

Contract No. WKG-1203

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PUBLIC SERVICE
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LARGE VOLUME NATURAL GAS SERVICE AGREEMENT

BETWEEN

LOGAN ALUMINUM INC.

AND

WESTERN KENTUCKY GAS COMPANY,
A Division Of
ATMOS ENERGY CORPORATION

DATED

OCTOBER 1, 1993

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OF KENTUCKY
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PURSUANT TO 007 KAR 5:011,
SECTION 9 (1)

BY: *Sharon Hallett*
PUBLIC SERVICE COMMISSION MANAGER

LARGE VOLUME NATURAL GAS SERVICE AGREEMENT

THIS NATURAL GAS SERVICE AGREEMENT is made and entered into this 1st day of October, 1993, by and between WESTERN KENTUCKY GAS COMPANY, a division of Atmos Energy Corporation, a Texas corporation (WKG), and LOGAN ALUMINUM INC., a Delaware corporation ("Customer"), also referred to as the "parties".

W I T N E S S E T H :

WHEREAS, WKG desires to provide to Customer, and Customer desires to obtain natural gas service 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 on Highway 431 North at or near Russellville, Kentucky. 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:

<u>Tariffs</u>	<u>Maximum MCF/Day</u>	
	<u>Phase I</u>	<u>Phase II</u>
Sales Rate G-1	1,200	0
Sales Rate G-2	0	0
Transportation Rate T-2	1,200	0
Carriage Rate T-3	6,800	8,000

Phase I maximum volumes shall be effective October 1, 1993. Phase II maximum volumes shall be effective November 1, 1993; provided, however, Customer may delay the effective date of Phase II for one month by providing written notice to WKG at

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BY: [Signature]
PUBLIC SERVICE COMMISSION MANAGER

least 15 days before the pertinent month. The Customer may give two such delaying notices to WKG. Customer shall have no minimum volume obligation.

In the event Customer's actual requirements exceed the above daily levels, WKG will allow a nomination equal to those requirements and if capacity is available, shall authorize an increase in the maximum daily contractual volumes provided Customer demonstrates that the increased requirements are representative of future use. Authorized volumes delivered to WKG in excess of WKG's contractual pipeline capacity will be redelivered to Customer if operationally possible.

During any billing period, volumes delivered to Customer shall, regardless of nominations, be deemed to first satisfy the G-1/T-2 volumes, if any; then the G-2/T-2 volumes, if any; and finally the T-3 volumes, if any. Subject to the above-stated daily levels, the parties further agree to the following levels of gas service:

(a) Base Period Volumes in Mcf

	G-1/T-2		T-3	
	Phase I	Phase II	Phase I	Phase II
November	36,000	0	159,000	195,000
December	37,200	0	164,300	201,500
January	37,200	0	164,300	201,500
February	33,600	0	148,400	182,000
March	37,200	0	164,300	201,500
TOTAL WINTER	181,200	0	800,300	981,500
April	36,000	0	159,000	195,000
May	37,200	0	164,300	201,500
June	36,000	0	159,000	195,000
July	37,200	0	164,300	201,500
August	37,200	0	164,300	201,500
September	36,000	0	159,000	195,000
October	37,200	0	164,300	201,500
TOTAL SUMMER	256,800	0	1,134,200	1,390,000

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BY: Chauvelle
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The above base period volumes are representative of expected Customer requirements but do not represent a contractual maximum. In the event Customer's actual monthly requirements exceed the base period volumes, WKG shall, subject to availability of supply and/or capacity, increase the base period volumes accordingly.

(b) Utilization: Aluminum Food & Beverage Can Stock Rolling Mill

	<u>Phase I</u>	<u>Phase II</u>
(c) Maximum Hourly Demand - G-1/T-2	50 Mcf	0 Mcf
(d) Maximum Hourly Demand - T-3	550 Mcf	600 Mcf
(e) Maximum Hourly Demand	___ Mcf	___ Mcf

	<u>Phase I</u>	<u>Phase II</u>
(f) Maximum Daily Demand - G-1/T-2	1,200 Mcf	0 Mcf
(g) Maximum Daily Demand - T-3	6,800 Mcf	8,000 Mcf
(h) Maximum Daily Demand	___ Mcf	___ Mcf

(i) Delivery Pressure: 40 psig

(j) Customer's Service Address Highway 431 North Russellville, Kentucky 42276

(k) Total Connected Load: 796 Mcfh

2. Price. Except as provided in the three following paragraphs, the price to be paid by Customer shall be in accordance with the rate schedule under which the service is rendered. Such rates, excluding simple margin, shall be subject to change as permitted by law. Any Federal, State or other legal 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.

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BY: Shaw Delle
PUBLIC SERVICE COMMISSION MANAGER

Provided, however, the Simple Margin for volumes delivered under Carriage Service Rate T-3 shall be as follows:

<u>If Total Monthly Deliveries Are:</u>	<u>The Simple Margin For All T-3 Volumes for Month Will Be:</u>
0 - 83,000 Mcf	Full Tariff Rate
83,001 - 108,000 Mcf	20¢ per Mcf
108,001 - 133,000 Mcf	18¢ per Mcf
133,001 - 158,000 Mcf	16¢ per Mcf
158,001 - 183,000 Mcf	13¢ per Mcf
Over 183,001 Mcf	11¢ per Mcf

Volumes for services other than T-3 are not subject to the immediately preceding price schedule, but do count toward determining the applicable "total monthly delivery" level which determines the single price for all T-3 volumes delivered to Customer during the month. 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. "Non-Commodity" charges applicable to T-3 service are those which are designated by or accepted as such by the Commission, such as, FERC authorized take-or-pay, transition costs or other charges applicable to non-firm transportation. Customer retains the right to contest the applicability or amount of any such charge.

For service under Carriage Service Rate T-3, the overrun charge per Mcf shall be 110% of the Interruptible Service Rate G-2 and any assessed Texas Gas Transmission Company (TGT) charges related to the overrun volumes. 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. The curtailment violation penalty charge provided in the Rate T-3 tariff is not changed by this Agreement, but may be waived by WKG in its sole discretion. During any applicable curtailment period, overrun volumes shall be curtailable before curtailment of G-2 standby sales. To the extent that TGT's notice or grade periods related to lost gas supply replacement are more liberal than those provided in WKG's Rate T-3 Terms and Conditions, the TGT procedures will apply. Customer will be responsible for any charges assessed by TGT related to Customer's lost gas supply

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BY: Chandler
PUBLIC SERVICE COMMISSION MANAGER

replacement activity, if any. The Company shall not charge Customer for "banked" volumes (see Section 6 of attached "General Terms and Conditions") except to the extent the balance of Customer's banked volumes exceed 25,000 Mcf, and then, only in accordance with charges or "cash-out" provisions, if any, approved or accepted by the appropriate regulatory authority and after notice to Customer.

3. Term. This Service Agreement shall become effective on October 1, 1993 (or the first day of the month when accepted by the K.P.S.C., if later), and shall continue in full force and effect until September 30, 2013 ("Initial Term"), and shall continue for successive terms of one year each unless terminated by either party upon written notice no later than 120 days prior to the end of the Initial Term or any successive term. On three separate occasions during the term hereof, either party may re-open this Agreement to renegotiate the provisions of Section 2 "Price". The re-opening party shall give written notice of its desire to renegotiate Section 2 to the other party no later than 270 days prior to any of the following three Price Re-opener Dates ("PRD"): (1) September 30, 1998; (2) September 30, 2003; (3) September 30, 2008. The Renegotiation Period shall be that period of time during which the Agreement is open for the renegotiation of Section 2. The parties agree that any renegotiation of the provisions of Section 2 shall be in good faith.

In the event the parties are unable to successfully renegotiate the provisions of Section 2, this Agreement will terminate upon the PRD immediately following the notice, and any volumes delivered to Customer after such date shall be billed at the then current tariff rates. If Customer decides, during the Renegotiation Period, to bypass WKG's service or facilities, Customer shall notify WKG of such intention in writing, no sooner than 180 days prior to the PRD, and Customer shall not commence construction of additional facilities until WKG has received such notice. 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 FERC to request direct gas service, Customer shall notify WKG of such filing contemporaneously with the filing.

4. Notices. Any notice required to be given under this Service 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:

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BY: Glenn Bell
PUBLIC SERVICE COMMISSION MANAGER

If to WKG:

WESTERN KENTUCKY GAS COMPANY
2401 New Hartford Road
P.O. Box 866
Owensboro, Kentucky 42302
Attention: Large Volume Sales
Department

If to Customer:

LOGAN ALUMINUM INC.
Highway 431 North
Russellville, Kentucky 42276
Attention: President & CEO

or such other address as WKG, Customer, or their respective successors or permitted assigns shall designate by written notice given in the manner 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 either party.

5. Attachments. General Terms and Conditions, Exhibit "A," Receipt Point(s) and Delivery Point(s); and Exhibit "B," Agency Terms and Conditions, attached hereto are expressly incorporated herein and made a part of this Service Agreement for all purposes, and all references herein and therein to "this Service Agreement" include all exhibits and their 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: Carl Fischer JAC

Title: President

LOGAN ALUMINUM INC. PUBLIC SERVICE COMMISSION
OF KENTUCKY
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By: Fred L. ...

Title: PRESIDENT

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BY: ...

PUBLIC SERVICE COMMISSION MANAGER

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 conditions, if any, acceptable to each of the Parties.

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.

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 the gas, or losses, or injuries for which the indemnifying party is responsible pursuant to the provisions of this Service Agreement, except to the extent such damages, losses or injuries are caused by the negligence of the indemnified party.

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BY: *Harold Haller*
PUBLIC SERVICE COMMISSION MANAGER

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 Service 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 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 an 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. To the extent imbalances owed to Customer by WKG occur, such "banked" volumes of the Customer shall be deemed, for billing purposes, to be the first volumes delivered to the Customer during the succeeding billing period. The Company agrees to allow the Customer to have a monthly "banked" gas balance of up to 25,000 Mcf without charge. Customer understands that system operational constraints may occasionally restrict the ability to access or increase banked volumes". When the volume of gas taken by Customer during a billing period exceeds the aggregate of its transportation

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nominations and its available "banked" volumes by an amount less than or equal to the residual G-1 and G-2 contract levels, if any, Customer shall pay WKG for such overrun volumes at the applicable tariff rate. Provided, however, during any billing period during which Customer nominated under rate T-3, all overrun volumes in excess of transportation nominations, available T-3 "banked" volumes and residual G-1 and G-2 contract levels, if any, shall be deemed rate T-3 overrun gas for billing purposes.

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 relation to all claims, disputes and suits which arise under or are related to the defaulting party's default under this Service Agreement, except to the extent the non-defaulting party was negligent in the performance of its duties as expressly defined in this Service Agreement.

8. This Service Agreement shall be binding upon the parties hereto and their respective successors and assigns.

9. This Service 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.

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BY: 
PUBLIC SERVICE COMMISSION MANAGER

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

Receipt Point: A metering station located in Logan County, Kentucky, at Longitude 87 degrees, 0 minutes, 0 seconds, Latitude 36 degrees, 51 minutes, 15 seconds, approximately 5.5 miles west of Russellville, Kentucky. (Meter No. 1903)

Delivery Point: Highway 431 North
Russellville, Kentucky 42276

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BY: *Charles Bell*
PUBLIC SERVICE COMMISSION MANAGER

EXHIBIT "B"

AGENCY TERMS AND CONDITIONS
TO THE
LARGE VOLUME NATURAL GAS SERVICE AGREEMENT

WKG and Customer agree that in order to facilitate the sale, exchange and/or transportation of gas under the Service Agreement, it is necessary that Customer appoint WKG to act as Customer's agent in respect to the gas sold, exchanged and/or transported hereunder. More specifically, the parties agree that:

1. WKG has the authority, as Customer's agent, to negotiate and execute, with Customer's prior approval, such gas agreements as may be necessary or convenient to carry out the terms of this Service Agreement. The terms of such agreements shall include, but shall not be limited to, the making of nominations on behalf of the Customer for gas transportation or supplies.
2. WKG shall transmit payments due under said agreements from Customer to the parties to whom said payments are due. In furtherance of this, WKG shall invoice Customer for said charges, and Customer shall pay the same contemporaneously with billings and due dates for services under the Service Agreement.
3. Customer agrees that WKG assumes no obligations or liabilities regarding (i) any nomination received by WKG from Customer or made by WKG for Customer, and (ii) any fees or charges incurred by Customer in furtherance of this Exhibit "B".

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BY: *Sharon Deller*
PUBLIC SERVICE COMMISSION MANAGER