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February 1, 1984 Amendment to the

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## SYNTHETIC GAS PURCHASE AND SALES AGREEMENT

Between

COLUMBIA LNG COPPORATION

Seller

RATES AND TARIFFS

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And

DELTA NATURAL GAS CO., INC. (Winchester)

Buyer

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### ARTICLE I

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#### DEFINITIONS

In this Amending Agreement, including the recitals of this Article I and exhibits hereto:

The term "Annual Contract Quantity" shall mean such annual quantity of SNG as specified in Exhibit "B".

The term "Billing Month" shall mean the period elapsed between consecutive final monthly meter readings and when referred to in terms of a calendar month shall mean that billing month the major portion of which occurs in said calendar month. The final monthly meter reading shall be made at 8:00 a.m. Eastern Standard (Daylight) Time on the day immediately following the end of the billing month.

The term "Btu" shall mean one (1) British Thermal Unit and is defined as the amount of heat required to raise the temperature of one (1) pound of water from sixty (60) to sixty-one (61) degrees Fahrenheit at a constant pressure of fourteen and seven hundred thirty-thousandths (14.730) pounds per square inch absolute. The abbreviation "Btu" may be either singular or plural, depending on the context of use.

The "Commodity Rate" shall mean the commodity component of the effective rate under Rate Schedule SGS of Columbia Gas Transmission Corporation's (Columbia Transmission's) FERC Gas Tariff, Original Volume No. 1.

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The term "Contract Year" shall mean three hundred sixty-five (365) consecutive days (three hundred sixty-six (366) for any year in which February 29 falls). The first Contract Year shall commence on April 1, 1984.

The term "Day" shall mean a period of twenty-four (24) consecutive hours, ending at 8:00 a.m. Eastern Standard (Daylight) Time.

The term "Dth" (Decatherm) shall mean one million (1,000,000) Btu.

The term "Facilities" shall mean the plant, equipment and property, whether real, personal or mixed and either tangible or intangible, owned or leased by Seller related to the production of SNG at or in connection with Seller's Green Springs, Ohio Reforming Plant.

The term "Feedstock Contract" shall mean the January 1, 1984, Amendment to the Sales Agreement between Dome Petroleum Corporation and Seller, to be effective April 1, 1984, and pursuant to which liquid hydrocarbons are to be sold to Seller for use as a feedstock in Seller's Facilities.

The term "Heating Value" shall mean the gross heating value on a dry measurement basis, which is the number of British thermal units produced by the complete combustion at constant pressure of the amount of dry SNG which would occupy a volume of one cubic foot at 14.73 psia and  $60^{\circ}$  F with combustion air at the same temperature and pressure as the SNG, the products of combustion being cooled to the initial temperature of the SNG and

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air, and the water formed by combustion condensed to the liquid state.

The term "Mcf" shall mean one thousand (1,000) cubic feet of SNG.

The term "Other Buyers" shall mean a buyer or buyers, other than the Buyer under this Amending Agreement, who have previously purchased and will continue to purchase SNG produced after March 31, 1984, from Seller's Facilities.

The term "SNG" shall mean the product produced at Seller's Facilities which meet the quality specifications set forth herein.

The term "Supplier" shall mean a person who sells liquid hydrocarbons to Seller for use as a feedstock in Seller's Facilities.

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#### ARTICLE II

## QUANTITY OF SYNTHETIC NATURAL GAS

(a) Commencing with the first day of the first Contract Year, Seller hereby agrees to make available and sell at the Delivery Point, as set forth in Article IV, and Buyer hereby agrees to purchase and take, or pay for if not taken, the Annual Contract Quantity as set forth in Exhibit "B", or such lesser quantity as Seller shall make available.

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PURSUANI TO SU/ KAR 5:011, SECTION 9 (1) no

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(b) To the extent that Buyer is required to obtain necessary regulatory approvals in order to effectuate its purchase under this Amending Agreement, and such approval has not been obtained by April 1, 1984, the Buyer's monthly allocation of its Annual Contract Quantity shall be allocated on a temporary basis to those Other Buyers who have elected to purchase their share of any excess SNG quantities available in proportion to their respective Annual Contract Quantities. This temporary allocation shall expire on the first day of the month following the receipt by Buyer of the necessary regulatory approval. From and after such date, the Buyer shall be entitled to receive its remaining Annual Contract Quantity as if a temporary allocation had not taken place. In the event that Buyer is denied necessary regulatory approval to effectuate its purchase under this Amending Agreement, the temporary allocation of that Buyer's Annual Contract Quantity shall be added to, and considered a permanent part of, the Other Buyers' Annual Contract Quantities.

It shall be the responsibility of Buyer to notify (c)Seller in writing prior to April 1, 1984, of the necessity of any state regulatory approvals associated with its purchase hereunder, and further promptly advise Seller of the grant or denial of such necessarv regulatory approvals. Seller shall be entitled to rely upon Buyers' written notices in offering Buyer's Annual Contract Quantity to Other Buyers.

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(d) Under the terms of the Feedstock Contract between Seller and Dome Petroleum Corporation (Dome), Dome has reserved the right to receive bona fide offers from third parties for some or all of the liquid hydrocarbon feedstock committed to the Feedstock Contract. If Dome notifies Seller that such an offer has been made, Seller has the right to either meet the offer or release the feedstock on which the offer was made. In the event Seller elects to release feedstock, Buyer's Annual Contract Quantity shall be reduced proportionally with the Annual Contract Quantities of all Other Buyers. The decision to either meet an offer or release feedstock shall be at the sole discretion of Seller.

(e) At any time during the term of this Amending Agreement, Seller shall have the right to: (i) market the liquid hydrocarbons purchased by it pursuant to the Feedstock Contract; or (ii) alternatively market and sell to other parties either all or part of the SNG committed to Buyer and Other Buyers under their respective agreements.

In such event, Buyers' Annual Contract Quantity shall be reduced proportionally with the Annual Contract Quantities of all Other Buyers; provided, however, that notice of such reduction shall be given to Buyer at least thirty (30) days' prior to the effective date of such reduction in Annual Contract Quantity; and provided, further, that such notice may not be given prior to August 1, 1984.

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## ARTICLE III

#### PRICE OF SNG

The price payable by Buyer to Seller for the SNG produced and made available to Buyer pursuant to this Amending Agreement in each month, whether taken or not, shall be at the rate per Dth (SNG Rate) as set forth below:

(a) The initial rate per Dth shall be equal to Columbia Gas Transmission's Commodity Rate in effect on April 1, 1984, less five cents (\$0.05) per Dth and less Columbia Transmission's SGES tariff rate in effect on April 1, 1984.

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(b) Subject to such further adjustments as are provided for in paragraphs (c), (d) and (e) of this Article IDI, the SNG Rate shall be increased or decreased prospectively, as appropriate, to reflect adjustments in Columbia Transmission's effective Commodity Rate and effective SGES tariff rate, such that the delivered price per Dth (Seller's SNG Rate plus Columbia Transmission's SGES tariff rate) will be five cents (\$0.05) per Dth less than Columbia Transmission's Commodity Rate.

(c) To ensure that the cost benefit to Buyer of purchasing SNG at the prices set forth in this Amending Agreement is not offset by PGA rate increases of Columbia Transmission which could have been avoided if Columbia Transmission were to sell to Buyer and Other Buyers, quantities of gas equal to those purchased from

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Seller, Seller agrees to make monthly adjustments to the SNG Rate, as follows:

The total Dth guantities estimated to be transported and reflected as a reduction in sales during each Columbia Transmission PGA period to Buyer and Other Buyers shall be added to both the sales and purchases quantities which Columbia Transmission included in its "Current Purchased Gas Cost Adjustment". For the initial PGA period only, those SG quantities purchased by Buyer and Other Buyers and estimated to be transported and delivered during the period April, 1984 through August, 1984 shall be utilized. Such additional purchases shall be assumed to have been purchased, after meeting all other market and storage requirements, from pipeline sources from which Columbia Transmission would have proposed to have purchased such quantities, applying to the extent practicable, a least-cost purchasing strategy based on rates in effect each month during the PGA period. Should Columbia Transmission's "Current Purchased Gas Cost Adjustment" rates as calculated under these assumptions result in charges less than the actual "Current Purchased Gas Cost Adjustment" rates, the product of the difference between these rates multiplied by the total quantities . sold (or billed in case of demand charge changes) by Columbia Transmission plus (for Commodity Rate changes

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only) SNG volumes actually transported and delivered by Columbia Transmission during the PGA period shall be the agreed to rate impact discussed herein. The monetary adjustment reflecting this impact shall be made as a credit to the current monthly billing by Seller to Buyer, provided, however, that for the initial PGA period, SNG quantities applicable to the period prior to April 1, 1984, shall be excluded. Α final settlement will be made with respect to the monthly adjustments to reflect the actual rate impact as determined pursuant to this paragraph. Any such settlement will recognize accrued interest computed at the rate set forth in the Code of Federal Regulations (18 C.F.R. §154.67(c)(2)(1983), as amended from time to time.

(d) Seller shall reimburse Buyer amounts necessary to maintain a \$0.05 per Dth differential between the delivered price of the SNG and Columbia Transmission's Commodity Rate, whenever there is a retroactive decrease (for which Columbia Transmission has received refunds) in the rates of Columbia Transmission's pipeline suppliers and to the extent that Seller's SNG Pate exceeded what it would have been had the retroactive decrease been in effect when the SNG was priced and purchased.

(e) It is recognized that the sale of SNG hereunder may displace sales by Columbia Transmission and, in turn, may result

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in take-or-pay prepayments to producers which may have an impact on Columbia Transmission's rates. If it should be determined that such take-or-pay prepayments have increased Columbia Transmission's rates, then Seller shall make adjustments to its

rate and/or refunds, as appropriate, to offset the impact of such prepayments on Columbia Transmission's rates.

Seller shall quantify or cause to be quantified, the (f) impacts discussed in paragraphs (b), (c) and (e) above when they become known and shall make such information available to Buyer.

### ARTICLE IV

#### DELIVERY POINT

The point of delivery by Seller to Buyer (Delivery Point) shall be at the interconnection with the facilities of Columbia Transmission at the tailgate of Seller's Facilities.

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ARTICLE V

#### DELIVERIES

(a)Seller's delivery of SNG pursuant to Article II(a) hereof is subject to and shall reflect scheduled downtime for maintenance of the Facilities which is estimated to require 30 days each year.

(b) To the extent possible, and subject to Article V (a), quantities delivered by Seller to Buyer at the Delivery Point shall be at uniform daily and monthly rates.

#### ARTICLE VI

#### MEASUREMENT

The sales unit of the SNG delivered at the Delivery Point shall be one Decatherm (Dth) of SNG. The measurement of the SNG shall be governed by the specifications set forth in Exhibit "A".

## ARTICLE VII

## QUALITY

(a) The SNG delivered by Seller at the Delivery Point for Buyer's account shall contain a minimum heating value of 967 Btu per cubic foot, as determined per the specifications set forth in Exhibit "A".

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(b) The SNG delivered:

(i) Shall be commercially free from dust or other solid or liquid matter which might interfere with its

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merchantability or cause injury to or interference with proper operation of the lines, regulators, meters and other equipment of Columbia Transmission;

(ii) Shall not contain more than twenty-five hundredths(0.25) grains of hydrogen sulfide per one hundred (100)cubic feet of SNG;

(iii) Shall not contain more than twenty (20) grains of total sulphur per one hundred (100) cubic feet.

#### ARTICLE VIII

### POSSESSION OF GAS AND WAPPANTY OF TITLE

(a) Title to SNG shall pass to Buyer at Seller's DeliveryPoint.

(b) Seller shall not be responsible for anything which may be done, happen or arise with respect to the subject SNG after such SNG has been delivered at the Delivery Point to Columbia Transmission for the account of Buyer.

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(c) Seller agrees that it will, and it hereby does, warrant that it will, at the time of delivery to Columbia Transmission for the account of Buyer, have good title to all SNG delivered by it to Columbia Transmission, free and clear of all liens, encumbrances and claims whatsoever, that it will at such time of delivery have good right and title to sell said SNG as aforesaid, that it will indemnify Buyer and save it harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses arising from or out of adverse claims of any or all persons to said SNG. PUBLIC SERVICE COMMISSION

OF KENTUCKY EFFECTIVE

ARTICLE IX

FORCE MAJEURE

APR 1 1 1984 PURSUANI IU OU MAR 5:011, ECTION 9(1)

(a) In the event that either party to this Amending Agreement is rendered unable, wholly or in part, by <u>force majeure</u> to carry out its obligations under this Amending Agreement, such party shall give notice by telex or other comparable means to the other party to this Amending Agreement setting forth the full particulars of such <u>force majeure</u> as soon as possible after the occurrence of said <u>force majeure</u>. Upon the giving of such notice, the obligations of such party, insofar as they are affected by such <u>force majeure</u>, shall be suspended during the continuance of any inability so caused, but for no longer period, and such cause shall so far as possible be remedied with reasonable dispatch.

(b) The term "<u>force majeure</u>", as employed herein, shall mean acts of God; acts of the public enemy; wars; blockades; insurrections; strikes; lockouts; or differences with workmen;

riots; disorders; epidemics; landslides; lightning; earthquakes; fires; storms; floods; washouts; arrests; restraints of government or judicial body, including restraints in the form of laws, orders, rules or regulations asserting authority to prohibit performance of this Amending Agreement or any contract between Seller and Supplier; civil disturbances; explosions, breakage or accident to machinery, equipment, or lines of pipe; repairs, replacement, relocations, alteration of pipelines; freezing of wells or lines of pipe; failure of supply of liquid hydrocarbon feedstocks or water, acts, orders, requests, requisitions, directives, diversions, embargoes, import or export restrictions, inclusion of hydrocarbon feedstock liquids or any component thereof in crude oil quota allocation limits or any other product quota allocation limits or any other product quota allocation limits, priorities, or expropriations of government or governmental authorities, interferences by civil or military authorities, legal or de facto, whether purporting to act under some constitution, decree, law or otherwise; mechanical failures, disruptions or breakdowns of machinery or of facilities of production, manufacture, and transportation; inability to obtain necessary material, supplies, permits or rights-of-way; and without limitation by enumeration, any other cause or causes (whether of the kind enumerated or otherwise), not reasonably within the control of the party claiming force majeure. The term PUBLIC SERVICE COMMISSION "force majeure" shall further include any force majeure interview woked EFFECTIVI by any Supplier against Seller with respect to said Supplier's obligation to supply feedstock pursuant to a contract with PURSUANT TO SU/ MAR 5:011. SECTION 9(1)

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Seller. It is understood and agreed that the settlement of strikes or differences with employees shall be entirely within the discretion of the party having the difficulty.

Such causes of contingencies affecting the performance hereunder by either Seller or Buyer, however, shall not relieve it of liability 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 SNG theretofore delivered.

#### ARTICLE X

#### TERM

(a) The term of this Amending Agreement shall be for a period of eighteen (18) months commencing on April 1, 1984 (Primary Term). The term may be extended by mutual agreement of Buyer and Seller beyond the Primary Term for an additional period not to exceed forty-two (42) months, for a maximum term, if fully extended, of sixty (60) months.

(b) Since the delivered price of the SNG supply contracted Sion PUBLIC SERVICE COMMISSION for under this Amending Agreement will be equal to SOFFECTIVE Dth below Columbia Transmission's Commodity Rate (thus reducin 984

> PURSUANT TO 80/ NAR 5:011, SECTION 9 (1) BY: Bus

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Buyer's overall cost for its gas supply), the parties agree that under prevailing market conditions, there is no need to provide herein for a price redetermination, based upon marketability, during the Primary Term hereof; however, any extension of the term beyond the Primary Term, as provided for in this Article X, shall contain provisions for price redetermination based upon marketability of the SNG supply.

#### ARTICLE XI

#### SELLER'S RIGHT TO TERMINATE

Notwithstanding any other provision of this Amending Agreement to the contrary, if deliveries of liquid hydrocarbons under the Feedstock Contract between Seller and Dome Petroleum Corporation are suspended or terminated, then Seller may, upon notice to Buyer, concurrently suspend or terminate this Amending Agreement.

#### ARTICLE XII

#### EFFECT OF AMENDING AGREEMENT

(a) Subject to the occurrence of the condition precedent
 set forth in Article XII(b) below, the terms and conditions of
 this Amending Agreement shall be of full force and effect as of
 PUBLIC SERVICE COMMISSION
 April 1, 1984.

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PURSUANT TO BUT MAR 5:011. SECTION 9(1)

(b) With the exception of Article XIII, it is a condition precedent to the implementation of this Amending Agreement that Seller has executed the Feedstock Contract, and that all the necessary regulatory approvals have been obtained, including any necessary regulatory approval for Buyer's participation hereunder. If this condition precedent has not been fulfilled by April 1, 1984, then the terms and conditions of this Amending Agreement shall not be deemed to be in full force and effect until such subsequent date as the condition precedent has been fulfilled; provided, however, that in no event shall the Primary Term of this Amending Agreement be deemed to extend beyond a period of 18 months commencing on April 1, 1984.

(c) The terms and conditions of the Sales Agreement between Buyer and Seller shall be deemed amended and, as a result of such amendment, superseded in their entirety by this Amending Agreement as of the effective date hereof. Upon the execution of this Amending Agreement and the fulfillment of the condition precedent in this Article XII(b), Buyer's termination notice previously sent to Seller, pursuant to the Sales Agreement, shall be void and of no effect. Amounts previously collected pursuant to Buyer's Sales Agreement shall be accounted for in the manner prescribed in Article XIII of this Amending Agreement.

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PURSUANT TO BUT MAR 5:011, SECTION 9(1)

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## ARTICLE XIII

## PROJECT LIQUIDATION COSTS

(a) Buyer(s)' proportionate share of the balance accumulated in the unrecovered feedstock cost account as of March 31, 1984, pursuant to Buyer's Sales Agreement, shall be billed or refunded to Buyer; and, any balance accumulated in the unrecovered operating cost of service account incurred for the period ending March 31, 1984, not related to project liquidation, shall be billed or refunded. Furthermore, amounts reserved for the liquidation of the Green Springs project, shall be deposited in interest bearing account(s), (hereinafter referred to as "Decommissioning Account"). After March 31, 1984, expenses such as severance payments and decommissioning costs incurred by Seller shall be paid from the Decommissioning Account. Upon termination of the Green Springs project or sale of the Green Springs Reforming Plant, Buyers and Other Buyers shall be credited their proportionate share of any balance in the Decommissioning Account, including the net proceeds, if any, related to the sale of the plant. Any additional funds required for plant liquidation shall be assumed by Seller. During the period before project liquidation is implemented, to the extent the funds held in the Decommissioning Account exceed one hundred OF KENTUCKY project liquidation, such excess shall be credited Emecnefunded to Buyer and Other Buyers. APR 1 1 1984

> PURSUANI 10 80/ KAR 5:011, SECTION 9 (1) BY:\_\_\_\_\_\_\_\_\_

#### ARTICLE XIV

#### AMENDING AGREEMENT SUBJECT TO REGULATION

This Amending Agreement is subject to valid laws, orders, rules, and regulations of duly constituted authorities having jurisdiction. PUBLIC SERVICE COMMISSION

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE

# APR 1 1 1984

ARTICLE	XV	PURSUANT TO \$07 KAR 5:011,
BILLING AND	PAYMENT	SECTION 9(1) DY: Bone

(a) On the first (1st) working day of each billing month, Seller shall render to Buyer an invoice based on the estimated production produced during the preceding month and the estimated amount due. The difference between the estimated and actual production will be settled the following month.

(b) Buyer shall pay Seller at its general office, 20 Montchanin Road, Wilmington, Delaware, 19807, or at such other address as Seller shall designate, on or before the fourteenth (14th) day of the current billing month for the estimated quantity of SNG delivered hereunder during the preceding billing month. Such payment shall be in available funds. If presentation of a bill by Seller is delayed after the fourth (4th) working day of the billing month, then the time of payment shall be extended accordingly unless Buyer is responsible for such delay. If the fourteenth day occurs on a Saturday, Sunday or holiday, then payment shall be received the preceding working day before said Saturday, Sunday or holiday.

Should Buyer fail to pay all of the amount of any bill (c)as herein provided, interest on the unpaid portion of such bill shall be computed at the rate as set forth in the Code of Federal Regulations (18 C.F.R. Section 154.67(d)(2) (1983), as amended from time to time, prorated for the number of days from the due date of payment until the actual date of payment. If such failure to pay continues for thirty (30) days after payment is due, Seller, in addition to any other remedy it may have hereunder, may suspend further delivery of SNG until such amount is paid; provided, however, that if Buyer in good faith shall dispute the amount of any such bill or part thereof and shall pay to Seller such amounts as it concedes to be correct and, at any time thereafter within thirty (30) days of a demand made by Seller, shall furnish good and sufficient surety bond in an amount and with surety satisfactory to Seller, guaranteeing payment to Seller of the amount ultimately found due upon such bills after a final determination which may be reached either by agreement or judgment of the courts, as may be the case, then Seller shall not be entitled to suspend further delivery of SNG unless and until default be made in the conditions of such bond.

(d) In accordance with this Article XV, the KENTHCKY billing statements shall be corrected for the actual quantity of APR 1 1

PURSUANT TO BUT MAR 5:011, SECTION 9(1)

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SNG produced during such month in Seller's next ensuing monthly invoice.

If it shall be found that at any time or times Buyer (e) has been overcharged or undercharged in any form whatsoever under the provisions hereof and Buyer shall have actually paid the bills containing such overcharge or undercharge, then within thirty (30) days after the final determination thereof. Seller shall refund the amount of any such overcharge and Buyer shall pay the amount of any such undercharge. In the event an error is discovered in the amount billed in any statement rendered by Seller, such error shall be adjusted within thirty (30) days of the determination thereof, provided that claim therefor shall have been made within thirty (30) days from the date of discovery of such error, but in any event within twelve (12) months from the date of such statement. If the parties are unable to agree on the adjustment of any claimed error, any resort by either of the parties to legal procedure, either at law, in equity or otherwise, shall be commenced within fifteen (15) months after the supposed cause of action is alleged to have arisen, or shall thereafter be forever barred.

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#### ARTICLE XVI

#### MISCELLANEOUS

(a) Buyer shall have the right to require, at its own expense, that an independent auditor substantiate any determination made by Seller pursuant to Article III (b), (c),
(d) and (e) and Article XIII hereof. Such auditor shall be a certified public accounting firm mutually agreed to among Seller and Buyer and Other Buyers. Furthermore, said independent auditor shall hold confidential, any and all information obtained in respect of such audit and shall report only that such determination is or is not substantiated.

(b) Any company which shall succeed by purchase, merger or consolidation to the gas properties substantially as an entirety of Buyer, and any company which shall succeed by purchase, merger or consolidation to the SNG properties substantially as an entirety of Seller, shall be entitled to the rights and shall be subject to the obligations of its predecessor in title under the Amending Agreement; and either party may assign or pledge the Amending Agreement under the provisions of any mortgage, deed of trust, indenture or similar instrument which it has executed or may execute hereafter; provided, however, such mortgage, deed of trust, indenture or similar instrument shall COVERENTIES COMMISSION trust, indenture or similar instrument shall COVERENTIES (COMMISSION) trust, indenture or similar instrument shall COVERENTIES (COMMISSION)

assign the Amending Agreement or any of its rights thereunder unless it first shall have obtained the consent thereto in writing of the other party.

(c) No modification of or supplement to the terms and conditions hereof shall be or become effective, except by the execution by the parties of supplementary written agreement.

(d) No waiver by either party of any one or more defaults by the other party in the performance of any provisions of this Amending Agreement shall operate or be construed as a waiver of any future default or defaults, whether of a like or a different character.

#### ARTICLE XVII

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#### NOTICES

Except as provided otherwise herein, all notices to be given hereunder shall be made in writing and delivered to the party to whom such notice is given or mailed to such party at the following address, by registered mail, return receipt requested, until notified otherwise in writing:

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE

APR 1 1 1984

PURSUANI IU BUI NAR 5:011, SECTION 9(1) Columbia LNG Corporation 20 Montchanin Road Wilmington, DE 19807, U.S.A. Attention: President

And

Delta Natural Gas Co., Inc. (Winchester) Route 1, Box 30-A Winchester, KY 40391 Attention: Mr. George S. Billings

Routine communications may be mailed by either registered or ordinary mail.

IN WITNESS WHEREOF, the parties have caused the Amending Agreement to be executed as of the date hereof.

By

COLUMBIA LNG CORPORATION

Attest:

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President

Attest:

Mga. Gas Supply

DELTA NATURAL GAS CO., INC. (Winchester)

By Slen Exemptine Vice President

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE

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PURSUANI TO BUT KAR 5:011, SECTION 9 (1)

## STATE OF DELAWARE

COUNTY OF NEW CASTLE

BEFORE ME, the undersigned authority, on this day personally appeared J. E. Towle, who is known to me to be the person and officer whose name is subscribed to the foregoing instrument, and who acknowledged to me that the same was the act of the said corporation, and that he executed the same as the act of the said corporation for the purpose and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, THIS 2nd day of March , 1984.

My Commission Expires:

November 15, 1986

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

STATE OF Lentucky COUNTY OF Clark

BEFORE ME, the undersigned authority, on this day personally appeared Linn L. Jimmings, , who is known to me to be the person and officer whose name is subscribed to the foregoing instrument, and who acknowledged to me that the same was the act of the said corporation, and that he executed the same as the act of the said corporation for the purpose and consideration therein expressed, and in the capacity therein stated.

day of March, 1984.

Emila & Powell (Gennett) Notary Public State-al-Jary, Ky.

My Commission Expires:



PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE

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PURSUANT TO BUT NAR 5:011, SECTION 9(1)

# February 1, 1984 Amendment to the SYNTHETIC GAS PURCHASE AND SALES AGREEMENT

## EXHIBIT "A"

## STANDARDS FOR MEASUREMENTS AND TESTS

The Decatherms delivered at the Delivery Point shall be calculated by multipying the Mcf delivered by a fraction, the numerator of which is the Heating Value and the denominator of which is 1,000. Heating Value and volumetric measurement shall be in accordance with the following procedures:

#### Heating Value Measurement (a)

The Heating Value of the SNG shall be determined by Seller at the beginning of deliveries and as often thereafter as necessary by using a suitably located and accepted recording PUBLIC SERVICE COMMISSION calorimeter, calculating from compositional analysis ucre by EFFECTIVE other mutually accepted methods.

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PURSUANT TO BUT WAR 5:011, Volumetric Measurement and Metering Base (b) SECTION 9(1)

The volumetric measurement base shall be one (1) cubic foot of SNG at a pressure base of fourteen and seventy-three one-hundredths (14.73) pounds per square inch absolute, a temperature base of sixty degrees (60°) Fahrenheit and

without adjustment for water vapor content. To determine the volume of SNG delivered, factors such as those for pressure, temperature, specific gravity and deviation from the laws for ideal gases shall be applied.

## (c) Atmospheric Pressure

The average absolute atmospheric (barometric) pressure shall be assumed to be fourteen and four-tenths (14.4) pounds to the square inch, irrespective of actual elevation or location of delivery point above sea level or variations in actual barometric pressure from time to time.

## (d) Temperature

Seller shall determine the temperature of the SNG flowing through the meter or meters which shall be the arithmetic average of the hourly temperature record or as read from established tables of monthly averages **55** Commission OF KENTUCKY EFFECTIVE

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# (e) Specific Gravity

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The specific gravity (relative density) of the SNG shall be determined by Seller at the commencement of deliveries hereunder and as often thereafter as deemed necessary by using methods set forth in ASTM Designation D1070-78 "Standard Methods of Tests for Specific Gravity of Gaseous Fuels," as amended, expanded or superseded from time to time, or by arithmetically averaging the hourly specific gravity record obtained from a recording gravitometer, calculating from compositional analysis or by other methods mutually agreed upon.

## (f) <u>Supercompressibility</u>

The deviation of the SNG from the laws for ideal gases shall be determined by Seller by approved methods or read from standard tables in accordance with Report No. 3 of the Gas Measurement Committee of the American Gas Association, as amended, expanded or superseded from time to time, such computations or selection of factors from tables to be based on the composition of the SNG and conditions at point of measurement, and the factors used to be checked by tests of the SNG made with such reasonable from to be checked by tests of OF KENTUCKY necessary.

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(g) Measuring Equipment

PURSUMINI IU BUI NAR 5:011, SECTION 9(1)

Seller will install, maintain and operate measuring stations equipped with displacement or flow meters and other necessary measuring equipment by which the volumes of SNG delivered hereunder shall be determined. The SNC delivered

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hereunder shall be measured in accordance with the latest approved methods in use in the industry generally.

Orifice meters, if used, shall be installed and operated, and SNG volumes computed, in accordance with Report No. 3 of the Gas Measurement Committee of the American Gas Association, as amended, expanded, or superseded from time to time, applied in a practical and appropriate manner.

Turbine meters, if used, shall be installed and operated, and SNG quantities computed, in accordance with the latest approved version of AGA Transmission Measurement Committee Report No. 7, "Measurement of Fuel Gas by Turbine Meters," copyrighted 1981, as amended, expanded or superseded from time to time, applied in a practical and appropriate manner.

Displacement meters, if used, shall be installed and operated, and SNG quantities computed, in accordance with ANSI B109 Standards, copyrighted 1980 as an ended Hose panded, or superseded from time to time, applied statucky or superseded from time to time, applied Effective practical and appropriate manner. Other types of meters may be used if mutually agreed to by both parties PURSUANT TO SO/ KAR 5:011, SECTION 9 (1)

Buyer, or its agent, may install check measuring equipment, provided that such equipment shall be so installed as not to interfere with the operations of Seller. Seller and Buyer, in the presence of each other, shall have access to the

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other's measuring equipment at all reasonable times, but the reading, calibrating and adjusting thereof and the changing of charts shall be done only by owner, unless otherwise agreed upon. Both Seller and Buyer shall have the right to be present at the time of any installing, reading, cleaning, changing, repairing, inspecting, testing, calibrating or adjusting done in connection with the other's measuring equipment. The records from such measuring equipment shall remain the property of their owner but upon request each will submit to the other its records and charts, together with calculations therefrom, for inspection, subject to return within thirty (30) days after receipt thereof. Buyer and Seller shall exercise reasonable care in the installation, maintenance and operation of its equipment so PUBLIC SERVICE COMMISSION as to avoid any inaccuracy in the determination of the FFFECTIVE volume of SNC delivered.

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

(h) <u>Calibration and Test of Meters</u>

The accuracy of all measuring equipment shall be verified by the owner at reasonable intervals and, if requested, in the presence of representatives of the other party, but neither Seller nor Buyer shall be required to verify the accuracy of such equipment more frequently than once in any thirty (30) day period. If either party at any time desires a special test of any measuring equipment, or if either party at any time observes an error in any such measuring equipment, it

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will promptly notify the other party, and the parties shall then cooperate to secure a prompt verification of the accuracy of such equipment.

## (i) Correction of Metering Errors

If, upon any test, any measuring equipment is found to be in error, such errors shall be taken into account in a practical manner in computing the deliveries. If the resultant aggregate error in the computed deliveries is not more than two percent (2%), then previous deliveries corrected in such a manner shall be considered accurate. All equipment shall, in any case, be adjusted at the time of test to record correctly. If, however, the resultant aggregate error in computed deliveries exceeds two percent (2%) at a recording corresponding to the average hourly rate of SNG flow for the period since the last preceding test, previous recordings of such equipment shall be corrected to zero error for any period which is known definitely or agreed upon, but in case the period is not known definitely or agreed upon, such correction shall be for a period extending over one-half of the time elapsed since the date of the last test, not exceeding a correction period PUELISISE EVER COMMUSES. OF KENTUCKY FFFECTIVE

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## (j) Failure of Measuring Equipment

In the event any measuring equipment is out of service or is found registering inaccurately and the error is not determinable by test, previous recordings or deliveries through such equipment shall be estimated:

(i) By using the registration of any check meter or meters if installed and accurately registering, or in the absence of (i):

(ii) By correcting the error if the percentage of error is ascertainable by calibration, special test or mathematical calculation, or in the absence of both (i) and (ii), then:

PUBLIC SERVICE COMMISSION (iii) By estimating the quantity of defivery based on deliveries during periods under similar conditions when the APR 11 meter was registering accurately. PURSUANT TO SU/ MAR 5:011, SECTION 9(1)

The estimated reading so determined shalf be used in determining the volume of SNG delivered for any known or agreed upon applicable period. In case the period is not known or agreed upon, such estimated deliveries shall be used in determining the volume of SNG delivered hereunder during the latter half of the period beginning on the date of the immediately preceding test and ending on the date the

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measuring equipment has been adjusted to record accurately; the recordings of the measuring equipment during the first half of said period shall be considered accurate in computing deliveries.

> PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE

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PURSUANT TO BUT MAR 5:011, SECTION 9 (1) BY: Degrees

# February 1, 1984 Amendment to the

# SYNTHETIC GAS PURCHASE AND SALES AGREEMENT

## EXHIBIT "B"

ANNUAL CONTRACT QUANTITY: 9,390 Dths/year.

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PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE

APR 1 1 1984

PURSUANT TO BUZ MAR 5:011, SECTION 9(1) nes BY: