

# NATURAL GAS SUPPLY AGREEMENT

This NATURAL GAS SUPPLY AGREEMENT, made and entered into in duplicate original copies on this 30 day of SEPTEMBER, 2003, between CAGLE'S- KEYSTONE FOODS, LLC, 3150 Nashville Road, Franklin, Kentucky 42135, hereinafter referred to as "Buyer", and MILLENNIUM ENERGY, INC., 951 Fairview Avenue, P.O. Box 1118, Bowling Green, Kentucky 42102, hereinafter referred to as "Seller".

## WITNESSETH:

**WHEREAS**, subject to the terms and conditions hereinafter set forth, Seller desires to sell natural gas to the Buyer and Buyer desires to purchase natural gas from the Seller;

**NOW, THEREFORE**, in consideration of the promises, mutual covenants and agreements herein contained, the parties hereto agree as follows:

1. **Scope of Agreement.** The terms, provisions, agreements, representations, conditions and warranties of this agreement are applicable to the distribution and sale of natural gas by Seller to Buyer.

2. **Gas to be sold.** Seller shall sell and deliver and Buyer shall purchase quantities of natural gas as requested each month by Buyer subject to a minimum purchase of no less than three thousand (3,000) decatherms per month at Buyer's place of business in Franklin, Kentucky. Natural gas shall be provided to Buyer at a maximum pressure of 25 PSIG. Title to the natural gas shall pass from Seller to Buyer at the point of delivery being the outlet of Buyer's header piping, 3150 Nashville Road, Franklin, Kentucky.

3. **Rates and Payment.** For all natural gas sold by Seller and purchased by Buyer, Buyer shall pay Seller the following rates:

PUBLIC SERVICE COMMISSION  
EFFECTIVE

JAN 17 2004

PURSUANT TO 507 KAR 5:011  
SECTION 9(1)

BY Charles H. Smith  
EXECUTIVE DIRECTOR

**A. Local Distribution Charges.**

1) Seller shall charge and Buyer shall pay a Customer Charge of ONE HUNDRED DOLLARS (\$100.00) per month.

2) Seller shall charge and Buyer shall pay a Distribution Charge of ONE DOLLAR AND 70/100 (\$1.70) per decatherm for the first three thousand (3000) decatherms purchased each month which charge shall be reduced to eighty-five cents (85¢) per decatherm for each additional decatherm purchase thereafter each month.

**B. Wholesale gas supply.** Seller shall charge and Buyer shall pay a Commodity Charge at a price established by the current NYMEX commodity price, plus any and all transmission charges and marketing costs per decatherm charged by Midwestern Gas Transmission. The Seller will assist Buyer in negotiating a wholesale gas price with natural gas suppliers on an annual basis.

4. **Most Favored Rate.** Seller agrees that Buyer shall receive its Most Favored Rate (as hereafter defined) at all times during the term of this agreement and further agrees that should a more favorable rate be offered to any other customer in Seller's industrial rate classification, such more favorable rate shall be available to Buyer. For the purposes of this agreement, "Most Favored Rate" shall be deemed to mean the total applicable distribution charges divided by the total usage in dollars per one thousand decatherms for similar end-use service.

5. **Billing and Payment.** Seller shall read the meter on a monthly basis and provide a statement of natural gas usage within five (5) days after the meter has been read and natural gas usage determined. Buyer shall pay its monthly charges within fourteen (14) business days following the receipt by Buyer of its statement of natural gas usage. Any charges not paid within such fourteen (14) day period will be subject to a late payment penalty equal to 12% per month.

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

JAN 17 2004

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

BY Charles L. Dow  
EXECUTIVE DIRECTOR

6. **Term.** The initial term of this agreement is five (5) years from the date hereinabove set forth.

7. **Annual Review.** Seller will review actual costs to provide natural gas distribution service to Buyer on an annual basis. Annual revenue requirements will be evaluated with respect to the Seller's total operations costs and Buyer's load ratio share of Seller's total annual gas sales. Upon request, Seller will provide Buyer a specific cost-of-service calculation for use in determining any adjustment to distribution charges.

8. **Early Termination.** Buyer may terminate this agreement by paying to Seller an amount equal to the Buyer's pro rata share of Seller's then net depreciated book value of distribution plant initially installed for Cagle's/Keystone. Payment may be made at any time beginning one year after the first monthly distribution charge is paid. The Seller's net depreciated book value will be based on Seller's most recent audited financial report adjusted to reflect any capital improvements and depreciation which may have accrued since the audit was performed. For the purposes of determining the Buyer's pro rata share of Seller's net depreciated book value as used herein, the ratio of the Buyer's usage per decatherms for the previous 12-months to the Seller's total sales per decatherms for the previous 12-months will be used. In addition, Buyer must pay any applicable taxes, disconnection costs, etc. that may apply.

9. **DISCLAIMER OF WARRANTIES.** THE SELLER AND BUYER EXPRESSLY ACKNOWLEDGE THAT SELLER ACTS AS A DISTRIBUTOR ONLY IF NATURAL GAS PURCHASED AT WHOLESALE AND IT DOES NOT WARRANT, EITHER EXPRESSLY OR IMPLIEDLY, THE QUALITY OR PURITY OF THE NATURAL GAS PROVIDED THROUGH ITS DISTRIBUTION SYSTEM. UNLESS CAUSED BY SELLER'S

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

JAN 17 2004

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

BY Charles L. Dow  
EXECUTIVE DIRECTOR

AFFIRMATIVE ACT OF NEGLIGENCE, SELLER SHALL NOT BE LIABLE FOR ANY FAILURE OF THE GAS SUPPLY TO BUYER'S BUSINESS ENTERPRISE OR FOR ANY INJURY OR DAMAGE TO PERSONAL PROPERTY OR LOSS SUFFERED BY THE BUSINESS OR OCCUPATION OF BUYER. IT IS FURTHER EXPRESSLY AGREED AND UNDERSTOOD THAT SELLER SHALL NOT BE LIABLE FOR FAILURE TO DELIVER NATURAL GAS PURSUANT TO THE TERMS OF THIS NATURAL GAS SUPPLY AGREEMENT IF THROUGH NO FAULT OF SELLER, IT IS UNABLE TO OBTAIN DELIVERY OF NATURAL GAS THROUGH ITS HOT TAP CONNECTED TO THE EL PASO MIDWESTERN PIPELINE NEAR THE INTERSECTION OF BUTTS ROAD AND LAKESPRING ROAD IN SIMPSON COUNTY, KENTUCKY.

10. **Notices.** Any notice, request, demand, statement, or other communication by either party shall be in writing and shall be delivered to the addresses listed below or at such other address as each party may designate in writing.

11. **Binding Effect.** This agreement shall be binding upon and inure to the benefit of each of the parties and their respective successors and assigns.

12. **Governing Law.** This agreement shall be construed in accordance with and governed by the laws of the Commonwealth of Kentucky.

13. **Entire Agreement.** This agreement supersedes all prior agreements between the parties with regard to the subject matter hereof, and there are no other understandings or agreements between Buyer and Seller with regard thereto.

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

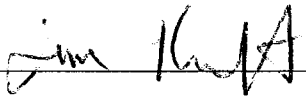
JAN 17 2004

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

BY Charles H. Dow  
EXECUTIVE DIRECTOR

IN WITNESS WHEREOF, the parties hereto have caused their duly authorized representatives to execute this agreement the day and year first written above.

CAGLE'S KEYSTONE FOODS, LLC  
3150 Nashville Road  
Franklin, KY 42134

BY: , a Member

MILLENNIUM ENERGY, INC.  
951 Fairview Avenue  
P.O. Box 118  
Bowling Green, KY 42102

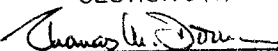
BY:   
GERALD W. HAYES, President

201245-3

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

JAN 17 2004

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

BY:   
EXECUTIVE DIRECTOR