

CONTRACT NO.

LARGE VOLUME NATURAL GAS SERVICE AGREEMENT

BETWEEN

AND

WESTERN KENTUCKY GAS COMPANY,
A Division of
ATMOS ENERGY CORPORATION

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

FEB 26 1999

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

BY: Stephen D. Bell
SECRETARY OF THE COMMISSION

LARGE VOLUME NATURAL GAS SERVICE AGREEMENT

THIS NATURAL GAS SERVICE AGREEMENT ("Agreement") is made and entered into this ____ day of _____, 19__, by and between WESTERN KENTUCKY GAS COMPANY, a division of Atmos Energy Corporation, a Texas and Virginia corporation, ("WKG"), and ("Customer"), also referred to as the "parties".

WITNESSETH:

WHEREAS, WKG desires to provide to Customer, and Customer desires to obtain natural gas service from WKG, in accordance with the terms and conditions hereinafter set forth:

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the parties hereto agree as follows:

1. Natural Gas Service Type and Volume Levels. Customer agrees to purchase from WKG or deliver to WKG for transportation all of Customer's natural gas service requirements for Customer's facility located

WKG agrees to provide service to Customer of the type specified below, subject to the provisions of the referenced tariffs, the related rules and regulations governing natural gas service and this Service Agreement, including its attached exhibits and general terms and conditions; provided, however, that WKG shall have no obligation to provide natural gas sales or transportation service to Customer in excess of the maximum volumes hereinafter specified:

Tariffs

Maximum Mcf/Day PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE

FEB 26 1999

PURSUANT TO 807 KAR 5.011, SECTION 9 (1)
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In the event Customer's actual requirements exceed the above total daily volume, WKG will allow a nomination equal to Customer's requirements and, if capacity is available, shall authorize and provide an increase in the maximum daily contractual volumes equal to the excess daily requirement, provided Customer demonstrates that the increased requirements are representative of Customer's future use. Authorized volumes delivered to WKG in excess of WKG's contractual pipeline capacity will be redelivered to Customer, if operationally possible.

2. Price. Except as provided below, the price to be paid by Customer shall be in accordance with the rate schedule under which the service is rendered. Such rates, excluding the simple margin set forth herein, shall be subject to change as permitted by law. Any Federal, State or other taxes (other than those based upon or measured by WKG's income) which apply and are charged to Customer now or may hereafter be imposed upon Customer or upon the services performed herein by WKG shall be paid by the Customer in addition to the rates as specified, provided that where any such taxes are reduced or eliminated, the charges to Customer shall be adjusted downward to reflect that fact.

The Simple Margin for all volumes delivered under shall be as follows:

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

FEB 26 1999

PURSUANT TO 807 KAR 5011.
SECTION 9 (1)

BY: Stephen D. Bell
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To the extent any charge is imposed upon WKG by virtue of proceedings before the Federal Energy Regulatory Commission (or successor authority), WKG shall impose such charge on Customer only to the extent approved or accepted by the Kentucky Public Service Commission. Customer retains the right to contest the applicability or amount of any such charge.

3. Term. This Agreement shall become effective on _____, 1998, (or the first day of the month during which it is accepted by the Kentucky Public Service Commission, if later), and shall continue in full force and effect until _____ ("Initial Term"), and year-to-year thereafter unless and until terminated by either party upon written notice no more than 270 days nor less than 180 days prior to the end of the Initial Term or any subsequent renewal term. Such termination shall become effective at the end of the then current term.

Customer agrees that while this Agreement is in effect, all natural gas consumed by Customer under this Agreement shall be delivered by WKG. In the event customer makes a filing with the Federal Energy Regulatory Commission, or directs another party to make a filing on the Customer's behalf to receive direct gas service, Customer shall notify WKG of such filing contemporaneously with the filing. In any event, Customer shall not commence construction of bypass facilities prior to submitting notice of termination of this Agreement under the terms and conditions herein.

4. Notices. Any notice required to be given under this Agreement or any notice which either party hereto may desire to give the other party shall be in writing and shall be considered duly delivered when hand-delivered or when deposited in the United States mail, postage prepaid, registered or certified, and addressed as follows:

If to WKG:

WESTERN KENTUCKY GAS COMPANY
A Division Of
Atmos Energy Corporation
2401 New Hartford Road
Owensboro, Kentucky 42303
Attention: Marketing Department

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

FEB 26 1999

PURSUANT TO 807 KAR 5.011,
SECTION 9(1)

BY: Stephan O. Bell
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If to Customer:

or such other address as WKG, Customer, or their respective successors or permitted assigns shall designate by written notice given in the matter described above. Routine communications, including monthly invoices, may be mailed by

ordinary mail, postage prepaid, and addressed to the above-designated name and address, or to any person designated in writing by the either party.

5. Attachments. General Terms and Conditions and Exhibit "A," Receipt Point(s) and Delivery Point(s), attached hereto are expressly incorporated herein and made a part of this Agreement for all purposes, and all references herein and therein to "this Agreement" include all such exhibits and the terms and provisions contained therein.

IN WITNESS WHEREOF, the parties hereto have executed this Large Volume Natural Gas Service Agreement to be effective as of the date first above written.

WESTERN KENTUCKY GAS COMPANY
A Division of
Atmos Energy Corporation

By: _____

Title: _____

By: _____ PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

Title: _____

FEB 26 1999

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

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**GENERAL TERMS AND CONDITIONS
TO
LARGE VOLUME NATURAL GAS SERVICE AGREEMENT**

1. This Service Agreement is subject to all applicable and valid statutes, ordinances, and the rules, regulations and orders of the Kentucky Public Service Commission ("KPSC"). This Agreement shall not be effective until accepted by the KPSC upon additional conditions, if any, acceptable to each of the parties. Except for specific deviations noted in this Agreement, all terms and conditions of WKG's specified herein and such tariff shall be included herein by reference.

2. If not presently installed, the necessary regulating and metering equipment constructed to WKG's specifications shall be installed for delivery of the gas as specified here, and the Customer shall install additional regulating equipment to provide suitable pressure and operation at the various points of utilization. A suitable location for the regulating and metering equipment shall be provided by the Customer without charge, and WKG shall have the right to operate, maintain and alter this equipment as is necessary or desirable. Each party hereto agrees to maintain any equipment owned by it and used in the performance of its obligations herein in good, safe, and efficient operating condition and repair.

3. Title to sales gas shall pass from WKG to Customer, upon the delivery thereof, at the Customer's service address. The title to all gas transported hereunder shall remain with the Customer. The Receipt Point(s) at which the Customer will deliver transportation gas to WKG is designated on Exhibit "A," attached hereto.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

FEB 26 1999

4. As between the parties hereto solely, WKG shall be deemed in exclusive control and possession of the gas after the delivery thereof at the Receipt Point(s) and prior to the redelivery thereof, to or for the account of Customer at the Customer's service address. At all other times, as between the parties hereto solely, Customer shall be deemed in exclusive control and possession of the gas and responsible for any damages, losses, or injuries caused by Customer's handling, delivery, or receipt thereof. Each party agrees to indemnify, defend, and hold the other party harmless from and against any and all claims, liabilities, damages, losses, costs, and expenses (including attorneys' fees) incurred by the indemnified party arising from or relating to any damages, losses, or injuries for which the indemnifying party is responsible pursuant to the provisions of this Agreement, except to the extent such damages, losses, or injuries are caused by the negligence of the indemnified party.

PURSUANT TO 907 KAR 5.011.
9 (1)
Bill
THE COMMISSION

5. In the event that either WKG or Customer is rendered unable, wholly or in part, by reason of an event of force majeure, to perform its obligations under this Agreement, other than to make payment due thereunder, and such party has given notice and full particulars of such force majeure in writing to the other party as soon as possible after the occurrence of the cause relied on, then the obligations of the parties, insofar as they are affected by such force majeure, shall be suspended during the continuance of such inability, but for no longer period, and such cause shall, insofar as possible, be remedied with all reasonable dispatch; provided, however, that the settlement of strikes or lock-outs shall be entirely within the discretion of the party having such difficulty, and the above requirement that any force majeure be remedied with all reasonable dispatch shall not require the settlement of strikes or lock-outs by acceding to the demands of the opposing party when such course is inadvisable in the discretion of the party having the difficulty.

The term "force majeure" as used herein shall mean any cause not reasonably within the control of the party claiming suspension and includes, but is not limited to, acts of God; strikes; lock-outs; wars; riots; orders or decrees of any lawfully constituted federal, state, or local body; fires; storms; floods; wash-outs; explosions; breakage or accident to machinery, or lines of pipe; or any other cause of a similar nature not reasonably within the control of the party whether of the kind herein enumerated or otherwise.

6. During each billing period involving transportation services, Customer agrees to maintain its deliveries of gas to WKG and its receipt of gas from WKG in continuous balance or as near thereto as practicable on a Mcf or MMBtu basis, as designated by WKG. WKG is authorized to require an adjustment to Customer's transportation nominations as WKG, in its sole discretion, deems appropriate to avoid or eliminate an imbalance on the transporting interstate pipeline system. Further, the Customer agrees to be liable to WKG for all cost, expense and liability incurred by WKG and caused by Customer's transportation related activity on the transporting interstate pipeline system.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

FEB 26 1999

PURSUANT TO 807 KAR 5011,
SECTION 9 (1)

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When the volume of gas taken by Customer during a billing period exceeds the aggregate of its transportation nominations and its available "banked" volumes, Customer shall pay WKG for such overrun volumes at the applicable tariff rate. The customer agrees to notify the Company in advance of Customer attempting to take any overrun volumes. Such notification does not, however, entitle Customer to any overrun volumes.

When the volume of gas taken by Customer during a billing period is less than the aggregate of its transportation nominations and its available "banked" volumes, if any, , such excess volumes shall be subject to the "cash-out" provisions of WKG's tariff

7. In the event of default hereunder by either party, in addition to all rights and remedies at law or in equity to which the non-defaulting party may be entitled, the defaulting party agrees to reimburse the non-defaulting party for all attorneys' fees, court costs, and other expenses incurred. Further, each party agrees to indemnify and hold the other party harmless with regard to any and all fees, costs, and expenses (including attorneys' fees) incurred by the non-defaulting party in relations to all claims, disputes, and suits which arise under or are related to the defaulting party's default under this Agreement, except to the extent the non-defaulting party was negligent in the performance of its duties as expressly defined in this Agreement.

8. Neither party may assign any of its rights or obligations hereunder to any person or entity without the prior written consent of the other, such consent not to be unreasonably withheld. This Agreement shall be binding upon the parties hereto and their successors and permitted assigns.

9. This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral and written, between the parties hereto with respect to the subject matter hereof. No amendment or other modification hereto shall be binding upon any party unless executed in writing by both parties.

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OF KENTUCKY
EFFECTIVE

FEB 26 1999

PURSUANT TO 807 KAR 5011,
SECTION 9 (1)

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SECRETARY OF THE COMMISSION

**EXHIBIT "A"
RECEIPT POINT(S)
AND
DELIVERY POINT(S)**

RECEIPT POINT:

DELIVERY POINT:

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