

GAS REQUIREMENTS CONTRACT

This is an agreement entered into at London, Kentucky on this the 8 day of November, 1987, by and between Mid-South Electrics, Inc., an Kentucky corporation with offices located at Annville, Kentucky 40402, (" "), and ANNVILLE GAS TRANSMISSION, INC., a Kentucky corporation with offices located at London, Kentucky, ("Annville").

ARTICLE I

GENERAL. Subject to the terms and conditions of this agreement, Annville has agreed and committed itself to supply to Mid-South Electrics, Inc. all natural gas which Mid-South Electrics purchases, requests or needs, from a transmission line (4-inch pipeline) in the process of construction by Annville and running from a point located in Jackson County, Kentucky, on the TranEx pipeline, to a point in or near the Jackson County Industrial Park (the "Annville Line"), and, in return, Mid-South Electrics agrees that all natural gas to be purchased by it for the purposes contemplated by the parties as set forth in Exhibit "A" will be purchased from Annville under the terms of this agreement.

ARTICLE II

TERM OF AGREEMENT. This agreement shall be effective immediately and shall be in full force and effect for a term of 2 years from and after the first date upon which natural gas is injected into the Annville Line. The parties hereto may extend the term of this agreement, by written agreement of the parties.

ARTICLE III

QUANTITY. The quantity of gas purchased and sold hereunder shall be that amount requested, from time to time, By Mid-South Electrics of Annville, it being understood that such amount may vary from 0, as a minimum, to the full reasonable capacity of the Annville Line, at such reasonable notice of at least 10 days will be given by Mid-South Electrics to Annville of any change in its daily requirements.

ARTICLE IV

PRICE AND TRANSPORTATION CHARGES. For all gas sold and purchased hereunder, Mid-South Electrics agrees to pay to Annville the sum of \$ 2.75 per MMBTU, during the original term of this agreement. Further, Mid-South Electrics agrees to pay Annville the sum of \$ 2.50 per MMBTU as transportation charge during the original term of this agreement. For a total price including transportation charges of \$ 5.25 per MMBTU.

ARTICLE V

QUALITY. The gas shall be of generally acceptable pipeline quality as such term applies to gas customarily produced and sold from the gas production fields in the region.

ARTICLE VI

PASSAGE OF TITLE. Ownership, control, and possession of the gas shall pass from Annville to Mid-South Electrics at the delivery point, which is the point of intersection of the Annville Line with the Mid-South Electrics facilities, at which point the responsibility for injury or damage caused thereby, or for loss,

shall shift from Annville to Mid-South Electrics.

ARTICLE VII

MEASUREMENT. Annville will maintain a commercially acceptable standard orifice meter at the point of delivery and shall promptly and periodically report to Mid-South Electrics its measurement of the quantity of gas delivered.

ARTICLE VIII

BILLING AND PAYMENT. On or before the 20th day of each month, Annville will certify in writing the quantity of gas taken by Mid-South Electrics during the preceding month, and will render a statement for the number of MMBTU's times the price. \$5.25 will remit to Annville, in immediately available United States funds, the amount thus billed, on or before the 28th day of the month of billing.

ARTICLE IX

WARRANTY OF TITLE. Annville warrants that title to the gas sold hereunder is free, clear, transferrable, unencumbered and deliverable.

ARTICLE X

FORCE MAJEURE. In the event either party hereto is rendered unable, wholly or in part, by force majeure to carry out its obligations under this contract (other than the obligation to make payments of matured and owing amounts due hereunder), it is agreed that such party shall give notice and reasonably full particulars of such force majeure, in writing, to the other party within a reasonable time after the occurrence of the cause relied

upon, and the obligation or obligations hereunder of the party giving such notice, so far as they are affected by such force majeure, shall be suspended during the continuance of any inability so caused, but for no longer period, and such cause shall, so far as possible, be remedied with all reasonable dispatch.

ARTICLE XI

GOVERNMENT REGULATION. This contract and each provision hereof shall be subject to all valid applicable federal and state laws and to the orders, rules and regulations of any duly constituted federal or state regulatory body or authority having jurisdiction.

ARTICLE XII

INDEMNIFICATION: Each party shall indemnify, defend and hold the other harmless from and against all loss, cost and expense, including court costs and attorneys' fees, for any claims, suits, judgments, demands, actions or liability growing out of the operations conducted hereunder by it or arising while the gas is in its exclusive control and possession as set forth in Article (VI).

ARTICLE XIII

BINDING EFFECT. All of the right and privileges, as well as the obligations herein, which are applicable to Mid-South Electric and Annville, shall be equally applicable to their heirs, grantees, sub-tenants, contractors, and assigns, and successors in title.

ARTICLE XIV

MISCELLANEOUS.

14.1 The captions in this contract are for convenience of the parties in identification of the provisions hereof and shall not constitute a part of the agreement nor be considered interpretive thereof.

14.2 Failure to exercise any right or rights hereunder shall not be considered a waiver of such right or rights in the future.

14.3 Time is of the essence with regard to all obligations to be performed hereunder.

14.4 Notwithstanding any provisions in this Contract to the contrary, if, in order to comply with or by reason of any present or future law or rule, regulation or order of the Federal Energy Regulatory Commission or any other governmental body having jurisdiction, the basis or method of measurement of gas delivered hereunder is changed, thence the price per MMBTU for gas purchased hereunder shall be adjusted to compensate for the change in the basis or method to the end that the total amount of money payable for volumes set forth herein shall remain unaffected by such change of basis or method of measurement.

14.5 If it should be necessary for Mid-South Electrics or Annville to make certain applications or filings with Federal and State regulatory authorities with respect to the sale, purchase and transportation of gas hereunder, each party will promptly file and diligently process such application or filings, and Mid-South Electrics will reimburse Annville for any fees incurred by Annville in connection with any such applications or filings.

14.6 This agreement, including interpretation of its provisions and any disputes arising hereunder, is to be governed by the law of Kentucky.

14.7 This contract shall be considered for all purposes as prepared through the joint

efforts of the parties, and shall not be construed against one party or the other as a result of the preparation, submittal or other event of negotiation, drafting or execution hereof.

14.8 This agreement, its terms and conditions are confidential, and its terms and conditions will not be disclosed to third parties by either party without written permission from the other party.

14.9 This instrument constitutes the entire agreement between the parties on the subject matter thereof.

14.10 This agreement may be amended or modified only by a written instrument executed by both parties hereto.

To evidence their understanding of, and agreement to, the foregoing, the parties have signed this contract as of the date stated above.

Mid-South Electric
Jimmy P. Daniels
BY: Jimmy P. Daniels
ITS: Operations Manager

ANNVILLE GAS TRANSMISSION, INC.
Elmer Green
BY: Elmer Green

ITS: Project Manager STATE

OF Kentucky)
COUNTY OF Jackson) SCT

Personally appeared before me the undersigned authority, a Notary Public in and for said County and State, duly commissioned and qualified, Jimmy P. Daniels, with whom I am personally acquainted and who, upon oath, acknowledged himself to be Operations Manager of Mid-South Electric, Inc., and further acknowledged that he executed the within instrument as authorized.

with full authority to so do, for the purposes therein contained and did further state that all matters set forth therein are true and correct.

WITNESS my hand and official seal at office this 8 day of November , 1987.

William D. Peter
NOTARY PUBLIC

My Commission Expires: Feb. 1991

STATE OF _____)
) SCT
COUNTY OF _____)

Personally appeared before me the undersigned authority, a Notary Public in and for said County and State, duly commissioned and qualified, Elmer Green , with whom I am personally acquainted and who, upon oath, acknowledged himself to be Project Manager of ANNVILLE GAS TRANSMISSION, INC., and further acknowledged that he executed the within instrument as Annville Gas & Transmission with full authority to so do, for the purposes therein contained and did further state that all matters set forth therein are true and correct.

WITNESS my hand and official seal at office this 8 day of Nov , 1987.

William D. Peter
NOTARY PUBLIC

My Commission Expires: Feb. 1991