

LARGE VOLUME NATURAL GAS SERVICE AGREEMENT

THIS NATURAL GAS SERVICE AGREEMENT is made and entered into this 30th day of September, 1994, by and between WESTERN KENTUCKY GAS COMPANY, a division of Atmos Energy Corporation, a Texas corporation (WKG), and PHILIPS LIGHTING COMPANY, a division of Philips Electronics North America 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 at or near Danville, 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.

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<u>Service</u>	<u>Maximum</u>	NOV 10 1994
	<u>MCF/Day</u>	
Interruptible Carriage Transportation (Priority 7)	3,000	PURSUANT TO 807 KAR 5:011, SECTION 9 (1)
	BY: <u>Jordan C. Neal</u>	
	FOR THE PUBLIC SERVICE COMMISSION	

In the event Customer's actual requirements exceed the above daily volume, 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 Customer's future use.

(a) Estimated Base Period Volumes in Mcf

		Interruptible Carriage (Priority 7)
November		75,000
December		75,000
January		75,000
February		75,000
March		75,000
TOTAL WINTER	PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE	375,000
April		70,000
May		70,000
June	NOV 10 1994	70,000
July		70,000
August		70,000
September	PURSUANT TO 807 KAR 5.011, SECTION 9(1)	70,000
October	BY: <i>Jordan C. Neal</i>	70,000
TOTAL SUMMER	FOR THE PERIOD 11/10/94 - 10/31/94	490,000

(b) Utilization: Glass Mfg.

(c) Maximum Hourly Demand - Priority 7 175 Mcf

(d) Maximum Daily Demand - Priority 7 3,000 Mcf

(e) Delivery Pressure: 100 psig

(f) Total Connected Load 203.5 Mcf

(g) Alternate Fuel(s):

Type: No. 2 Oil Volume: 25 days Gallons: 400,000

Type: Propane Volume: 25 days Gallons: 200,000

(h) Monthly Positive Imbalance Tolerance 3,000 Mcf

(i) Monthly Interruptible Standby Supplies 8,000 Mcf
(Priority 5)

(j) Customer's Service Address: P.O. Box 88-Vaksdahl Avenue
Danville, Kentucky 40423-0088

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 virtue of proceedings before the Federal Energy Regulatory Commission ("FERC") (or successor authority), WKG shall impose such charge on Customer only to the extent approved or accepted by the Kentucky Public Service Commission ("KPSC"). Any Federal, State,

or other taxes and charges of any nature, other than those based upon or measured by WKG's income which apply now or may hereafter be imposed shall be paid by the Customer in addition to the rates as specified.

Monthly Base Charge: \$100 per month

Interruptible Carriage Transportation Rate: \$0.14/Mcf
applied to all monthly volumes transported.

Interruptible Standby Supply Reservation Fee: Applied to the monthly authorized interruptible standby supplies ("Monthly Standby Reservation") designated under paragraph 1(i) of this Agreement, the Company's stated incremental charges for supply reservation. This charge, which is subject to change, initially equals \$0.1537/Mcf. The Company shall notify the Customer by October 1 of each year in the event that this charge is scheduled to change as of the following November 1. Customer will be permitted to reduce, or request an increase to, the level of authorized monthly interruptible standby supplies by providing such notice to the Company by October 15. Subject to the Company's approval of any requested increased volumes, the parties shall amend this Agreement to specify the revised Monthly Standby Reservation volume.

Interruptible Standby Supplies: Applicable to monthly volumes delivered to Customer, (up to the level of Monthly Standby Reservation designated under paragraph 1(i) of this Agreement), other than those volumes transported by the Company, the Company shall charge an amount per Mcf equal to the sum of the Company's weighted average commodity gas cost (based on current purchase costs including all related variable delivery costs for the billing period for which the standby supplies were delivered) plus the Company's effective G-2/T-2 transportation rate.

Monthly Positive Imbalance Tolerance: Applicable to the monthly positive imbalance tolerance designated under paragraph 1 (h) of this Agreement, the Company shall charge an amount per Mcf equal to the FERC-approved Tennessee Gas Pipeline Storage injection and withdrawal rates. Customer will be permitted to reduce, or request an increase to, the level of monthly positive imbalance tolerance each November 1, by providing such notice to the Company by October 15. Subject to the Company's approval of any requested increased volumes, the parties shall amend this Agreement to specify the revised Monthly Positive Imbalance Tolerance volume.

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SECTION 9(1)
BY: *Jordan C. Pearl*
FOR THE PUBLIC SERVICE COMMISSION

Monthly Positive Imbalance: The Company shall not charge

the Customer for monthly positive imbalance volumes, except to the extent the Customer imbalance exceeds the volume designated under paragraph 1(h) of this Agreement, and then, only in accordance with charges or "cash-out" provisions of the Company's T-3 tariff then in effect and approved by the appropriate regulatory authority.

Authorized Overrun Volumes: Applicable to overrun volumes authorized by the Company, the Company shall charge an amount per Mcf equal to 110% of the Company's weighted average commodity gas cost (based on current purchase costs including all related variable delivery costs for the billing period for which the standby supplies were delivered) plus the Company's effective G-2/T-2 transportation 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.

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

3. Term. This Service Agreement shall become effective on the first day of the month following the acceptance of this Agreement by the KPSC and shall continue in full force and effect for five (5) years, and year-to-year thereafter unless and until terminated at the end of any year after the primary term by either party hereto upon thirty (30) days prior written notice to the other party. Customer agrees that while this Service Agreement is in effect, it will not file, nor cause or allow to be filed on its behalf with the Federal Energy Regulatory Commission, or any other appropriate authority, an application for authority to receive direct transportation service or sales, or otherwise attempt, in any manner, to circumvent or bypass WKG's service or facilities.

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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PURSUANT TO 807 KAR 5.011,
SECTION 8 (1)

BY: *[Signature]*
FOR: *[Signature]*

If to WKG:

WESTERN KENTUCKY GAS COMPANY
2401 New Hartford Road
Owensboro, Kentucky 42303
P.O. Box 866
Owensboro, Kentucky 42302
Attention: Large Volume Sales
Department

If to Customer:

Philips Lighting Company
P.O. Box 88 - Vaksdahl Avenue
Danville, Kentucky 40422
Attention: Mr. Robert Donlon
Plant Manager

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.

5. Attachments. General Terms and Conditions, Exhibit "A," Receipt Point(s) and Delivery Point(s), Exhibit "B," Agency Terms and Conditions, and Exhibit "C," WKG Maintenance and Inspection of Customer Line, 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.

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WESTERN KENTUCKY GAS COMPANY
A Division Of
Atmos Energy Corporation

NOV 10 1984
PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)
BY: [Signature]
FOR THE PUBLIC SERVICE COMMISSION

By: [Signature]
Title: President

Philips Lighting Company,
A Division Of Philips Electronics
North America Corporation

By: [Signature]
Title: Senior Plant Buyer

GENERAL TERMS AND CONDITIONS
TO
LARGE VOLUME NATURAL GAS SERVICE AGREEMENT

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PURSUANT TO 807 KAR 5.011,
SECTION 9(1)

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. 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 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. 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. 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 Service Agreement, and excluding any and all claims, liabilities, damages, losses, cost and expenses arising from the negligence or misconduct of WKG.

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; inability to obtain or delay in obtaining rights-of-way, materials, supplies, or labor permits; failure of gas supply or transportation services; 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 is authorized to require an adjustment to Customer's transportation nominations as WKG 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 related to the Customer's transportation related activity on the transporting interstate pipeline system, and excluding any and all claims, liabilities, damages, losses, cost and expenses arising from the negligence or misconduct of WKG. 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. When the volume of gas taken by Customer during a billing period exceeds the aggregate of its transportation nomination, its positive imbalance carry-over from the prior month, if any, and its designated monthly interruptible standby supplies, such volumes shall be deemed overrun gas for billing purposes.

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PURSUANT TO 807 KAR 5011,
SECTION 9(1)

BY: *Jonathan C. Neal*

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7. In the event of default hereunder by Customer, in addition to all rights and remedies at law or in equity to which WKG may be entitled, Customer agrees to reimburse WKG for all attorneys' fees, court costs and other expenses incurred. Further, Customer agrees to indemnify and hold WKG harmless with regard to any and all fees, costs and expenses (including attorneys' fees) incurred by WKG in relation to all claims, disputes and suits which arise under or are related to Customer's default under this Service Agreement, except to the extent WKG 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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PURSUANT TO 807 KAR 5011,
SECTION 9 (1)

BY: Jordan C. Hall
FOR THE

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

Receipt Point: For the Danville Sales Station in Boyle County, Kentucky, at Main Line Valve 100-1, plus 3.0 miles. (Meter No. 20014)

Delivery Point: 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 located near the City of Danville, Kentucky.

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PURSUANT TO 807 KAR 5.011,
SECTION 8(1)

BY: *Jordan C. Mark*
FOR THE

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, and (ii) any fees incurred by Customer in furtherance of this Exhibit "B".

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PURSUANT TO 807 KAR 5.011,
SECTION 9(1)

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

EXHIBIT "C"

MAINTENANCE AND INSPECTION OF CUSTOMER LINE

Throughout the term of this Agreement, 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. Appropriate records shall be kept by WKG to identify the inspections made, defects found and action taken to repair such defects.

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.

Aerial Patrol:

The Customer's line may periodically be patrolled by air.

Corrosion and Leakage Surveys:

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

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PURSUANT TO 807 KAR 5.011,
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BY: Judson C. Marshall
FOR THE PUBLIC SERVICE COMMISSION