

PENDLETON COUNTY WATER DISTRICT

GAS DIVISION,

POSTOFFICE BOX 90 -- 400 MAIN ST.

FALMOUTH, KENTUCKY

TELEPHONE 654-6731 - 6741

September 5, 1975

RECEIVED

SEP 12 1975

Mr. John Griffin  
President  
Griffin Industries, Inc.  
R.R. #2  
Butler, Kentucky 41006

PUBLIC SERVICE COMMISSION  
ENGINEERING DIVISION

Re: Precedent Agreement for Purchase of Gas from Michigan Consolidated Gas Company through Columbia Gas Transmission Corporation.

Dear Mr. Griffin:

You will recall our recent conversation in which I outlined on behalf of Pendleton County Water District, Gas Division (District), a proposal which had been made to the District from Columbia Gas Transmission Corporation (Columbia) involving the possibility that Columbia may be able to allot to the District for sale a certain amount of natural gas originating from Michigan Consolidated Gas Company (Michigan Consolidated) for the months of November and December, 1975, which had not been anticipated until very recently.

While there is no assurance that additional gas will be available from this source, we have been called upon by Columbia to enter an agreement or contract committing the District to accept (purchase) as much as six thousand (6,000) Mcf for the two (2) months mentioned at a cost of One and 70/100 (\$1.70) Dollars per Mcf. Again, this is all subject to availability.

In reliance on our previous conversation the District has entered into a tentative agreement with Columbia along the lines mentioned above; a copy of the proposal and tentative acceptance is attached. Since the recent curtailments affects only "industrial" users and your company is our only major customer fitting this category, in order to confirm this tentative arrangement with Columbia, we must have your company's formal commitment to accept such amounts of gas as may be made available under the aforementioned proposal and as may be within the specific amount set forth in attachment (Agreement) to this letter.

In the interest of serving you as well as we possibly can during this critical period any gas made available and distributed to you

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will be passed along at cost from our supplier, i.e., \$1.70 per Mcf.

Your early consideration of this matter will be greatly appreciated; and, assuming the proposal is satisfactory, we certainly hope that the potential relief presented by it will fully materialize.

Yours very truly,

PENDLETON COUNTY WATER DISTRICT,  
GAS DIVISION

By Harry Asher, General Manager  
Harry Asher, General Manager

plw

AGREEMENT

In consideration of the foregoing and the anticipated reliance of Pendleton County Water District, the undersigned, Griffin Industries, Inc., does hereby agree to accept and pay for additional volumes of gas above our most recent curtailment allotment up to 6,000 million of additional gas for the period and at the price hereinbefore set forth.

Dated this 9 day of September, 1975.

GRIFFIN INDUSTRIES, INC.

By Dennis B. Griffin  
John Griffin, President