

SERVICE CONTRACT

BETWEEN

DELTA NATURAL GAS COMPANY, INC.

AND

PHILIPS INDUSTRIES, INC.
NICHOLASVILLE, KENTUCKY

DATED: FEBRUARY 5, 1976

FOR THE SALE OF NATURAL GAS

DELTA NATURAL GAS COMPANY, INC.
Winchester, Kentucky

SERVICE CONTRACT

AGREEMENT, made and entered into this the 5th day of February,
1976, by and between DELTA NATURAL GAS COMPANY, INC., a Kentucky corporation,
(hereinafter called Seller) and PHILIPS INDUSTRIES, INC.
(hereinafter called Buyer).

WITNESSETH: That for and in consideration of the mutual covenants herein
contained, the parties hereto agree as follows:

Section 1. Gas to be Sold. Seller hereby agrees to sell and deliver
and Buyer hereby agrees to purchase and receive natural gas on a firm basis up to
a maximum of 42 Mcf per hour and an average of 454 Mcf per day on and
after the date of this Agreement. Annual volumes delivered by the Seller to the Buyer
shall not exceed 165,651 Mcf. Deliveries of gas under this Agreement shall be
on a firm basis only, and subject to conditions set forth in Sections 3 and 4 herein.

Section 2. Rate. Natural gas delivered hereunder shall be paid for
under the following rate:

FIRM SERVICE \$ 1.23 per Mcf
delivered.

MINIMUM MONTHLY CHARGE: The minimum monthly charge for gas
delivered and tendered for delivery shall be Two Hundred Fifty Dollars (\$250.00)
per billing month, as available, by Seller; provided, however, if during any such months

the above rate applied to volumes tendered for delivery amounts to less than Two
Hundred Fifty Dollars (\$250.00), then the minimum monthly charge shall be waived.

Section 3. Curtailment Due to Gas Supply Deficiency. Deliveries of gas under this Agreement shall be on a "firm" basis only and not subject to interruption, provided further that, it is specifically agreed delivery under this Agreement is subject to curtailment or interruption at any time at the discretion of Seller when deemed necessary or expedient to prevent the impairment of the supply of gas for residential customers, schools, nursing homes or similar types of service declared superior to Buyer by Law, by the Federal Power Commission, or any other regulatory body. Curtailment under this provision shall not be cause for termination of the contract or the basis for claims -- delivery and receipt of gas under this Agreement to be resumed whenever any such gas supply deficiency problem shall end. It is understood that the Seller will not include in its maximum daily contract quantity or maximum daily obligation commitment from its Supplier any additional volumes of gas in order to provide service to the Buyer under this Agreement.

Section 4. Curtailment for Reasons Beyond Seller's Control. It is specifically agreed that delivery under this Agreement is subject to curtailment or interruption due to act of God, the elements or to other causes or contingencies beyond the control of Seller or not proximately caused by Seller's negligence, and such curtailment or interruption shall not be cause for termination of this Agreement or the basis of claims -- delivery and receipt of gas under this contract to be resumed whenever any such cause or contingency shall end.

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 (\$10.00) per Mcf for all volumes taken in excess of the volumes specified to be made available on such day by the Seller. The penalty charge for failure to interrupt shall be in addition to the charge per Mcf as set forth in this Agreement.

PAYMENT FOR UNAUTHORIZED TAKES. Gas taken in excess of the specified daily firm volumes set forth in this Agreement, without receiving prior approval from the Seller, 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 of gas so taken. Payment for such unauthorized takes shall be in addition to the charges specified in this Agreement. However, the Seller reserves the right, for good cause shown, to waive the penalty payment for unauthorized takes provided no economic hardship has been imposed upon the Seller.

PENALTY CHARGE FOR UNAUTHORIZED TAKES IN EXCESS OF ANNUAL CONTRACT QUANTITY. In the event Buyer takes, without Seller's advance approval, a volume of natural gas in excess of annual contract quantity, said volume would constitute an unauthorized over-run volume. For each Mcf of such unauthorized over-run volume taken by the Buyer, the Buyer shall pay to Seller a penalty of Ten Dollars (\$10.00) together with and in addition to the current commodity price per Mcf. The Seller shall have the right, without obligation, to waive any penalty for unauthorized over-run volume under this Section if for the period which the penalty was incurred deliveries to Seller's other customers were not adversely affected.

ADJUSTMENT IN RATES. The rates prescribed herein shall be subject to the same date as any change in the applicable GS Rate Schedule prescribed by the Kentucky Public Service Commission, irregardless of whether such change was produced by a change in the cost of Gas or the Seller's cost of service.

Section 5. General Terms and Conditions. This Agreement in all respects shall be subject to the applicable provisions of the Seller's General Terms and Conditions on file with the Kentucky Public Service Commission.

Seller shall be deemed to be in control and possession of the natural gas hereunder until it shall have been delivered to Buyer at the point of delivery, after which Buyer shall be deemed to be in control and possession thereof. The point of delivery shall be defined as that point at which natural gas hereunder passes from Seller's facilities to Buyer's facilities. Buyer shall have no responsibility with respect to natural gas hereunder until it is delivered to Buyer, or an account of anything which may be done, happen or arise with respect to any natural gas hereunder before such delivery; Seller shall have no responsibility with respect to said gas after it is delivered to Buyer, or an account of anything which may be done, happen or arise with respect to such gas after delivered.

Bills rendered by the Seller to the Buyer shall be due and payable within fifteen (15) days of billing date. Should Buyer fail to pay all of the amount of any unpaid balance as herein provided when such amount is due, interest on the unpaid portion of the balance shall accrue at the rate of one and one-half per cent (1½%) per month from the due date until the date of payment. The minimum late charge will be Ten Dollars (\$10.00). If such failure to pay continues for thirty (30) days after payment is due,

Seller may suspend further delivery of gas. In the event gas service is suspended, a reconnect fee of Twelve Dollars (\$12.00) will be charged by the Seller when service is restored. The seller reserves the right to require a cash deposit in the amount of two-twelfths (2/12ths) of the Buyer's annual estimated bill.

Section 6. Special Provisions. It shall be the responsibility of the Buyer to provide and maintain at all times such adequate standby, auxiliary equipment and fuel as may be required or necessary to protect its full requirements and best interests.

In the event any reduction or restriction regarding end use of maximum daily volumes and/or annual volumes is placed on the Seller by its Supplier, or the Federal Power Commission, or any other regulatory body, such reductions and/or restrictions shall be applied as directed, or at the discretion of the Seller.

Section 7. Terms. This Agreement shall be effective on February 5 19 76 and shall continue in effect until November 1, 19 76, and thereafter from year to year unless and until terminated by thirty (30) days written notice given by either party.

Section 8. Notices. Notices to Seller under this Agreement shall be addressed to it at The Winchester Bank Building, 120 South Main Street, Winchester, Kentucky 40391 and notices to Buyer shall be addressed to it at P. O. Box 216, Nicholasville, Kentucky 40356, until changed by either party by written notice. It is further agreed that the Seller will notify the Buyer in writing of any change in its purchased gas cost within ten (10) days after it has received such notice.

Section 9. Cancellation of Previous Contracts. This Agreement supersedes and cancels, as of the effective date hereof, all previous Agreements between Buyer and Seller, if any.

Service Contract dated: February 5, 1976

The parties hereto have accordingly and duly executed this Agreement.

DELTA NATURAL GAS COMPANY, INC.

PHILIPS INDUSTRIES, INC.

By: Thos. M. Erickson

By: _____

Attest: Loanne H. Thomas

Attest: _____

*approved as
to form PSD*