporation (hereinafter called Buyer).

W I T N E S S E T H:

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

Section 1. Gas to be Sold. Seller hereby agrees to sell and deliver and Buyer hereby agrees to purchase and receive Buyer's requirements of natural gas for Buyer's Big Sandy Plant, located on U. S. Route 23 south of Catlettsburg, Kentucky, in quantities up to 1,300 Mcf per day.

Section 2. Price. Buyer agrees to pay, for all natural gas purchased by it hereunder each month, the following rate:

Monthly Demand Charge:

\$3.00 per Mcf of Monthly Billing Demand

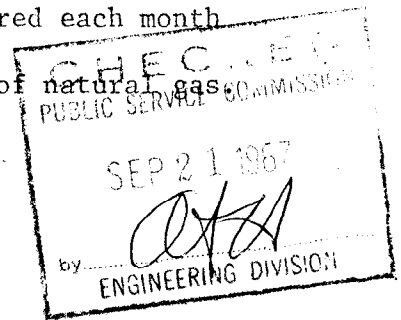
Billing Month Commodity Charge:

34.50¢ per Mcf for all natural gas delivered each month

The Monthly Billing Demand shall be 1,300 Mcf of natural gas

Minimum Monthly Bill:

The Demand Charge for the month.



Adjustments for Excess Takes. Buyer shall be billed and shall pay for all volumes taken hereunder in excess of 1,300 Mcf per day on each day of a billing month at a rate of 9.86¢ per Mcf in addition to the Commodity Charge therefor; except that if Buyer takes a volume of gas in excess of 1,300 Mcf per day and Seller incurs a penalty on that day from Seller's Supplier, United Fuel Gas Company, Buyer in lieu of the 9.86¢ per Mcf charge shall be billed for and shall pay, in addition to the Commodity Charge, at a rate of \$5.00 per Mcf for the excess over 1,300 Mcf per day.

Purchased Gas Adjustment. The rates provided in Section 2 above are based on the following rates paid by Seller to its supplier, United Fuel Gas Company, as of January 1, 1967, which are:

- \$2.35 per month per Mcf of Billing Demand, and
- 26.25¢ per Mcf for all gas purchased

The rates contained in Section 2 above are subject to increases and decreases by a Purchased Gas Adjustment as hereinafter provided.

All increases or decreases in either the demand or commodity component of the above rate paid by Seller to its supplier or any successor to its supplier effective on or subsequent to January 1, 1967, shall be reflected to the same extent in the Demand and Commodity components of the rates contained in Section 2 above, to be effective on or after the change in United Fuel Gas Company's wholesale rates. Seller shall give Buyer written notice of any increase or decrease in rates payable hereunder at least thirty (30) days in advance thereof, when possible.

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If Seller receives refunds from United Fuel Gas Company as a result of final determination of a rate proceeding, then Seller shall make appropriate adjustments in its charges to Buyer for the period to which the refund is applicable, but not for the period prior to the effective date hereof.

Tax Adjustment. In addition to the Purchased Gas Adjustment referred to above, Buyer shall reimburse Seller in an amount equal to the amount of any sales, use, transactions, occupation, service, production, severance, gathering, transmission, export or excise tax, assessment, fee or other exaction hereafter levied, assessed or fixed by the United States or the Commonwealth of Kentucky, or any other state or other governmental authority, and any tax, assessment, exaction or fee of a similar nature or equivalent in effect (not including income, excess profits, capital stock, franchise or general property taxes), newly imposed or in addition to or greater than those being levied, assessed or fixed as of January 1, 1967, if any, on, measured by, in respect of, or applicable to the natural gas to be delivered by Seller to Buyer under this Agreement, for which Seller may be liable during any month of the term hereof, either directly or indirectly through any obligation to reimburse others, which has not been included in determining the unit cost under the Purchased Gas Adjustment clause set forth in Section 2 hereof. (The sales and/or use taxes presently effective have not been included in determining such unit cost.) Such reimbursement shall be included as a separate item or items in the bills to be rendered monthly by Seller to Buyer for gas sold under this Agreement. In the event all or any part of such tax liability is not determined or is not reasonably determinable so as to be included in such monthly bills for gas

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amount of such reimbursement required in respect of such tax liability not determined or reasonably determinable shall be set forth for all months in any calendar year in a statement to be rendered by Seller to Buyer by April 1 of the following year and Buyer shall pay the amount due pursuant to such statement on or before May 1 of such following year.

Section 3. General Terms and Conditions. This Agreement shall be subject to the General Terms and Conditions hereto annexed as Appendix A and to the rules and regulations of the Public Service Commission of Kentucky, or of Seller filed from time to time with such Commission, and any subsequent revisions thereof and to other lawful orders of regulatory authorities having jurisdiction.

Section 4. Term. This Agreement shall become effective on February 1, 1967, and shall continue in effect for a period of five (5) years, and thereafter from year to year, unless and until terminated by written notice given by either party at least ninety (90) days prior to the termination date of each such twelve-month period.

Section 5. Delivery Point. The delivery point shall be at the outlet of Seller's measuring station located at Buyer's Big Sandy Plant, located on U. S. Route 23 south of Catlettsburg, Kentucky.

Section 6. Delivery Pressure. The delivery pressure of gas delivered hereunder shall be at regulated pressures mutually agreed to by both parties.

Section 7. Notices. Notices to Seller under this Agreement shall be addressed to it at P. O. Box 1273, Charleston, West

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Virginia 25325, and notices to Buyer shall be addressed to it at Calgon Center, Pittsburgh, Pennsylvania 15230, (except as otherwise provided herein), until either party shall change its address and give written notice thereof to the other.

Section 8. This Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors or assigns.

Section 9. Cancellation of Previous Contracts. This Agreement supersedes and cancels, as of the effective date hereof, all contracts, whether written or oral, for the sale of natural gas by Seller to Buyer for Buyer's Big Sandy Plant, located on U. S. Route 23 south of Catlettsburg, Kentucky.

The parties hereto have accordingly and duly executed this Agreement.

COLUMBIA GAS OF KENTUCKY, INC.

PITTSBURGH ACTIVATED CARBON COMPANY

BY W. W. Ferrell
W. W. Ferrell

BY Jonathan C. Cooper
Jonathan C. Cooper

TITLE Vice President

TITLE President

Handwritten notes:
a. 7/1/67
JCC
2/13
2/1/67

APPROVED

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H.E.F.
1-9-67
J.P.G.
1-14-67
[Signature]

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11/9/67
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