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GAS TRANSPORTATION AGREEMENT

PUBLIC SERVICE COMMISSION

THIS GAS TRANSPORTATION AGREEMENT is made and entered into as of the 15th day of May, 1989, by and between WESTERN KENTUCKY GAS COMPANY, a division of Atmos Energy Corporation, a Texas corporation ("WKG"), and Philips Lighting Company, a division of North American Philips Corporation, a Delaware corporation ("Philips" or "Customer"), also referred to as the "parties."

W I T N E S S E T H:

WHEREAS, WKG owns and operates a pipeline system located in the Commonwealth of Kentucky; and

WHEREAS, Philips owns and operates a substantial manufacturing plant near Danville, Kentucky, which currently receives gas service through the WKG system pursuant to a Natural Gas Transportation Agreement dated March 26, 1987; and

WHEREAS, energy costs account for a significant percentage of Philips total average annual operating expense and it is critical that Philips substantially reduce its energy costs; and,

WHEREAS, Philips is located less than 60 feet from the interstate facilities of Tennessee Gas Pipeline Company, and Philips has considered, and is currently considering, seeking regulatory approval for installation of a direct transmission line between its facility and the interstate pipeline of Tennessee Gas Pipeline Company; and,

WHEREAS, it has been determined by Philips that construction and ownership of such a line would be economically feasible; and,

WHEREAS, Philips believes that the transportation rate being charged by Western is excessive and has advised Western that unless Western establishes its transportation rate for interruptible service at the amount set forth hereinbelow, Philips will procure either an alternate source or an alternate supplier for its energy needs; and,

WHEREAS, Western believes it to be in the best interest of all of its customers for Philips to remain on service even at the reduced transportation rate set forth below in light of the adverse consequences which would inure to Western and its customers should Philips discontinue transporting gas on Western's distribution system; and,

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WHEREAS, as a consequence of all of the foregoing and other unique and special circumstances, Western and Philips desire to enter into a new agreement ("Agreement") which will supersede the March 26, 1987, Transportation Agreement and will provide for the interruptible transportation of gas by WKG for Customer to the Delivery Point(s), as hereinafter defined, in accordance with the terms and conditions hereinafter attached and set forth to the extent such are not inconsistent with the terms and conditions applicable to WKG's interruptible transportation tariffs on file with the Kentucky Public Service Commission (the "PSC"), as may be amended from time to time.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Agreement to Transport. Subject to the terms and conditions of this Agreement, including the General Terms and Conditions attached hereto and made a part hereof for all purposes, and subject to the general terms and provisions set forth in WKG's interruptible transportation tariffs as filed with the PSC and as may be amended from time to time (the "Tariff"), WKG agrees to transport for and on behalf of Customer, and Customer agrees to deliver, or cause to be delivered, to WKG for transportation purposes, all of the gas that Customer purchases and uses to meet all of Customer's gas requirements at its facilities located in or near the City of Danville, Kentucky, provided, however, that WKG shall have no obligation to transport gas for Customer in excess of 4,000 Mcf per day or in excess of the monthly quantities set forth in the schedule delivered to WKG pursuant to Section 4.1 of the General Terms and Conditions. Further, the parties agree that deliveries by WKG to Philips in excess of arranged transportation volumes shall be deemed purchases from WKG at the applicable rate as provided in Section 4.3(a) of the attached General Terms and Conditions.

Further, the customer agrees that while this Agreement is in effect, it will not utilize fuel oil, propane, or other alternative fuel as whole or partial substitute for gas utility service from WKG, unless the cost of such alternate fuel is at least 6% less than the cost of delivered gas. In such event, Customer agrees to provide WKG with an affidavit (Exhibit B, attached) setting out the source(s) and the cost of its potential alternative fuel. Customer agrees to grant to WKG the right, upon twenty-four (24) hours prior written notice, to examine the books and records of Customer to the extent necessary to verify the accuracy of the statements

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sworn to in the affidavit. Customer further agrees that it will not file, nor cause or allow to be filed on its behalf with the Federal Energy Regulatory Commission an application for authority to receive direct interstate transportation service or sales, or otherwise attempt, in any manner, to circumvent or bypass Western's service or facilities, unless and until such service from WKG is curtailed.

2. Receipt and Delivery Point(s) and Pressure.

(a) The point(s) at which gas is to be delivered by Customer to WKG for transportation under this Agreement shall be at the point of interconnection, as of the date of this Agreement, between the pipeline system of WKG and Tennessee Gas Pipeline Company, or its successor, located near the City of Danville, Kentucky, or at such other point or points as the parties hereto may mutually agree in writing (the "Receipt Point(s)").

(b) The point(s) at which gas is to be redelivered by WKG to or on behalf of Customer shall be at the current point of interconnection, as of the date of this Agreement, between the WKG system and Customer's facilities referred to in Paragraph 1 above and located near the City of Danville, Kentucky, or at such other point or point(s) as the parties hereto may mutually agree in writing (the "Delivery Point(s)").

(c) The base pressure at the Delivery Point shall be 14.65 psia unless otherwise specified by WKG.

3. Rate.

(a) The rate to be paid by Customer to WKG for each Mcf of gas transported hereunder shall be thirty-one and 99/100 cents (\$.3199). No other charges shall be applied to volumes transported hereunder except as ordered, required or ~~accepted~~ by the PSC. Furthermore, if WKG's gas suppliers are permitted by the FERC to assess charges for backup service and such charges are approved or accepted by the PSC, nothing herein shall preclude the parties from agreeing to arrangements and charges for backup sales service, but the par shall not be required to do so.

(b) In addition to the rate to be paid for gas transported hereunder, Customer agrees to pay to WKG an amount equal to any and all taxes and charges of any nature imposed on WKG for gas transported by WKG hereunder or as a result of such transportation, including, but not limited to, sales taxes gross receipts taxes and other taxes imposed by the PUBLIC SERVICE COMMISSION OF KENTUCKY.

4. Billing and Payment.

(a) On or before the fifteenth (15th) day of each calendar month after the month in which deliveries of gas hereunder have commenced, WKG shall render to Customer an invoice that shows the total volume of gas delivered and redelivered hereunder during the preceding Billing Month and the monies due therefor, including any amounts due for taxes and charges paid by WKG for which Customer is obligated under this Agreement to reimburse WKG. Customer shall pay such invoice within ten (10) days after the date thereof and shall send such payment to the address of WKG noted on the invoice.

(b) In the event Customer fails to pay the full amount due WKG when the same becomes due, interest thereon shall accrue from the date that such payment became due until it is paid in full at the interest rate per annum then most recently announced publicly by Citizens Fidelity Bank & Trust Company of Louisville, Kentucky as its prime rate. If Customer is still in default ten (10) days after the due date, WKG may, in addition to any and all other remedies available to WKG, suspend further deliveries of gas to Customer under this Agreement.

(c) All invoices and payments are subject to correction by either party for any errors contained therein until twelve (12) months after the date WKG received payment on an incorrect invoice or received an incorrect payment.

5. Term. This Agreement shall become effective on (1) June 1, 1989, or (2) the first day of the month following the month in which final or approval or acceptance of this Agreement, upon terms and conditions acceptable to WKG, is obtained from the PSC, whichever is later. This Agreement shall continue in full force and effect for a five (5) year term, and from year to year thereafter, unless and until terminated by either party hereto upon sixty (60) days prior written notice to the other party.

Notwithstanding any other provision herein contained, the provisions of this Agreement, shall continue in full force and effect if and only if all regulatory approvals and consents are obtained and continue in effect during the term hereof from any and all governmental agencies deemed necessary by WKG to consummate all transactions contemplated by this Agreement, all such consents and approvals being in a form and substance satisfactory to WKG.

In connection therewith, WKG agrees to promptly file this Agreement, with the Kentucky Public Service Commission,

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BY: Thomas A. Hill
PUBLIC SERVICE COMMISSION MANAGER

IN WITNESS WHEREOF, the parties hereto have executed this Gas Transportation Agreement as of the date first above written.

WESTERN KENTUCKY GAS COMPANY,
a division of Atmos Energy Corporation

By: Carl Fischer *CF*
Title: President

PHILIPS LIGHTING COMPANY, a division of
North American Philips Corporation

By: T.G. Verbeek *T.G. VERBEEK*
Title: EXEC VICE PRES.

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BY: George A. Lee
PUBLIC SERVICE COMMISSION MANAGER

GENERAL TERMS AND CONDITIONS

TO

GAS TRANSPORTATION AGREEMENT,

BETWEEN

WESTERN KENTUCKY GAS COMPANY,
a division of
Atmos Energy Corporation

and

PHILIPS LIGHTING COMPANY,
a division of
North American Philips Corporation

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BY: George L. Hill
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ARTICLE I

Definitions

For purposes of this Agreement, unless the context hereof requires otherwise, the following definitions shall be applicable:

Section 1.1 The term "gas" shall mean natural gas produced from gas wells (i.e. gas-well gas), gas produced in association with oil (i.e. casinghead gas), and the residue gas resulting from the processing of both casinghead gas and gas-well gas.

Section 1.2. The term "day" shall mean the twenty-four (24) hour period commencing at 8:00 a.m., Central Time, on one calendar day and ending at 8:00 a.m., Central Time, on the following calendar day.

Section 1.3. The term "month" or "Billing Month" shall mean the period extending from 8:00 a.m., Central Time, on the first day of one calendar month to 8:00 a.m., Central Time, on the first day of the next succeeding calendar month, except that the first Billing Month shall commence on the date of the initial delivery of gas hereunder and shall end at 8:00 a.m., Central Time, on the first day of the next succeeding calendar month.

Section 1.4. The term "Mcf" shall mean the quantity of gas occupying a volume of one thousand (1,000) cubic feet of gas at a temperature of 60 degrees Fahrenheit and at an absolute pressure of 14.65 pounds per square inch.

Section 1.5. The term "BTU" shall mean British thermal unit and represents the quantity of heat required to raise the temperature of one (1) pound avoirdupois of pure water from 58.5 degrees Fahrenheit to 59.5 degrees Fahrenheit at a constant pressure of 14.73 psia.

Section 1.6. The term "MMBTU" shall mean one million (1,000,000) BTUs.

Section 1.7. The term "heating value" shall mean the number of BTUs produced by the complete combustion, at a constant pressure, of the amount of gas that would occupy a volume of one (1) cubic foot at a temperature of 60 degrees Fahrenheit and under standard gravitational force (acceleration 980.665 cm per sec per sec) with air of the same temperature and pressure as the gas when the products of combustion are cooled to the initial temperature of the gas and air and when the water formed by combustion is condensed to the liquid state.

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Section 1.8. The term "psia" shall mean pounds per square inch absolute.

ARTICLE II

Pressure

Section 2.1. Deliveries of gas by Customer at the Receipt Point(s) and redeliveries of gas by WKG at the Delivery Point(s) shall be made at pressures sufficient to effect delivery into the facilities of the party receiving such gas at such points, provided, however, that WKG shall have no obligation to install or operate any compression facilities in order to deliver the gas at any specific pressure.

ARTICLE III

Measurement of Gas

Section 3.1. Unless otherwise specifically provided herein, the unit of volume for purposes of the measurement of gas delivered hereunder at the Receipt and Delivery Point(s) shall be one (1) Mcf.

Section 3.2. The computation of the volumes of gas delivered hereunder shall be made in accordance with the American Gas Association Measurement Committee Report No. 3, including the Appendix thereto, as published in April, 1955 and amended or revised from time to time.

Section 3.3. Customer shall, at no cost to WKG, permit WKG sufficient space on, and reasonable access to, a location or locations on Customer's property as may be necessary for the installation, operation and maintenance of metering and pressure regulation equipment and facilities.

Section 3.4. Each of the parties hereto acknowledges and agrees that the measuring facilities currently located at the Receipt Point(s) shall be used to measure the gas delivered by Customer to WKG hereunder and that the owner of such facilities (the "Owner"), or such other party as the Owner and WKG (in the event WKG is not the Owner) may mutually designate, shall perform the reading, calibrating, and adjusting of, and the changing of charts on, the equipment in such facilities and shall perform all gas analyses relating to the gas delivered pursuant to this Agreement.

Section 3.5. WKG shall at its sole cost and expense, install, maintain and operate, at each Delivery Point(s), such equipment as may be necessary, in WKG's sole discretion, to accurately measure the flow of gas redelivered by WKG hereunder. WKG may, at Customer's sole cost and expense, install, maintain and operate such equipment.

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operate, such additional facilities or equipment as may be requested by Customer. All such equipment installed by WKG shall be the property of WKG, and Customer hereby agrees to execute and deliver such bills of sale and other documents as WKG may deem necessary to convey title to such equipment and to evidence WKG's ownership therein. The type of meters to be used shall be determined at WKG's sole discretion, but, in any event, shall conform to industry and American Gas Association measurement standards. In the event orifice meters are used, such orifice meters shall utilize flange "taps" and shall be designed, installed, maintained, and operated, and shall compute volumes, in accordance with American Gas Association measurement standards. The reading, calibrating, and adjusting of all such equipment at the Delivery Point(s), the changing of charts thereon, and all analyses relating to the gas redelivered hereunder, if made, shall be performed by WKG.

Section 3.6. To the extent permitted by Owner, WKG or Customer may install, maintain, and operate check measuring instruments and telemeters in, and connected to, the Owner's measuring facilities located at the Receipt Point(s), and WKG hereby grants to Customer the right to install, maintain, and operate check measuring instruments and telemeters in, and connected to, WKG's equipment at the Delivery Point(s), for purposes of checking the Owner's and WKG's meters, provided, however, that all gas measurements required in this Agreement shall be determined by the Owner's and WKG's meters, and further provided that such check measuring and telemetering instruments and connections shall be installed so as not to interfere with the operation or future modification of the Owner's or WKG's meters or appurtenances. Customer hereby agrees to indemnify, defend, and hold WKG harmless from any and all damages and liabilities arising from the installation, operation, maintenance, or removal by or for Customer of such check measuring and telemetering instruments, except damages and liabilities which occur as a result of WKG's own negligence.

Section 3.7. The accuracy of WKG's and Customer's measuring equipment shall be verified at reasonable intervals or when requested by either party (which requests shall be made no more frequently than once in any thirty-day period) by a test to be conducted by the party owning such equipment, using methods generally accepted in the gas industry. The party performing such test shall notify the other party sufficiently in advance of the test in order to permit such party to have a representative present at the test, provided, however, that such other party's election not to have a representative present shall not affect the validity of the test. All tests shall be made at the expense of the party performing the test, provided, however, that the party requesting a special test shall bear the expense thereof if any inaccuracy in the equipment is not greater than plus or minus two percent.

Section 3.8. If, upon testing, any measuring equipment is found to be inaccurate by plus or minus two percent (2%) or less,

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previous records of such equipment shall be considered accurate in computing deliveries hereunder. If, upon such testing, any such measuring equipment shall be found to be inaccurate by more than plus or minus two percent (2%) of the average hourly rate of flow since the last test, then any previous readings of such equipment shall be corrected to zero error for any part of the period since the last test during which such error is known to have existed or which may be agreed upon in actual practice by the operating representatives of the parties. In case the period of such error is not definitely known or agreed upon, such correction shall be for a period of one-half of the time elapsed since the date of the last such test but not exceeding a correction period of fifteen (15) days. Following any test, any measuring equipment found to be inaccurate, regardless of the percentage of inaccuracy, shall be adjusted immediately to function correctly.

Section 3.9. In the event a billing meter goes out of service or is determined to be registering inaccurately by more than plus or minus two percent (2%), the volume of gas delivered hereunder during such period shall be estimated as follows:

(a) by using the registration of any approved check meter or meters existing and agreed upon as being accurately registering; or

(b) in the event that no such approved check meter or meters shall exist, by recalculating, if the quantity or percentage of error is ascertainable by calibration, test, or mathematical calculation; or

(c) in the event that neither of the methods described above are available, by relating the quantity of delivery to deliveries during periods under similar conditions when the billing meter was deemed to have been registering accurately.

Section 3.10. Each party shall have the right to be present at the time of any installation, reading, cleaning, change, repair, inspection, test, calibration, or adjustment of the other party's measuring equipment that is used in the performance of any obligations arising under this Agreement. All records obtained from such measuring equipment shall be the property of the owner of such equipment. Each party agrees to preserve and retain all of its test data, meter charts, and other records relating to the gas transported hereunder for a period of at least three (3) years or such longer period as may be required by law.

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ARTICLE IV

Scheduling of Transportation Volumes and
Correction of Gas Imbalances

Section 4.1. During the term of this Agreement, Customer shall schedule the volume of gas to be transported hereunder in accordance with the following requirements:

(a) Prior to the commencement of the transportation of any gas pursuant to this Agreement, Customer shall deliver to WKG a schedule of the estimated monthly quantities of gas that it desires to have transported during the first twelve months of the term of this Agreement (or such shorter period if the term hereof is less than twelve months). At least thirty (30) days prior to the end of such twelve-month period and of each subsequent twelve-month period that this Agreement remains in effect, Customer shall deliver to WKG a schedule of the estimated monthly quantities of gas to be transported during the succeeding twelve-month period.

(b) At least six (6) working days prior to the end of each calendar month during the term hereof, Customer shall deliver to WKG a schedule of the estimated daily quantities of gas that it desires to have transported during the following calendar month. The Customer agrees that the schedule for transportation on the WKG system will always match the Customer's transportation nomination on Tennessee Gas Pipeline unless mismatches are disclosed on the schedule as to time and volumes. Customer shall deliver such schedule for the first calendar month or part thereof prior to the commencement of the transportation of any gas pursuant hereto. In the event Customer desires to change the daily quantities of gas to be transported, Customer shall make its request for such change to WKG at least twenty-four (24) hours prior to the day on which such change is to commence. WKG shall have the right, in its sole discretion, to accept or reject a request for change in the scheduled transportation quantities.

Section 4.2. Each of the parties hereto agrees to maintain the delivery and redelivery of gas hereunder in continuous balance or as near thereto as practicable on an Mcf basis and further agrees that no adjustments of any kind, including, but not limited to, price adjustments, will be required or necessary because of any difference between the heating value of the gas redelivered by WKG and the gas delivered by Customer to WKG. Nothing in this Agreement is intended, or shall be deemed, to obligate WKG to redeliver any gas to the Delivery Point(s) if Customer has not previously delivered an equal volume of gas at the Receipt Point(s) in accordance with this Agreement.

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Section 4.3. Any imbalance that may occur from time to time between the quantities of gas delivered, on an Mcf basis, by Customer to WKG at the Receipt Point(s) and those redelivered by WKG to Customer at the Delivery Point(s) shall be corrected in the next calendar month following the month in which such imbalance occurred. Such imbalance shall be corrected as follows:

(a) In the event the imbalance is the result of Customer taking more gas at the Delivery Point(s) than Customer delivered to WKG at the Receipt Point(s), Customer shall correct such imbalance by paying WKG for the excess gas received at an amount calculated at the applicable Sales Tariff rate filed by WKG with the PSC if Customer has elected to receive stand-by sales service under such a Tariff or at \$15.00 per Mcf if Customer has not elected to receive such service.

(b) In the event the imbalance is the result of Customer delivering more gas to WKG at the Receipt Point(s) than Customer takes at the Delivery Point(s), such imbalance shall be corrected by WKG delivering to Customer at the Delivery Point(s) a quantity of gas equal to the imbalance. Customer's nominations for volumes of gas to be transported shall be reduced in the month that an imbalance is to be corrected by the amount of such imbalance.

Section 4.4. Customer agrees to indemnify and hold harmless WKG from and against any and all claims, damages, penalties, costs, and expenses incurred by WKG (including, but not limited to, any penalties incurred by or assessed against WKG by WKG's supplier of gas) resulting or arising from Customer's failure to take the full quantity of gas scheduled to be taken by Customer or from Customer's taking of a quantity of gas in excess of the quantity scheduled to be taken.

ARTICLE V

Maintenance of Equipment

Section 5.1. 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. Provided however, WKG will provide for the Customer the following services listed on "Exhibit A" from the delivery point to the current pressure regulatory house located on Customer's property at Vaksdahl Avenue, Danville, Kentucky. WKG shall have no obligation, in any event, to provide further services on the Customer's existing line other than those listed on "Exhibit A" unless WKG and the Customer, by separate agreement, shall specify and provide consideration for such additional maintenance or repair service.

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BY: James L. Hill
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ARTICLE VI

Quality of Gas

Section 6.1. All gas delivered by Customer to WKG at the Receipt Point(s) shall be of merchantable quality and conform to the quality specifications of Tennessee Gas Pipeline Company or its successor as set forth in its respective FERC Gas Tariff applicable to deliveries made to WKG.

Section 6.2. All gas redelivered by WKG to the Delivery Point(s) shall be, and hereby is, deemed to be of equal quality with the gas delivered by Customer to WKG at the Receipt Point(s).

Section 6.3. If any of the gas delivered by Customer hereunder shall fail to conform to the quality specifications set forth in Section 6.1 above, WKG, at its option, may, in addition to any and all other remedies otherwise available to WKG, take one or more of the following actions: (a) proceed by appropriate court action or actions, either at law or in equity, to enforce performance by Customer under this Article VI or to recover from Customer any and all damages or expenses which WKG incurred by reason of Customer's delivery of nonconforming gas to WKG or on account of WKG's enforcement of its remedies hereunder; (b) immediately terminate this Agreement; (c) refuse to accept further delivery of any gas hereunder until Customer shall remedy such quality nonconformity to WKG's satisfaction; or (d) make or cause to be made, at Customer's expense, such changes to the gas as may be necessary to bring such gas into conformity with the quality specifications set forth herein, the costs and expenses of making such changes to be reimbursed by Customer to WKG within fifteen (15) days after notice from WKG of the amount to be reimbursed.

ARTICLE VII

Heating Value

Section 7.1. The gross heating value of the gas delivered at the Receipt Point(s), as determined in accordance with Section 1.7 above, shall be corrected from the conditions of testing and analysis to that of the actual condition of the gas as delivered, expressed in BTUs per cubic foot and reported at a pressure base of 14.65 psia at 60 degrees Fahrenheit on a dry basis when the gas as delivered contains seven (7) pounds of water or less per one million cubic feet.

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ARTICLE VIII

Right to Commingle; Curtailment

Section 8.1. Customer agrees that, during the time that gas being transported hereunder is in the possession of WKG, WKG shall have the right to commingle such gas with other gas in its system and to redeliver molecules of gas different from those actually received from Customer at the Receipt Point(s).

Section 8.2. Customer acknowledges and agrees that all gas to be transported under this Agreement is subject to curtailment when necessary to protect the health and safety of WKG's customers, or to maintain service to WKG's higher priority customers. In the event a curtailment becomes necessary, WKG shall perform such curtailment in accordance with WKG's applicable rules if any, from time to time in effect and on file with the Kentucky Public Service Commission or other applicable regulatory agency and will use its best efforts to curtail all customers of the same classification in the immediate vicinity proportionately. In the event a curtailment of delivery shall become necessary or advisable, WKG shall, as soon as possible prior to the actual curtailment, notify Customer by telephone, telegraph, or other means, of the nature, extent, and probable duration of such curtailment. Customer shall resume the taking of gas within a reasonable length of time following notification by WKG that gas is again available.

ARTICLE IX

Ownership and Control

Section 9.1. Customer warrants that it has the right to deliver for transportation all gas delivered hereunder to WKG at the Receipt Point(s). In the event any claim of any character whatsoever is asserted with respect to any gas delivered to the Receipt Point(s) for transportation hereunder, including, but not limited to, any claim to such gas or for royalties, taxes, license fees, payments, or other charges thereon, Customer agrees to indemnify, defend, and hold WKG harmless from and against any and all liabilities, damages, suits, debts, losses, costs, and expenses (including attorneys' fees) arising out of or in connection with such claim.

Section 9.2. Each of the parties hereto acknowledges and agrees that title to all gas transported hereunder shall, at all times, remain with Customer.

Section 9.3. As between the parties hereto, 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

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thereof to or for the account of Customer at the Delivery Point(s). 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. Customer agrees to indemnify, defend, and hold WKG harmless from and against any and all claims, liabilities, damages, losses, costs, and expenses (including attorneys' fees) incurred by WKG arising from or relating to any damages, losses, or injuries for which Customer is responsible pursuant to the provisions of this Section, other than any damages, losses or injuries which occur as a result of WKG's own negligence.

ARTICLE X

Governmental Regulations

Section 10.1. This Agreement is subject to (a) all applicable and valid statutes, ordinances, rules, regulations, and orders of any federal, state, or local governmental authority having jurisdiction over either of the parties, their facilities used in the delivery of the gas transported hereunder, or the subject matter of this Agreement and (b) the provisions of applicable franchises, if any, under which WKG or Customer operates.

ARTICLE XI

Customer's Financial Responsibility

Section 11.1. If, during the term of this Agreement, Customer fails to pay, in full, any amounts due hereunder or if WKG, in its sole judgment, determines that the financial responsibility of Customer has become impaired or unsatisfactory, advance cash payment or other satisfactory security shall be given by Customer upon request of WKG and transportation of gas hereunder may be refused until such payment or assurance is received. If such payment or assurance is not received by WKG within fifteen (15) days after demand, WKG may immediately terminate this Agreement without prior notice to Customer.

Section 11.2. WKG may, without further notice to Customer, terminate this Agreement immediately upon the institution by or against Customer of any proceedings in bankruptcy or under any insolvency law.

ARTICLE XII

Force Majeure

Section 12.1. 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

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to make any payment due hereunder, 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 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 demand of the opposing party when such course is inadvisable in the discretion of the party having the difficulty.

Section 12.2. The term "force majeure" as used in this Agreement 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, inability to obtain or a delay in obtaining rights-of-way, material, supplies, or labor permits, temporary or permanent failure of gas supply or transportation services, or necessary repair, maintenance, or replacement of facilities used in the performance of the obligations contained in this Agreement or any other cause whether of the kind herein enumerated or otherwise.

ARTICLE XIII

Remedies Upon Material Default

Section 13.1. If either party hereto shall fail to perform any material covenant or obligation upon it under this Agreement, then in such event the non-defaulting party may, at its option, terminate this Agreement upon acting in accordance with the procedures hereafter set forth in this Section. The non-defaulting party shall cause a written notice to be served on the defaulting party, which notice shall state specifically the cause of terminating this Agreement and shall declare it to be the intention of the non-defaulting party to terminate this Agreement if the default is not cured. The defaulting party shall have ten (10) days after receipt of the aforesaid notice in which to remedy or remove the cause or causes stated in the termination notice, and, if within such ten-day period, the defaulting party does so remedy or remove such cause or causes and fully indemnifies the non-defaulting party for any and all consequences of such breach, such termination notice shall be withdrawn and this Agreement shall continue in full force and effect. In the event that the defaulting party fails to remedy or remove the cause or causes or does not fully indemnify the non-defaulting party for any and all consequences of such breach

BY: *[Signature]*
PUBLIC SERVICE COMMISSION MANAGER

within such ten-day period, this Agreement shall be terminated and of no further force or effect from and after the expiration of such ten-day period.

Section 13.2. Any termination of this Agreement pursuant to the provisions of this Article shall be (a) without prejudice to the rights of WKG to collect any amounts for gas transported or to be transported under this Agreement. (b) without prejudice to the rights of Customer to receive any transportation service for which it has paid but not received prior to the time of termination, and (c) without waiver of any other remedy to which the non-defaulting party may be entitled.

Section 13.3. The procedures for termination of this Agreement set forth in Section 13.1 above are not applicable to immediate terminations hereof by WKG made in accordance with any other provisions of this Agreement.

ARTICLE XIV

Miscellaneous

Section 14.1. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE COMMONWEALTH OF KENTUCKY, EXCEPT TO THE EXTENT THAT ANY LAW, RULE, OR REGULATION OF THE FEDERAL GOVERNMENT OF THE UNITED STATES OF AMERICA MAY BE APPLICABLE, IN WHICH CASE SUCH FEDERAL LAW, RULE, OR REGULATION SHALL GOVERN OR CONTROL.

Section 14.2. This Agreement may not be modified or amended except by the written agreement of the parties hereto.

Section 14.3. No waiver by either party hereto of any default of the other party under this Agreement shall operate as, or be deemed to be, a waiver of any other or subsequent default, whether of a like or different nature. If suit is filed by either party to enforce the provision of this agreement or seek remedies for a breach thereof the prevailing party shall be entitled to recover from the other party all of its court costs, including reasonable attorneys fees.

Section 14.4. Each provision of this Agreement is intended to be several. If any term or provision hereof is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of this Agreement.

Section 14.5. This Agreement shall be binding upon and shall inure to the benefit of and be enforceable by the parties hereto and their respective successors and permitted assigns and is intended solely for the benefit of WKG and Customer and their respective

BY: [Signature]
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successors and permitted assigns and not for the benefit of any other person or entity not a party hereto.

Section 14.6. 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.

Section 14.7. The descriptive headings of the provisions of this Agreement are formulated and used for convenience only and shall not be deemed to affect the meaning or construction of any of such provisions.

[END OF GENERAL TERMS AND CONDITIONS]

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

JUL 24 1989

PURSUANT TO 1987 KAR 5:011,
SECTION 9(1)

BY: James H. Lee
PUBLIC SERVICE COMMISSION MANAGER

EXHIBIT A

Within ninety (90) days after the effective date of this Agreement, WKG will perform a preliminary evaluation to insure that the Customer's line meets the minimum standard for continuing its intended purpose. Such evaluation by WKG personnel shall include: (1) establishing the exact location of the line; (2) installation of suitable markers, if needed; (3) an evaluation as to the current condition of the line; and (4) the status of the cathodic protection. Any pipeline defects requiring corrective maintenance discovered during the initial survey, or thereafter, will be completed by WKG on a cost-plus-overhead basis subsequent to the Customer's review and approval of WKG's estimate of those repairs, etc. Appropriate records shall be kept by WKG to identify the inspections made, deficiencies found and action taken to correct such deficiencies.

General:

In addition to clearing the Customer's line right-of-way at least once each year, the line shall be patrolled to observe surface conditions on and adjacent to the line's right-of way for indications of leaks, construction activity, and other factors affecting safety and operation. Additionally, valve maintenance, lubrication, and operational checks will be performed at least once each year.

Ground Patrol:

The Customer's line shall be walked at least once each year. The record of patrol shall be recorded on Form WK-2013, "Line Walker Report", and forwarded to WKG's Technical Services Department, General Office.

Aerial Patrol:

The Customer's line may periodically be patrolled by air, and the record of observations shall be recorded on Form WK-2012, "Aerial Patrol Report", and likewise forwarded to the Technical Services Department, General Office.

Corrosion and Leakage Surveys:

Cathodic protection monitoring and leakage surveys will be conducted at least once each year.

JUL 24 1989
PURSUANT TO PUBLIC SERVICE COMMISSION
OF KENTUCKY
SECTION 9 (1)
BY: *[Signature]*
PUBLIC SERVICE COMMISSION MANAGER

AFFIDAVIT

STATE OF _____

COUNTY OF _____

As it relates to that certain NATURAL GAS TRANSPORTATION AGREEMENT dated _____, 19__ by and between (name) _____, hereinafter "Customer", and Western Kentucky Gas Company, a division of Atmos Energy Corporation, hereinafter "Western", the Customer is in possession of a valid Offer for Sale by (source of alternate fuel) _____, of (alternate fuel) as a viable alternative, in both price and adequate supply, to the natural gas service provided by Western through the forementioned Agreement. The Customer further states that at the offered price of \$ _____ per unit (inclusive of all applicable handling and/or storage charges which may be required in the utilization of this alternate fuel) it would therein incur a savings of \$ _____ per MMBtu to the customer as compared to continued service through the current NATURAL GAS TRANSPORTATION AGREEMENT.

Additionally, the Customer understands that this affidavit will likely be submitted to the Kentucky Public Service Commission, and the Customer is further aware of any penalties which may be applicable to false or misleading statements presented herein.

The foregoing statements are made based upon the personal knowledge of the affiant, and are true and correct.

PUBLIC SERVICE COMMISSION
 OF KENTUCKY
 JUL 24 1989
 PURSUANT TO KRS 5:011,
 SECTION 9(1)
 BY: [Signature]
 PUBLIC SERVICE COMMISSION MANAGER

(CUSTOMER COMPANY NAME)

BY: _____

Title: _____

19____. SWORN TO AND SUBSCRIBED before me on the ____ day of _____,

Notary Public Signature

Notary Public Printed or Typed Name

My Commission Expires: _____

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

JUL 24 1989

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

BY: George L. Hill
PUBLIC SERVICE COMMISSION MANAGER