

SALES AGREEMENT

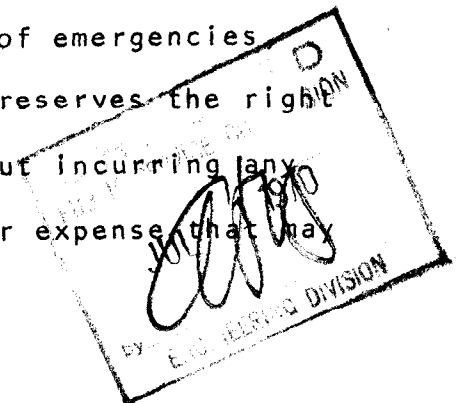
AGREEMENT made and entered into as of the 6th
day of November, 1969, by and between COLUMBIA GAS OF KENTUCKY,
INC., a Kentucky corporation (hereinafter called Seller), and
ASHLAND OIL AND REFINING COMPANY, a Kentucky corporation (herein-
after called Buyer).

WITNESSETH: That in consideration of the terms,
covenants and provisions hereof, the parties hereto covenant and
agree as follows:

Section 1. Gas to Be Sold. Seller hereby agrees to
sell and deliver and Buyer hereby agrees to purchase and receive
volumes of natural gas, for use by Buyer in its operations at the
delivery point specified herein, as follows:

Daily Firm Volume	5,000 Mcf
Daily Interruptible Volume	7,000 Mcf
Maximum Daily Volume	12,000 Mcf

The Daily Firm Volume of the Buyer will be contracted
for by the Seller from its suppliers and no curtailment of this
firm volume is planned. However, in the event of emergencies
shortages of gas, or force majeure, the Seller reserves the right
to curtail the Daily Firm Volume of Buyer without incurring any
liability for any loss, cost, damage, injury, or expense that may



be sustained by the Buyer by reason of any such curtailment. It is understood that the Seller's primary obligation is to its domestic markets.

The Daily Interruptible Volume shall be on an interruptible basis only and the Seller shall have the right to interrupt deliveries of gas hereunder whenever and to the extent necessary in its sole judgment. The Seller shall give the Buyer as much advance notice as possible of interruption hereunder.

Section 2. Rates and Charges. Buyer agrees to pay for all natural gas purchased and contracted for by it hereunder each month, subject to adjustment by provisions of Sections 3 and 4 herein, at the following rates, namely:

Daily Firm Volume

Demand Charge

\$3.10 per Mcf of the specified Daily Firm Volume, per month.

Commodity Charge

\$0.34 per Mcf of Daily Firm Volume of gas delivered hereunder each billing month.

Daily Interruptible Volume

\$0.39 per Mcf of Daily Interruptible Volume of gas delivered hereunder each billing month.

Minimum Monthly Charge. The minimum monthly charge each billing month for gas delivered or the right of Buyer to receive same shall be the greater of:

- (a) The Demand Charge for the month plus the product of fifty percent (50%) of the

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specified Daily Firm Volume times 30
times the Commodity Rate; or

(b) Forty thousand dollars (\$40,000).

In the event of interruption in the delivery of gas by Seller, or of complete or partial suspension of operations by the Buyer resulting from force majeure, the minimum monthly charge shall be reduced in direct proportion to the ratio which the number of days of interrupted service and complete or partial suspension of Buyer's operations bears to the total number of days in that billing month; provided, however, that in cases of Buyer's force majeure, the minimum monthly charge shall not be reduced to less than fifty percent (50%) of the Demand Charge for the month in addition to the Commodity Charge for all gas delivered to Buyer in that month.

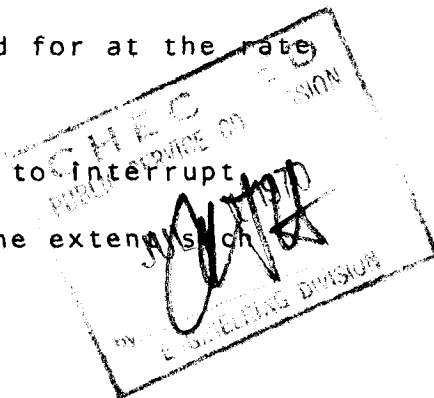
Penalty Charge for Failure to Interrupt. On any day when the Buyer has been given timely notice by the Seller to interrupt, any quantity of gas taken in excess of the quantity specified to be made available on that day shall be subject to a payment of ten dollars (\$10) per Mcf for all volumes taken in excess of one hundred and three percent (103%) of the volumes specified to be available on such day by Seller. The penalty charge for failure to interrupt shall be in addition to the charges otherwise specified herein.

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Payment for Unauthorized Takes. Gas taken on any day in excess of one hundred and three percent (103%) of the specified Maximum Daily Volume set forth herein shall constitute unauthorized takes. The sum of all such unauthorized takes in a billing month shall be billed at the rate of five dollars (\$5.00) per Mcf for gas so taken. Payment for such unauthorized takes shall be in addition to the charges otherwise specified herein. However, the Seller reserves the right, for good cause shown, to waive the penalty payment of five dollars (\$5.00) per Mcf for unauthorized takes provided no economic hardship has been imposed upon the Seller.

Availability of Excess Gas. In the event Buyer shall desire to purchase gas in excess of Buyer's specified Maximum Daily Volume, Buyer shall inform the Seller and if the Seller is able to provide such excess gas required by Buyer from its operations, Seller shall make such excess gas available at the rate of 39.00¢ per Mcf. If such excess gas cannot be made available to Buyer from Seller's own operations, Seller may comply with such request to the extent that excess gas is temporarily available from Seller's gas suppliers, in order to provide gas which otherwise would not be available. Such excess volume taken shall be paid for at the rate of sixty-five cents (65¢) per Mcf.

On any day when Buyer has been notified to interrupt deliveries, Buyer may request excess gas and to the extent of

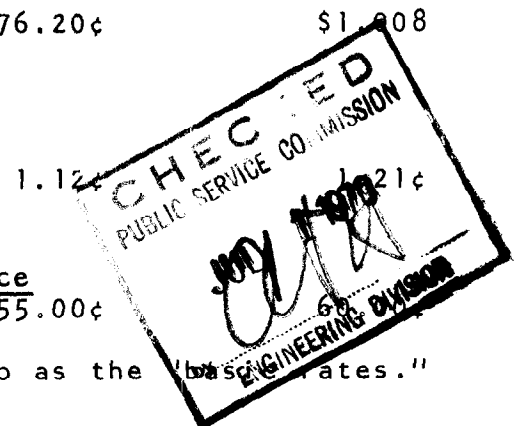


excess gas can be obtained from Seller's suppliers, Buyer shall pay Seller at the rate of sixty-five cents (65¢) per Mcf for all such volumes taken which would otherwise not be available.

Section 3. Purchased Gas Adjustment. The rates and charges prescribed in Section 2 above are subject to an adjustment for any change in the rates paid by the Seller to its suppliers for the purchase of natural gas, as hereinafter provided. The rates paid by Seller to its suppliers as of June 1, 1968 are:

	<u>United Fuel Gas Company</u>	<u>Kentucky Gas Transmission Corporation</u>
(a) <u>Rate Schedule CDS-1 - Contract Demand Service</u>		
<u>Demand Charge -</u> per Mcf of Billing Demand, per month	\$2.367	\$2.631
<u>Commodity Charge -</u> per Mcf for all gas purchased	26.15¢	27.17¢
(b) <u>Rate Schedule WS - Winter Service</u>		
<u>Demand Charge -</u> per Mcf of Billing Demand each month of the year	76.20¢	\$1.008
<u>Contract Quantity Charge -</u> per Mcf of Winter Contract Quantity each month of the year	1.12¢	1.21¢
(c) <u>Rate Schedule EX-1 - Excess Gas Service</u> per Mcf for all gas delivered	55.00¢	

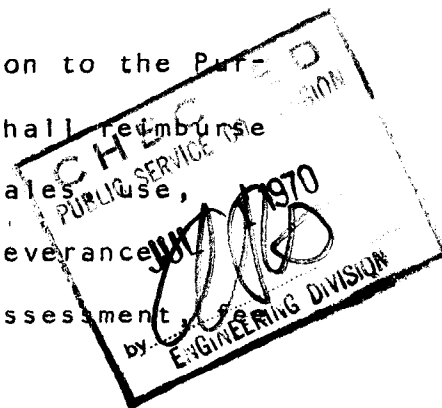
The above rates are hereinafter referred to as the "base rates."



On and after June 1, 1968, if any change is made in the rates paid by Seller to its suppliers, the charges for gas service provided in Section 2 above shall be increased or decreased by a Purchased Gas Adjustment which shall be determined by computing the weighted averages of the "basic rates" and the "new rates" of the suppliers, applying such weighted-average rates to gas sold to Buyer by Seller during the previous twelve months and adjusting the rates of Section 2 above to the extent necessary to reflect therein the change in gas purchased costs. The new rates of the suppliers shall become the "basic rates" for future application of this provision. Seller shall give Buyer written notice of any increase or decrease in rates payable hereunder at least thirty (30) days in advance thereof when possible.

If Seller receives a refund from its suppliers as a result of final determination of a rate proceeding, then Seller shall make appropriate adjustments in its charges to Buyer for the period to which the refund is applicable, but not prior to the effective date of this agreement.

Section 4. Tax Adjustment. In addition to the Purchased Gas Adjustment referred to above, Buyer shall reimburse Seller in an amount equal to the amount of any sales transactions, occupation, service, production, severance, gathering, transmission, export or excise tax, assessment,



or other exaction hereafter levied, assessed or fixed by the United States or the State of West Virginia, Kentucky, or any other state or other governmental authority, and any tax, assessment, exaction or fee of a similar nature or equivalent in effect (not including income, excess profits, capital stock, franchise or general property taxes), newly imposed or in addition to or greater than those being levied, assessed or fixed at July 1, 1969, if any, on, measured by, in respect of, or applicable to the natural gas to be delivered by Seller to Buyer under this agreement, for which Seller may be liable during any month of the term hereof, either directly or indirectly through any obligation to reimburse others, which has not been included in the rates and charges or in determining the unit cost under the Purchased Gas Adjustment clause set forth in Section 3 hereof. The billing for such reimbursement shall be included, when possible, as a separate item or items in the bills to be rendered monthly by Seller to Buyer for gas sold under this agreement. In the event all or any part of such tax liability is not finally determined, or if reimbursement has been deficient, then the amount of such reimbursement required in respect of such tax liability not finally determined or deficient shall, when possible, be set forth for all months in any calendar year in a statement to be rendered by Seller to Buyer by April 1, of the following year and Buyer shall pay the amount due pursuant to such statement on or before May 1, of such year.

REC'D
MAY 1 1970
BY [Signature]
ENG. DIVISION

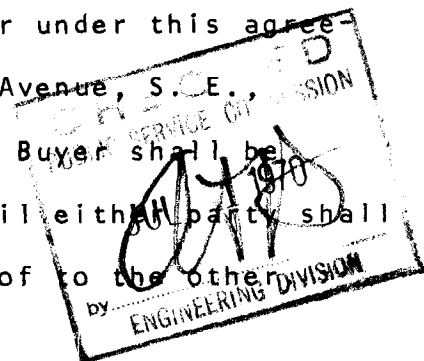
Section 5. General Terms and Conditions. This agreement shall be subject to the General Terms and Conditions hereto annexed as Appendix A and to the rules and regulations of the Public Service Commission of Kentucky, or of Seller, filed from time to time with such Commission, and any subsequent revisions thereof and to other lawful orders of regulatory authorities having jurisdiction.

Section 6. Term. This agreement shall become effective on November 1, 1969, and shall continue in effect for a period of five (5) years, and thereafter from year to year until terminated by written notice from one party to the other given on or before February 1, of any year to be effective on November 1, of the same year.

Section 7. Delivery Point. The delivery point shall be at the outlet side of Seller's measuring station located at Buyer's Plants Nos. 1 and 2 at or near Leach, Kentucky.

Section 8. Delivery Pressure. The delivery pressure of gas delivered hereunder shall be the varying pressures prevailing from time to time in the lines from which the deliveries are made.

Section 9. Notices. Notices to Seller under this agreement shall be addressed to it at 1700 MacCorkle Avenue, S.C.E., Charleston, West Virginia, 25314, and notices to Buyer shall be addressed to it at Ashland, Kentucky, 41101, until either party shall change its address and give written notice thereof to the other party.



Section 10. This agreement shall be binding upon, and inure to the benefit of the parties hereto and their respective successors or assigns.

Section 11. This agreement supersedes and cancels as of the effective date hereof, the Sales Agreement dated April 20, 1960.

The parties hereto have accordingly and duly executed this agreement.

COLUMBIA GAS OF KENTUCKY, INC.

ASHLAND OIL AND REFINING COMPANY

BY *T. P. Peyton*
T. P. Peyton
TITLE Vice President
Vice President

BY *John R. Hall*
John R. Hall
TITLE Administrative Vice President

Handwritten initials

APPROVED
11-5-69
11-3-69
SNC
11-5-69
CLAS
11/15/69
ATTORNEY

by *[Signature]*
ENGINEER