

SERVICE CONTRACT PLANT NO. 2

BETWEEN

DELTA NATURAL GAS OF STANTON, INC.

AND

H. B. SIPPLE BRICK COMPANY

DATED: April 19, 1972

FOR THE SALE OF NATURAL GAS

*J/R*

DELTA NATURAL GAS OF STANTON, INC.  
Winchester, Kentucky

SERVICE CONTRACT

AGREEMENT, made and entered into this 19th day of April, 1972, by and between DELTA NATURAL GAS OF STANTON, INC., a Kentucky corporation, (hereinafter called Seller) and H. B. SIPPLE BRICK COMPANY Stanton, Kentucky, (hereinafter called Buyer).

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

Section 1. Gas to be Sold. Seller hereby agrees to sell and deliver, and Buyer hereby agrees to purchase and receive natural gas on an interruptible basis up to a maximum of 12 mcf per hour and 288 mcf per day on and after the date of this Agreement.

Section 2. Rate. Natural gas delivered hereunder shall be paid for under the following rate:

INTERRUPTIBLE SERVICE

First 1,000 MCF used per month.....\$0.74/MCF  
Next 9,000 MCF used per month.....0.61/MCF  
All over 10,000 MCF used per month.....0.55/MCF

MINIMUM MONTHLY CHARGE: The minimum monthly charge each billing month for gas delivered or the right of the Buyer to receive same shall be the greater of:

- (a) Fifty Dollars (\$50), or
- (b) Twenty-five per cent (25%) of the largest monthly bill during the immediately preceding twelve (12) month period.

In the event the Seller cannot deliver to the Buyer that quantity of gas which would be otherwise available under the minimum monthly charge during a given month, then the minimum bill shall be waived and the Buyer will be billed for the actual quantity of gas used.

Deliveries of gas under this Agreement shall be on an interruptible basis only. Seller may completely or partially interrupt deliveries hereunder at any time, for any reason in its sole judgment; however, it is understood that the Seller will not include in its maximum daily contract quantity or maximum daily obligation commitment from its supplier any additional volumes of gas in order to provide service to the Buyer under this Agreement.

PENALTY CHARGE FOR FAILURE TO INTERRUPT. On any day when the Buyer has been given timely notice by the Seller to interrupt, any quantity of gas taken in excess of the quantity specified to be made available on that day shall be subject to a payment of Twenty Seven and 60/100 Dollars (\$27.60) per mcf for all volumes taken in excess of the volumes specified to be made available on such day by the Seller. The penalty charge for failure to interrupt shall be in addition to the charge per mcf as set forth in this Agreement.

PAYMENT FOR UNAUTHORIZED TAKES. Gas taken in excess of the specified daily interruptible volumes set forth in this Agreement, without receiving prior approval from the Seller, shall constitute unauthorized takes. The sum of all such unauthorized takes in a billing month shall be billed at the rate of Five and no/100 Dollars  
(\$5.00) per mcf of gas so taken. Payment for such unauthorized takes shall be in addition to the charges specified in this Agreement. However, the

Seller reserves the right, for good cause shown, to waive the penalty payment for unauthorized takes provided no economic hardship has been imposed upon the Seller.

ADJUSTMENT IN RATES. The rates prescribed herein shall be subject to the same adjustment on the same date as any change in the applicable G. S. Rate Schedule prescribed by the Kentucky Public Service Commission, irregardless of whether such change was produced by a change in the cost of gas or the Seller's cost of service.

Section 3. General Terms and Conditions. This Agreement in all respects shall be subject to the applicable provisions of the Seller's General Terms and Conditions on file with the Kentucky Public Service Commission.

Seller shall be deemed to be in control and possession of the natural gas hereunder until it shall have been delivered to Buyer at the point of delivery, after which Buyer shall be deemed to be in control and possession thereof. The point of delivery shall be defined as that point at which natural gas hereunder passes from Seller's facilities to Buyer's facilities. Buyer shall have no responsibility with respect to natural gas hereunder until it is delivered to Buyer, or on account of anything which may be done, happen or arise with respect to any natural gas hereunder before such delivery; Seller shall have no responsibility with respect to said gas after it is delivered to Buyer, or on account of anything which may be done, happen or arise with respect to such gas after delivered.

All bills are due and payable in ten (10) days.

Section 4. Special Provisions. It shall be the responsibility of the Buyer to provide and maintain at all times such adequate standby, auxiliary equipment and

fuel as may be required or necessary at the Buyer's discretion to protect its full requirements and best interests. In the event the Buyer has certain firm requirements, the firm and interruptible gas may at the Seller's option be metered individually or collectively. Should they be metered collectively, a specified maximum hourly and daily take of firm service gas will be mutually agreed upon between the Buyer and the Seller.

Section 5. Term. This Agreement shall become effective on April 30, 1972 and shall continue in effect until November 1, 1972 and thereafter from year to year unless and until terminated by thirty (30) days written notice given by either party.

Section 6. Notices. Notices to Seller under this Agreement shall be addressed to it at the Winchester Bank Building, 120 South Main Street, Winchester, Kentucky 40391, and notices to Buyer shall be addressed to it at Stanton, Kentucky 40380, until changed by either party by written notice. It is further agreed that the Seller will notify the Buyer in writing of any change in his purchased gas cost within ten (10) days after he has received such notice.

Section 7. Cancellation of Previous Contracts. This Agreement supersedes and cancels, as of the effective date hereof, all previous Agreements between Buyer and Seller, if any.

Service Contract dated April 19, 1972.

The parties hereto have accordingly and duly executed this Agreement.

DELTA NATURAL GAS OF STANTON, INC. H. B. SIPPLE BRICK COMPANY

By [Signature] By [Signature]

Attest: Elsie Harrison Attest: [Signature]