

Contract No. WKG-1269

LARGE VOLUME NATURAL GAS SERVICE AGREEMENT

BETWEEN

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

As set out in 96-096
APR 14 1996

AND

PURSUANT TO 807 KAR 5.011,
SECTION 9(1)

BY: *Jordan C. Neal*
FOR THE PUBLIC SERVICE COMMISSION

WESTERN KENTUCKY GAS COMPANY,
A Division of
ATMOS ENERGY CORPORATION

DATED

FEBRUARY 20, 1996

Confidential

LARGE VOLUME NATURAL GAS SERVICE AGREEMENT

THIS NATURAL GAS SERVICE AGREEMENT is made and entered into this 20th day of February, 1996, by and between WESTERN KENTUCKY GAS COMPANY, a division of Atmos Energy Corporation, a Texas corporation (WKG), and _____, 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 _____ and _____ facilities located near _____. 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>
Firm Carriage Transportation (Priority 7)	4,500

"Firm Carriage Transportation" service represents a commitment by WKG to firm (non-interruptible) capacity on the WKG system. Subject to the above-stated daily levels, the parties further agree to the following levels of gas service for purposes of curtailment planning:

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(a) Base Period Volumes in Mcf

	Priority No. 7
November	100,000
December	100,000
January	100,000
February	100,000
March	100,000
TOTAL WINTER	500,000
April	100,000
May	100,000
June	100,000
July	100,000
August	100,000
September	100,000
October	100,000
TOTAL SUMMER	700,000

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(b) Utilization:

(c) Maximum Hourly Demand - Priority 7 298 Mcf

(d) Maximum Daily Demand - Priority 7 4,500 Mcf

(e) Customer's Service
Address:

(f) Total Connected Load: 298 Mcfh

2. Price. The price to be paid by Customer shall be in accordance with the type of service rendered, as specified below. To the extent any charge is imposed upon WKG by proceedings before the Federal Energy Regulatory Commission ("FERC") (or successor authority), WKG shall impose such charges on Customer only to the extent approved or accepted by the Kentucky Public Service Commission ("KPSC"); however, any such charges attributable to interstate pipeline take-or-pay settlements applicable to periods prior to the effective date of this Agreement shall not apply to Customer. Any Federal, State, or other taxes and charges of any nature applicable to WKG's services shall be paid by the Customer in addition to the rates as specified.

Monthly Base Charge: \$700 per month

Carriage Transportation Rate:

If Total Monthly Deliveries are:

The Simple Margin for All Volumes for the Month Will Be:

Authorized Overrun Volumes: Applicable to Overrun volumes authorized by WKG, WKG shall charge an amount during that month. WKG shall notify Customer of periods during which advance written request for overrun volumes is required for authorization.

Unauthorized Overrun Volumes: Applicable to Overrun volumes not authorized by WKG, WKG may charge an amount equal to the curtailment violation penalty charge provided in the Company's tariff. WKG, in its sole discretion, may elect to waive this charge.

If, after the effective date of this Agreement, Customer has not transported through WKG at least per month for at least three months, WKG may modify the "Monthly Base Charge" listed above applicable to periods of monthly usage of less than month. Such adjustment shall not result in an increase of more than 10% per month to the above stated charge.

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3. Term. This Service Agreement shall become effective on the first day of the month following acceptance of this Agreement by the KPSC, and shall continue in full force and effect for _____ and year-to-year thereafter unless and until terminated upon the Option Date as specified below or at the end of any year after the primary term by either party hereto upon _____ prior written notice to the other party. Customer agrees that while this Service Agreement is in effect, all natural gas consumed by Customer shall be delivered by WKG. In the event Customer plans to receive direct gas service from any other source following the term of this Agreement, and if any filing with FERC or any other regulatory body is necessary in order to receive such service, Customer agrees to notify WKG of its plans prior to the filing.

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5. Request for Tap. The parties acknowledge that after the execution of this Agreement but prior to the initiation of gas service, WKG shall begin construction of a pipeline and related facilities to serve Customer, and shall authorize the interstate pipeline to file a request with FERC for the required interstate pipeline tap. Customer acknowledges that WKG has no control over FERC's interstate pipeline tap approval process, and agrees that WKG shall not be liable for any costs incurred by Customer as a result of any delay in initiation of gas service due to the tap approval process. Such costs may include, but shall not be limited to, revenues lost from delays in production start up or limitations to production, and costs associated with the temporary use of alternate fuels. In the event FERC does not approve the tap, or one or more third parties intervene in the request or for any reason causing it to be delayed for an unreasonable length of time, Customer agrees to purchase the pipeline and related facilities of WKG, to the extent that they are in place,

6. Additional Future Pipeline Supply Interconnections. WKG agrees to provide, upon Customer's request, facilities for additional pipeline interconnects with third parties at a mutually agreeable common point for the purpose of transporting natural gas or alternative fuels to Customer. WKG shall charge the rates specified herein for such transportation services. WKG shall install required interconnection facilities, including measurement, pressure regulation and additional system controls, if any, necessary for operation of additional supply interconnections. However, installation of any pipeline facilities upstream of the interconnection point shall be the responsibility of the Customer or the third party supplier. Costs incurred by WKG for such additional pipeline interconnections shall be paid by Customer within thirty (30) days of Customer's receipt of an invoice and support documentation.

7. 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:

If to WKG:

WESTERN KENTUCKY GAS COMPANY
P.O. Box 866
Owensboro, Kentucky 42302
Attention: Large Volume Sales

If to Customer:

PUBLIC SERVICE COMMISSION
Department of KENTUCKY
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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.

8. Attachments. General Terms and Conditions, and Exhibit "A," Receipt Point(s) and Delivery Point(s) and Exhibit "B," Maintenance and Inspection of Natural Gas Line and Delivery Station Facilities, 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 as of the date first above written.

WESTERN KENTUCKY GAS COMPANY,
A Division Of
Atmos Energy Corporation

By: Carl Fischer *CF*
Title: President

By: _____
Title: _____

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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 and ordinances, and the rules, regulations and orders of the Kentucky Public Service Commission. This Agreement shall not be effective until accepted by the Commission upon additional conditions, if any, acceptable to each of the parties. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Kentucky.

2. If not presently installed, the necessary regulating and metering equipment constructed to WKG's specifications shall be installed by WKG, or its designee 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 downstream of the delivery points. 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. Furthermore, WKG shall provide for the installation, operation and maintenance of all necessary distribution piping upstream of Customer's facilities. 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. WKG shall use its best efforts to provide Customer, or provide access for Customer to, timely information regarding plant consumption to aid Customer's gas supply nomination adjustments.

3. 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. Title to sales or overrun gas shall pass from WKG to Customer, upon the delivery thereof, at the Customer's service address.

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 Delivery Point specified on Exhibit "A". 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 shall indemnify, defend, and hold harmless the other party from and against any and all claims, liabilities, damages, losses, costs, and expenses (including attorneys' fees) incurred by

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such other party arising from or relating to any damages, losses, or injuries for which the indemnifying party is responsible pursuant to the provisions of this Service Agreement.

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 which could not have been avoided with exercise of reasonable care, 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; inability to obtain or delay in obtaining rights-of-way, materials, supplies, or labor permits; temporary or permanent failure of gas supply or third-party transportation services; third-party capacity constraints; repair, maintenance, or replacement of facilities used in the performance of the obligations contained in this Service Agreement; 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 shall redeliver, without application of losses or unaccounted for supplies, the confirmed monthly volumes delivered to the WKG system on behalf of the Customer. To the extent imbalances owed to Customer by WKG, such "banked" volumes of the Customer shall be deemed billed 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

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to a quantity equal to Customer's monthly usage 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 nominations and its available "banked" volumes, Customer shall pay WKG for such overrun volumes at the applicable overrun rate.

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

Receipt Point:

A metering station located in Henderson County, Kentucky, at Longitude 87 degrees, 31 minutes and 18 seconds, Latitude 37 degrees, 39 minutes and 18 seconds, on the Slaughters-Evansville 10-inch line.
(Meter No. 1986)

Delivery Points:

- 4" Valve located near the Guard House
- 4" Valve located at the property line

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EXHIBIT "B"

MAINTENANCE AND INSPECTION OF HUDSON FOODS INC.
NATURAL GAS LINE AND DELIVERY STATION FACILITIES

Throughout the term of this Agreement, WKG or its designee shall conduct cathodic protection monitoring and leakage surveys at least once each year on the Customer's natural gas line(s) which run from WKG's 4" valve located near the guard house, on _____ property, to the outlet valve of the regulator station(s) specified below. Also included in the survey will be _____ gas line(s) which run from WKG's 4" valve located at the property line, to the outlet valve of the regulator station(s) specified below. Any defects in Customer's pipeline will be repaired by WKG on a cost-plus overhead basis. Prior to making the repairs, WKG shall provide Customer with a written cost estimate and shall obtain Customer's approval to proceed. Upon receipt of invoice customer shall reimburse WKG for such costs. Appropriate records shall be kept by WKG to identify the inspections made, defects found and action taken to repair such defects.

Regulator Stations:

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