



NOW, THEREFORE, the parties hereto agree as follows:

ARTICLE I. TERM.

Subject to the terms and conditions herein, the term of this Agreement shall commence upon the date first above written and continue in full force and effect for a period of one year.

ARTICLE II. DEFINITIONS.

Unless this Agreement provides otherwise, the following definitions shall apply:

2.1. "Natural gas" or "gas" shall mean any mixture of hydrocarbons or hydrocarbons and noncombustible gases in a gaseous state, consisting essentially of methane.

2.2. "Delivery Points" shall mean those existing delivery points at the interconnection of the facilities of Delta and Delta Petroleum in Whitley County, Kentucky, and at such other delivery points as may hereafter be agreed to by Delta.

2.3. "Delta Petroleum Contract Quantities" shall mean that amount or quantity of natural gas purchased by Cumberland from Delta Petroleum and delivered by Delta Petroleum to Cumberland (or accepted by Delta on behalf of Cumberland) at the Delivery Points.

2.4. "Excess Quantities" shall mean that amount or quantity of natural gas sold by Delta to Cumberland in excess of or in addition to the Delta Petroleum Contract Quantities.

2.5. "Mcf" shall mean the quantity of gas occupying a volume of one thousand (1,000) cubic feet at a pressure base of 14.73 pounds per square inch absolute (14.73 psia) and a temperature base of 60° Fahrenheit (60° F.).

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ARTICLE III. TRANSPORTATION AND DELIVERY OF DELTA PETROLEUM CONTRACT QUANTITIES.

3.1. Subject to the provisions of Article VIII hereof, Delta shall accept from Delta Petroleum on behalf of Cumberland all daily Delta Petroleum Contract Quantities, up to a maximum of fifty thousand (50,000) Mcf during the term of this Agreement, which are delivered by Delta Petroleum to the Delivery Points. Such Contract Quantities may be increased after written notice of such requested increase is furnished to Delta by Cumberland at least thirty (30) days prior to the date such increase is needed, and then only upon mutual agreement of the parties hereto.

3.2. Delta shall transport and deliver to Cumberland in Williamsburg, Kentucky, natural gas in quantities which are equivalent to the Delta Petroleum Contract Quantities (minus two percent (2%) for line loss).

ARTICLE IV. SALE AND DELIVERY OF EXCESS QUANTITIES.

Delta shall sell and deliver to Cumberland in Williamsburg, Kentucky, Excess Quantities of natural gas which Cumberland may from time to time require.

ARTICLE V. PRICE.

For all quantities of natural gas delivered by Delta to Cumberland under the terms of this Agreement, Cumberland shall pay Delta as follows:

- (a) For all quantities of natural gas transported or delivered by Delta to Cumberland under the terms of this Agreement which are equal to or less than the

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Delta Petroleum Contract Quantities (minus two percent (2%) for line loss), Cumberland shall pay Delta the applicable General Service Base Rate of Delta, as set forth in Delta's tariffs on file with the Public Service Commission of Kentucky ("PSC") as same may be changed from time to time.

- (b) For all Excess Quantities delivered or sold by Delta to Cumberland under the terms of this Agreement, Cumberland shall pay Delta the applicable General Service total rate of Delta (Base Rate plus Gas Cost Recovery Rate), as set forth in Delta's tariffs on file with the PSC as same may be changed from time to time.

ARTICLE VI. STANDBY CHARGE.

In addition to the amounts set forth in Article V, Cumberland agrees to pay an annual standby charge to Delta of \$23,340.00 which shall be divided into equal monthly payments of \$1,945.00 during the term of this Agreement.

ARTICLE VII. STATEMENT AND PAYMENTS.

7.1. Statements shall be rendered by Delta to Cumberland each month showing the total amount due from Cumberland to Delta for service rendered by Delta for Cumberland during the preceding billing month.

7.2. All statements required to be furnished to Cumberland shall be mailed to it at the address set forth in the agreement. Payments by check payable to the order of Delta Natural Gas Company, Inc. shall be made by Cumberland by mailing same

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within fifteen (15) days after receipt of the bill. Cumberland, additionally, agrees to pay a late charge at the rate of one and one half percent (1½%) per month of any outstanding balance which is due Delta under the terms of this Agreement and which is not paid by Cumberland within the time periods previously set forth.

ARTICLE VIII. QUALITY.

8.1. The gas delivered hereunder by Delta Petroleum to Delta shall at all times be merchantable and shall be free from gasoline, oil, water, salt, gum dust and other foreign substances that might interfere with the marketability of the gas. The gas delivered by Delta Petroleum shall contain not less than 1,000 BTU per cubic foot (as determined by calorimeter tests at 60° Fahrenheit and saturated with water vapor), and a utilization factor of 1,300 plus or minus 6% (U.F. = heating value [BTU] divided by the square root of the specific gravity). The gas delivered shall not contain more than:

- (a) Seven (7) pounds of water per million cubic feet measured at 14.7 psi and 60° F on an approved dew point apparatus;
- (b) Three percent (3%) by volume of carbon dioxide;
- (c) Twenty-five hundredths (0.25) grains of hydrogen sulfide per one hundred (100) cubic feet; or
- (d) Ten (10) grains of total sulphur per one hundred (100) cubic feet.

8.2. The requirement that Delta Petroleum tender gas to Delta in conformity with the foregoing specifications is

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a condition precedent to the performance by Delta of any obligation imposed by this Agreement.

ARTICLE IX. MEASUREMENT.

9.1. Meter(s) and other related equipment installed and maintained by or on behalf of Delta shall be the exclusive method and means of determining the quantity of gas delivered to Cumberland or to Delta on behalf of Cumberland. Reading, calibration and adjustment of Delta's meter(s) and related measurement equipment shall be performed solely by Delta using generally accepted procedures. Delta shall read said meters at regular intervals and the cost of reading, calibrating, adjusting and otherwise maintaining said meter(s), excluding repair of damage caused by Cumberland or Delta Petroleum, shall be borne by Delta. Delta shall test the accuracy of any meter in use under this Agreement at regular intervals during the term of this Agreement. Delta shall notify Cumberland of each meter test not less than ten (10) days before said test so that Cumberland, if it wishes, may be present at said test.

9.2. If either Cumberland or Delta challenges the accuracy of any meter in use under this Agreement and requests to have the meter tested, Delta shall test the meter in the presence of Cumberland or its representatives if Cumberland exercises the right to be present or represented at such test. If the meter on test shall prove to be accurate within plus or minus two percent (2%), the cost of testing the same shall be borne by the party requesting the test, but if the meter on test proves to be in error by more than two percent (2%), then the cost of testing

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ARTICLE XVIII. WAIVER.

A waiver by either party of any one or more defaults by the other in the performance of any provision of this Agreement shall not operate as a waiver of any future default.

ARTICLE XIX. SEVERABILITY.

Except as otherwise provided herein, any provision of this Agreement declared or rendered unlawful by a statute, court of law or regulatory agency with jurisdiction over the parties or either of them shall not otherwise affect the other obligations of the parties under the Agreement.

ARTICLE XX. HEADING.

The headings of the provisions of this Agreement are used for convenience only and shall not be deemed to affect the meaning or construction of such provisions.

ARTICLE XXI. ENTIRE AGREEMENT.

This Agreement contains the entire agreement between the parties and there are no promises, agreements, warranties, obligations assurances or conditions other than those contained herein.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands this the day and year first above written.

DELTA NATURAL GAS COMPANY, INC.

By: Allen R. Jennings  
Title: President, Treasurer and Chief Executive Officer

CUMBERLAND COLLEGE, INC. OF KENTUCKY

By: [Signature]  
Title: President

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BY: [Signature]

State of Kentucky

County of Clark

The foregoing instrument was acknowledged before me this 22<sup>nd</sup> day of November, 1985, by Thomas L. Jennings, President, Treasurer and Chief Executive Officer of Delta Natural Gas Co., Inc., on behalf of the Company.

My commission expires Nov. 21 1987.

Emilio P. Bennett  
Notary Public, state at large, Ky.

State of Kentucky

County of Whitley

The foregoing instrument was acknowledged before me this 20 day of December, 1985, by James Taylor, President of Cumberland College, a Kentucky College, on behalf of the college.

My commission expires 4-3-87.

Wayne Gilbert  
Notary Public

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BY: [Signature]