

THIS AGREEMENT, made and entered into on this ___th day of May, 1994, by and between LOUISVILLE GAS AND ELECTRIC COMPANY, a subsidiary of LG&E Energy Corp, a Kentucky corporation, hereinafter referred to as "LG&E," and Conoco Inc. as Agent for E. I. duPont de Nemours and Company, a Delaware corporation, hereinafter referred to as "DuPont,"

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MAY 20 1994

PUBLIC SERVICE COMMISSION

W I T N E S S E T H

WHEREAS, LG&E owns and operates a gas distribution system in and about the City of Louisville, Jefferson and surrounding counties, in Kentucky; and

WHEREAS, DuPont owns and operates a chemical plant located at 4200 Camp Ground Road in Jefferson County, Kentucky ("DuPont Facility"); and

WHEREAS, LG&E is presently providing sales service to meet the natural gas requirements of DuPont under the terms, conditions and pricing contained in the standard General Gas Rate IGS rate schedule; and

WHEREAS, DuPont is engaged in replacing the existing coal boilers with new natural gas boilers which will significantly increase its natural gas requirements; and

NOW THEREFORE, both parties desire to enter into an ~~EFFECTIVE~~ whereunder natural gas transportation service and standby sales service to supplement transportation gas shall be provided by LG&E to DuPont under the following terms and conditions.

Oct. 1, 1994

Pursuant to 807 KAR 5.021, Section

Phyllis Fannin

1. TRANSPORTATION AND SALE OF NATURAL GAS ~~SERVICE COMMISSION OF KY~~ effective October 1, 1994, and in accordance with the rates, terms, and conditions contained in the "DuPont Special Contract Rate for Gas Transportation and Standby Sales Service," attached as Appendix A, and the "Transportation Service Provisions" attached as Appendix B, ("Appendices"), hereto, LG&E will transport and/or sell; and, DuPont will take delivery of and/or purchase all of the natural gas required for the operation of its steam boilers at the DuPont Facility.

2. POINT OF DELIVERY AND MEASUREMENT. The point of delivery for both transportation and sales volumes shall be at the metering station located at the DuPont Facility. All gas delivered by LG&E, including both gas transported for and gas sold to DuPont, will be

measured and billed on an Mcf Basis.

All gas delivered to LG&E by the pipeline supplier is accounted for and billed on an MMBtu basis. Therefore for measurement purposes, LG&E will divide the number of MMBtu's of transportation gas delivered into LG&E's system for DuPont's account from its pipeline supplier during any given month by the overall average heat content per Mcf of all gas supplies received from that pipeline supplier during the month in order to determine an equivalent number of transported Mcf to be redelivered by LG&E to DuPont.

3. PIPELINE TRANSPORTATION. DuPont shall obtain all requisite authority and contracts for the transportation of natural gas to and through the system of LG&E's pipeline supplier for delivery to LG&E's system. LG&E shall not acquire ownership, title to, or any ownership interest in the gas transported hereunder on behalf of DuPont.

4. CONTRACT TERM. Subject to prior approval by the Kentucky Public Service Commission ("Commission"), this Agreement shall commence with the first day of the regular October 1994 billing period, and remain in effect for a term of three years. Thereafter, the contract shall continue on a year-to-year basis, absent a 6 month prior written notice of cancellation by either party. If Commission approval is delayed beyond the regular October 1994 billing period, the first day of the next billing period following approval shall become the effective date of the Agreement.

5. PERFORMANCE. If either LG&E or DuPont shall fail to perform any of the covenants or obligations imposed upon it or them hereunder, then in such event the other party may, at its option, terminate this Agreement upon thirty (30) days prior written notice during which period of time the non-performing party may cure the failure to perform and in such event this Agreement shall continue in effect and the notice of termination shall be withdrawn. Any cancellation of such Agreement, pursuant to the provision of this paragraph shall be without prejudice to the right of DuPont to receive any gas for which it has paid, but has not received, although entitled thereto, prior to the time of cancellation, and without waiver of any remedy to which the party not in default may be entitled for violations of this Agreement.

6. PUBLIC SERVICE COMMISSION JURISDICTION. The Kentucky Public Service Commission shall have regulatory jurisdiction over the character of service provided, the terms and conditions of service, and the rates applicable to the service provided hereunder. EFFECTIVE

Pursuant to 2007 KAR 5:011, Section 9(1)

Phyllis Lannin
PUBLIC SERVICE COMMISSION OF KY

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers.

Conoco Inc. as Agent for
E.I. duPont de Nemours & Co.

Paul T. Paine
ATTEST

WITNESSED BY: Robert J. Foley
TITLE: Director DuPont Arts Supply

Judith A. Adams
ATTEST

Louisville Gas and Electric
Company

BY: Raymond G. Bennett
Raymond A. Bennett
Vice President
Gas Service Business

EFFECTIVE

Pursuant to 807 KAR. 5:010 Section 9(1)
Phyllis Fanner
PUBLIC SERVICE COMMISSION OF KY.

APPENDIX A

DuPont
SPECIAL CONTRACT RATE
for
GAS TRANSPORTATION
and
STANDBY SALES SERVICE

EFFECTIVE

Pursuant to 807 KAR 5:011, Section 9(1)

Phyllis Fanner
PUBLIC SERVICE COMMISSION OF KY.

Appendix A

DUPONT
SPECIAL CONTRACT RATE

EFFECTIVE

for

GAS TRANSPORTATION
and
STANDBY SALES SERVICE

Pursuant to 807 KAR 5:011, Section 9.1

Phyllis Linn
PUBLIC SERVICE COMMISSION OF KY.

Applicable to all natural gas deliveries for the operation of the steam boilers at the DuPont Facility located at 4200 Camp Ground Road in Jefferson County, Kentucky.

Monthly Customer Charge	-	\$ 180.00
Monthly Transportation Administrative Charge	-	90.00
Demand Charge per Mcf of billing demand	-	\$ 2.75
Distribution Charge per Mcf delivered	-	10.49 ¢

Standby Sales Service - In addition to the above charges, the effective Gas Supply Cost Component approved by the Kentucky Public Service Commission and contained in LG&E Rate G-7 or its successor rate schedule authorized by the Commission shall apply to all gas sold by LG&E hereunder to DuPont (see Attachment 1).

Monthly Billing Demand - The monthly billing demand shall be the greater of; (1) the highest daily volume of gas delivered during the monthly billing period; or, (2) the highest daily volume of gas delivered during the previous 11 monthly billing periods. The daily volume shall be the recorded Mcf deliveries in a 24-hour period ending at 8:00 AM.

TERMS AND CONDITIONS. Except as specifically provided for in this Agreement:

All natural gas transported hereunder by LG&E for DuPont shall be governed by the same terms and conditions of services provided for under LG&E's standard transportation service Rate T (see Attachment 1), or its successor rate schedule authorized by the Commission; and, the DuPont Special Contract Rate transportation service provisions set forth in Appendix B of this Agreement.

All natural gas sold hereunder by LG&E shall be governed by the same terms and conditions of services provided for under LG&E's standard sales service rate schedule G-7 (see Attachment 1), or its successor rate which may be authorized by the Commission. Rate G-7 is an uncommitted or interruptible natural gas sales service rate with no firm or long-term supplies of gas acquired by LG&E to meet DuPont's year around fuel needs for its steam boilers in the event of a disruption of transported gas.

During periods of interruption when sales service is not available to Rate G-7 customers, DuPont may continue to utilize natural gas up to the level of the daily quantities that are being delivered into LG&E's system by the interstate pipeline on behalf of DuPont's account.

Except during periods of Rate G-7 sales service interruption, DuPont shall deliver or cause to be delivered daily quantities of natural gas to LG&E's system which correspond as nearly as practicable to the daily quantities delivered hereunder by LG&E to DuPont's place of utilization and, unless otherwise agreed to by LG&E, the daily variation shall not be more than 10%. Notwithstanding, however, and upon notification by LG&E, DuPont's utilization of natural gas shall not exceed the daily quantities being delivered into LG&E's system by the interstate pipeline supplier on behalf of DuPont's account.

CONVERSION RIGHTS. If DuPont determines that its cost of gas transported and sold by LG&E hereunder will exceed the amount billed under the applicable standard rate schedules during such 12 month period: (a) DuPont may notify LG&E that it chooses to exercise its conversion option for the remainder of the contract period; and, (b) upon such notification, LG&E will verify that the amount under the special contract rate is greater and adjust the invoice for said month so that the overall annual cost to DuPont does not exceed the amounts that would have been billed under the otherwise applicable standard rate schedule; and, (c) LG&E then will place DuPont on the standard rate schedule for the remainder of the contract period. DuPont may exercise this option to convert during the 12th billing month, the 24th month, the 36th month, or at the end of any subsequent 12-month period thereafter during the contract period.

The Kentucky Public Service Commission approved General Rules contained in LG&E's tariff shall apply to all gas service provided under this Agreement.

EFFECTIVE

Pursuant to 807 KAR 5:011, Section.9(1)

Phyllis Lanner

PUBLIC SERVICE COMMISSION

STANDARD RATE SCHEDULE	GSC
Gas Supply Clause	
EFFECTIVE	
<p><u>Applicable to:</u> All gas sold.</p>	
<p>807 KAR, 5:00 Section 9(1) <i>Phyllis Fanner</i></p>	
<u>Gas Supply Cost Component (GSCC):</u>	
Gas Supply Cost	29.236¢
Gas Cost Actual Adjustment (GCAA)	0.066
Gas Cost Balance Adjustment (GCBA)	(0.119)
<p>Refund Factors (RF) continuing for twelve months from the effective date of each or until Company has discharged its refund obligation thereunder:</p>	
Refund Factor Effective May 1, 1993 from 90-158-J	(0.950)
Total Gas Supply Cost Component Per 100 Cubic Feet (GSCC)	28.233¢

DATE OF ISSUE February 1, 1994 DATE EFFECTIVE February 1, 1994

ISSUED BY Victor A. Staffieri President Louisville, Kentucky

Issued pursuant to an Order of the PSC of Ky. in Case No. 90-158-M dated 1/27/94.

STANDARD RATE SCHEDULE

GSC

Gas Supply Clause (Continued)

The monthly amount computed under each of the rate schedules to which this Gas Supply Clause is applicable shall include a Gas Supply Cost Component per 100 cubic feet of consumption calculated for each three-month period in accordance with the following formula:

where: $GSCC = \text{Gas Supply Cost} + GCAA + GCBA + RF$

Gas Supply Cost is the expected average cost per 100 cubic feet for each three-month period determined by dividing the sum of the monthly gas supply costs by the expected deliveries to customers. Monthly gas supply cost is composed of the following:

- (a) Expected total purchases at the filed rates of Company's wholesale supplier of natural gas, plus
- (b) Other gas purchases for system supply, minus
- (c) Portion of such purchase cost expected to be used for non-Gas Department purposes, minus
- (d) Portion of such purchase cost expected to be injected into underground storage, plus
- (e) Expected underground storage withdrawals at the average unit cost of working gas contained therein;

(GCAA) is the Gas Cost Actual Adjustment per 100 cubic feet which compensates for differences between the previous quarter's expected gas cost and the actual cost of gas during that quarter.

(GCBA) is the Gas Cost Balance Adjustment per 100 cubic feet which compensates for any under- or over-collections which have occurred as a result of prior adjustments.

(RF) is the sum of the Refund Factors set forth on Sheet No. 12 of this tariff.

Company shall file a revised Gas Supply Cost Component (GSCC) every three months giving effect to known changes in the wholesale cost of all gas purchases and the cost of gas deliveries from underground storage. Such filing shall be made at least thirty days prior to the beginning of each three-month period and shall include the following information:

- (1) A copy of the tariff rate of Company's wholesale gas supplier applicable to such three-month period.

Pursuant to 807 KAR 5:011, Section 9(1)

Phyllis Terrell
PUBLIC SERVICE COMMISSION OF KY.

EFFECTIVE

DATE OF ISSUE July 19, 1988 DATE EFFECTIVE May 20, 1988

ISSUED BY R. L. Royer President Louisville, Kentucky

Issued pursuant to an Order of the PSC of Ky. in Case No. 10064 dated 7/1/88.

STANDARD RATE SCHEDULE

GSC

Gas Supply Clause (Continued)

- (2) A statement, through the most recent three-month period for which figures are available, setting out the accumulated costs recovered hereunder compared to actual gas supply costs recorded on the books.
- (3) A statement setting forth the supporting calculations of the Gas Supply Cost and the Gas Cost Actual Adjustment (GCAA) and the Gas Cost Balance Adjustment (GCBA) applicable to such three-month period.

To allow for the effect of Company's cycle billing, each change in the GSC shall be placed into effect with service rendered on and after the first day of each three-month period.

In the event that the Company receives from its supplier a refund of amounts paid to such supplier with respect to a prior period, the Company will make adjustments in the amounts charged to its customers under this provision, as follows:

- (1) The "Refundable Amount" shall be the amount received by the Company as a refund less any portion thereof applicable to gas purchased for electric energy production. Such Refundable Amount shall be divided by the number of hundred cubic feet of gas that Company estimates it will sell to its customers during the twelve-month period which commences with implementation of the next Gas Supply Clause filing, thus determining a "Refund Factor."

Effective with the implementation of the next Gas Supply Clause filing, the Company will reduce, by the Refund Factor so determined, the Gas Supply Cost Component that would otherwise be applicable during the subsequent twelve-month period. Provided, however, that the period of reduced Gas Supply Cost Component will be adjusted, if necessary, in order to refund, as nearly as possible, the Refundable Amount.

- (2) In the event of any large or unusual refunds, the Company may apply to the Public Service Commission of Kentucky for the right to depart from the refund procedure herein set forth.

EFFECTIVE

Pursuant to 807 KAR 5:011, Section 9(1)

Phyllis J. ...
PUBLIC SERVICE COMMISSION OF KY.

DATE OF ISSUE July 19, 1988 DATE EFFECTIVE May 20, 1988

ISSUED BY R. L. Royer President Louisville, Kentucky

Issued pursuant to an Order of the PSC of Ky. in Case No. 10064 dated 7/1/88.

STANDARD RIDER

Firm Transportation Service (Non-Standby) - Rate T

Applicable:

In all territory served.

Availability:

Available to commercial and industrial customers who consume at least 50 Mcf per day at each individual point of delivery, have purchased natural gas elsewhere, obtained all requisite authority to transport such gas to Company's system through the system of Company's natural gas supplier, and request Company to utilize its system to transport, by displacement, such customer-owned gas to place of utilization. Any such transportation service hereunder shall be conditioned on the Company being granted a reduction in D-1 and D-2 billing demands by its pipeline supplier corresponding to the customer's applicable transportation quantities. In addition, transportation service hereunder will be subject to the terms and conditions herein set forth and to the availability of adequate capacity on Company's system to perform such service without detriment to its other customers.

Rate:

In addition to any and all charges billed directly to Company by other parties related to the transportation of customer-owned gas, the following charges shall apply:

Administration Charge: \$90.00 per delivery point per month

Distribution Charge Per Mcf: \$.43

DSM Cost Recovery Mechanism:

The monthly amount computed at the charges specified above shall be increased or decreased or decreased in accordance with the DSM Cost Recovery Component (DSMRC) set forth on Sheet Nos. 11 through 11-E of this tariff.

Customers served hereunder who also receive electric service under Industrial Power Time-of-Day Rate LP-TOD and have elected not to participate in program pursuant to the DSM Cost Recovery Mechanism will not be assessed a charge under the DSM Cost Recovery Mechanism.

Receipts and Deliveries:

Customer will deliver or cause to be delivered daily and monthly quantities of natural gas to Company's system which correspond to the daily and monthly quantities delivered hereunder by Company to Customer's place of utilization and, in no case, shall the variation in quantities be greater than 5%. Any imbalance between receipts by Company on behalf of Customer and quantities delivered to Customer shall be corrected as soon as practicable, but in no event shall imbalance be carried longer than 60 days.

DATE OF ISSUE December 1, 1993 DATE EFFECTIVE January 1, 1994

ISSUED BY Victor A. Staffieri and Corporate Secretary Louisville, Kentucky

Issued pursuant to an Order of the PSC of Ky. in Case No. 93-150 dated 11/12/93.

EFFECTIVE

Pursuant to 807 KAR 5:011, Section 9(1)

Public Service Commission KY

Handwritten signature and initials

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STANDARD RIDER

Firm Transportation Service (Non-Standby) - Rate T (Continued)

Special Terms and Conditions:

- (1) Service under this rider shall be performed under a written contract between Customer and Company setting forth specific arrangements as to volumes to be transported by Company for Customer, points of delivery, methods of metering, timing of receipts and deliveries of gas by Company, and any other matters relating to individual customer circumstances.
- (2) At least ten days prior to the beginning of each month, Customer shall provide Company with a schedule setting forth daily volumes of gas to be delivered into Company's system for Customer's account. Customer shall give Company at least twenty-four hours' prior notice of any subsequent changes to scheduled deliveries. Customer shall cause gas delivered into Company's system for Customer's account to be as nearly as practicable at uniform daily rates of flow, and deliveries of such gas by Company to Customer hereunder will also be effected as nearly as practicable on the same day as the receipt thereof. Company will not be obligated to utilize its underground storage capacity for purposes of this service.
- (3) In no case will Company be obligated to supply greater quantities hereunder than those specified in the written contract between Customer and Company.

Volumes of gas transported hereunder will be determined in accordance with Company's measurement base as set forth in the General Rules of this Tariff.

All volumes of natural gas transported hereunder shall be of the same quality and meet the same specifications as that delivered to Company by its pipeline supplier.

Company will have the right to curtail or interrupt the transportation or delivery of gas to any customer hereunder when, in the Company's judgement, such curtailment is necessary to enable Company to maintain deliveries to residential and high priority customers or to respond to an emergency.

Should Customer be unable to deliver sufficient volumes of transportation gas to Company's system, Company will not be obligated hereunder to provide standby quantities for purposes of supplying such Customer requirements. However, to the extent that adequate natural gas supplies are available, Company will undertake to provide sales service under the terms and conditions of its Rate for Uncommitted Gas Service -- Rate G-7.

EFFECTIVE

Pursuant to 807 KAR 5:011, Section 9(1)

Phyllis J. ...
PUBLIC SERVICE COMMISSION OF KY.

DATE OF ISSUE January 24, 1991 DATE EFFECTIVE January 1, 1991
 ISSUED BY David R. Carey Marketing & Planning Louisville, Kentucky
NAME TITLE ADDRESS

STANDARD RIDER

Gas Transportation Service - Rate T (Continued)

Applicability of Rules:

Service under this Rider is subject to Company's rules and regulations governing the supply of gas service as incorporated in this Tariff, to the extent that such rules and regulations are not in conflict with nor inconsistent with the specific provisions hereof.

EFFECTIVE

Pursuant to 807 KAR 5:010, Section 9(1)

Phyllis Lanner

PUBLIC SERVICE COMMISSION OF KY

DATE OF ISSUE July 19, 1988 DATE EFFECTIVE May 20, 1988

ISSUED BY R. L. Royer President Louisville, Kentucky

Issued pursuant to an Order of the PSC of Ky. in Case No. 10064 dated 7/1/88.

STANDARD RATE SCHEDULE

G-7

Rate for Uncommitted Gas Service

Applicable:

In all territory served.

Availability:

This rate schedule is designed to make available to commercial and industrial customers quantities of gas that Company may from time to time have available for sale without impairment of service to customers served under other rate schedules, and which can be supplied from Company's existing distribution system, subject to the special conditions hereinafter set forth.

Rate:

Charge Per 100 Cubic Feet:

Distribution Cost Component	4.300¢
Gas Supply Cost Component	28.233
Total Charge Per 100 Cubic Feet	32.533¢

The "Gas Supply Cost Component" as shown above is the cost per 100 cubic feet determined in accordance with the Gas Supply Clause set forth on Sheet Nos. 12, 13 and 14 of this Tariff.

DSM Cost Recovery Mechanism:

The monthly amount computed at the charges specified above shall be increased or decreased in accordance with the DSM Cost Recovery Component (DSMRC) set forth on Sheets Nos. 11 through 11-E of this Tariff.

Customers served hereunder who also receive electric service under Industrial Power Time-of-Day Rate LP-TOD and have elected not to participate in programs pursuant to the DSM Cost Recovery Mechanism will be assessed a charge under the DSM Cost Recovery Mechanism.

Minimum Bill:

\$500 per month. Such monthly minimum bill will be applicable only when Company makes gas available during at least 15 days of the monthly billing period.

Prompt Payment Provision:

The monthly bill will be rendered at the above net charges (including net minimum bills when applicable) plus an amount equivalent to 1% thereof, which amount will be deducted provided bill is paid within 15 days from date.

EFFECTIVE

Pursuant to 807 KAR 5:011, Section 9(1)

Phyllis
PUBLIC SERVICE COMMISSION

DATE OF ISSUE February 1, 1994 DATE EFFECTIVE February 1, 1994

ISSUED BY Victor A. Staffieri President Louisville, Kentucky
NAME TITLE ADDRESS

STANDARD RATE SCHEDULE

G-7

Rate for Uncommitted Gas Service (Continued)

Special Conditions:

1. Each customer served hereunder will be required to enter into a written contract specifying, among other things, realistic monthly gas requirements for gas under this rate schedule. Such contracts will be used as the basis for apportionment of gas when the total customer requirements exceed the quantity of gas available for service hereunder.
2. Customer may take service hereunder only when notified by Company that he may do so; and shall discontinue taking service immediately upon notification by Company to do so.
3. Service will be supplied hereunder only at such times and in such volumes as Company, in its sole judgment, determines that gas is available for such service without impairment of service supplied under other rate schedules.
4. The Company will not be obligated to install or construct any facilities (other than necessary meters and regulators) in order to provide service hereunder.
5. This rate will not be available for gas loads which are predominantly space heating in character or which do not consume substantial quantities of gas during the summer months.

Service hereunder must be supplied through a separate meter where practicable. In cases where separate metering is not practicable, the volume supplied hereunder in any month will be taken as the excess over the Monthly Base Period Volume established in accordance with Company's Curtailment Rules.

Company Not Obligated to Continue Service:

Service under this rate schedule shall be supplied only when gas is available after all requirements of other rate schedules have been met. Nothing herein shall prevent Company from expanding its obligations under such other rate schedules. Company may, upon notice, terminate any contract entered into hereunder, and may at any time decline to accept any additional contracts for service hereunder.

Applicability of Rules:

Service under this rate schedule is subject to Company's rules and regulations governing the supply of gas service as incorporated in this Tariff, to the extent that such rules and regulations are not in conflict with nor inconsistent with the specific provisions hereof.

DATE OF ISSUE January 22, 1985 DATE EFFECTIVE May 1, 1985

ISSUED BY R. L. Royer President Louisville, Kentucky

Issued pursuant to an Order of the PSC of Ky. in Case No. 9133 dated 1/7/85.

EFFECTIVE

Pursuant to 807 KAR 5:011, Section 9(1)

Phyllis L. ... PUBLIC SERVICE COMMISSION OF KY.

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APPENDIX B

TRANSPORTATION
SERVICE PROVISIONS

Applicable To

DuPont

SPECIAL CONTRACT RATE

EFFECTIVE

Pursuant to 807 KAR 5:011, Section 9(1)

Phyllis Lannan
PUBLIC SERVICE COMMISSION OF KY.

Appendix B

TRANSPORTATION SERVICE PROVISIONS

APPLICABLE TO
DuPont SPECIAL CONTRACT RATE
for
GAS TRANSPORTATION and STANDBY SALES SERVICE

Applicable to the transportation of volumes of natural gas by Louisville Gas and Electric Company ("Company") for E. I. DuPont de Nemours ("Customer").

1. Customer has obtained or reasonably anticipates obtaining all requisite authority to transport such natural gas to Company's system through the system of an interstate pipeline ("Transporter") transporting gas on behalf of Customer.

2. Customer has entered into an agreement with an alternative natural gas supplier for the purchase of natural gas which will be delivered into the Transporter's system; and, such natural gas will be transported to Company's gas distribution system by Transporter pursuant to its effective and applicable Federal Energy Regulatory Commission ("FERC") tariff, and the applicable FERC regulations.

3. Company will redeliver to Customer a quantity of gas equivalent to that which it receives from Transporter on Customer's behalf, all pursuant to this transportation service Agreement and the effective and applicable Special Contract Rate for transportation service as filed with the Public Service Commission ("Commission") of the Commonwealth of Kentucky and amended from time to time.

4. All gas delivered by Company, including transportation gas, will be measured and billed on a Mcf basis. Because Transporter delivers to and bills Company on a MMBtu basis, Company will divide the number of MMBtu's delivered to Company by Transporter for Customer's account during any given month, by the average (per Mcf) heat content for the month of all gas received from Transporter, in order to determine an equivalent number of Mcf to be delivered to Customer.

5. Customer represents that it has express authority, under applicable state and local law, to enter into this Agreement with Company. Customer shall indemnify and relieve Company of any liability incurred because of Company's reliance upon Customer's representation that it has express authority to contract with Louisville Gas and Electric Company.

6. It is understood between the parties hereto that Company may enter into similar agreements with certain of its other customers for the transportation of natural gas, pursuant to the same regulations and under the same transportation program.

Pursuant to 807 KAR 5:017, Section 9(1)

Phyllis Fannin
PUBLIC SERVICE COMMISSION OF KY.

7. Customer will arrange and pay for the transportation service necessary to deliver the transported gas to the system of Transporter and over the system of Transporter to Company in a manner which is acceptable to Transporter. All gas delivered hereunder by Customer to Transporter will meet all applicable standards of Transporter for gas received into its system.

8. As soon as the transported volumes are received by Company into its system, it will redeliver such volumes to Customer.

9. The transportation service provided hereunder by Company is subject to the provisions of all valid laws, orders, rules, and regulations of duly constituted authorities having jurisdiction. Customer agrees to cooperate with Company in promptly filing all necessary notices and information with any agency or authority having jurisdiction.

10. Measurement of gas to be transported by Transporter hereunder will be in accordance with the measurement provisions as provided in the General Terms and Conditions of the applicable FERC Gas Tariff of Transporter.

11. Customer shall pay all bills which it is obligated to pay pursuant to this Agreement in accordance with the terms of the DuPont Special Contract Rate for Gas Transportation and Standby Sales Service and Company's Gas Tariff as approved by the Commission. Failure to make such payment as specified herein will allow Company to (i) be relieved of all obligations created by this Agreement without liability to Customer, and (ii) pursue other remedies as set forth in this Agreement.

12. All gas delivered by Company to Customer pursuant to this Agreement, shall be measured by such gas meters as the Company deems appropriate, so as to readily enable the Company to determine the Customer's usage on a timely basis, including daily or hourly usages. To the extent that implementation of this Agreement may require metering equipment and facilities beyond that which otherwise might be needed, Customer shall pay for the additional installation and maintenance of such Company-owned metering equipment. No metering of any type owned or installed by Customer shall be used to determine such deliveries; except that in the event of a malfunction of Company's meters, Customer's meters may be used.

13. (a) Total deliveries by Company to Customer's facility for any day or during any billing period shall correspond to the quantities delivered by Transporter to Company on a daily basis during any billing period. In the event that Customer discontinues or in any way alters the utilization of natural gas at its facility, Customer shall notify Company forthwith. To obtain reasonable balance between gas receipts and deliveries hereunder, Company may require Customer's nomination to reflect periods of irregular gas supply utilization ~~EFFECTIVE~~ weekends and vacation shutdown periods. To the extent that deliveries of

Customer's gas to Company by Transporter are required to be at delivery rates which are as nearly as practicable at uniform daily and hourly rates of flow, then Company may require delivery of such gas to Customer at similar uniform daily and hourly rates of flow if necessary in order to protect Company's system from any detrimental effects.

(b) In the event that Transporter does not or is unable to deliver natural gas to Company on behalf of Customer, either totally or partially, then Customer shall, immediately upon notification by Company, use only that amount of natural gas, if any, which is delivered to Company on behalf of Customer by Transporter. If Company notifies Customer that Company has volumes of natural gas available for sale to Customer, then Customer may purchase natural gas from Company supplies, pursuant to the DuPont Special Contract Rate, until notified to cease or until such Customer-owned natural gas as is transported by Transporter again becomes available. In the event that Customer fails to cease utilizing the specified amount of natural gas sold by Company to Customer at its facility when notified by Company to discontinue such usage, then pursuant to Company's tariff for Uncommitted Gas Service, Company may upon notice terminate contract for service hereunder.

(c) In the event that Customer causes volumes of natural gas to be delivered to Company in excess of 10% of the deliveries on a daily basis or 5% on a monthly basis by Company to Customer's facility, and should such imbalance not be corrected within sixty (60) days of such over-delivery, then the Company may retain such natural gas, whereupon Customer shall cease to hold any title or any claim to such natural gas. The Company's title to such natural gas shall be free and clear of all claims or liens whatsoever. If Company retains and takes title to such natural gas, it will pay Customer for such gas at a rate equal to the lower of (i) the lowest per unit price paid by Company to any of its suppliers as delivered to Louisville Gas and Electric Company at the Transporter point of delivery, or (ii) the lowest per unit price paid by Customer to any of its suppliers as delivered to Louisville Gas and Electric Company at the Transporter point of delivery. Such price shall be determined during the month in which such gas is purchased from Customer by Company. Company will not unreasonably exercise its right to retain and take title to such natural gas. Such purchase of natural gas by Company shall not be considered as giving Customer the right to nominate natural gas volumes to be transported in excess of actual deliveries by Company to Customer by more than 10% per day or 5% per month, nor shall this purchase of such natural gas by Company be considered to limit or restrict any other remedy available to Company.

(d) Nothing incorporated in this Agreement shall be considered as giving Customer the right to utilize the Company's underground storage capacity for service hereunder, nor the right to take unauthorized volumes of gas. Nor shall anything incorporated in this Agreement give the Customer the right to fail to take volumes of natural gas as are delivered by Transporter to Company on behalf of Customer; nor shall such requirements be considered as a substitute for any remedy available to Company.

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Pursuant to 807 KAR 5:011, Section 9(1)

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Phyllis Lannin
PUBLIC SERVICE COMMISSION OF KY.

14. Customer recognizes and understands that Company is required to monitor its daily purchases from Transporter to the end that they will not exceed allowable quantities or incur billing disadvantages. Customer agrees to maintain close liaison with Company's Gas Supply Department and to inform such Gas Supply Department of any changes in the delivery rate of gas transported hereunder or any other information with regard to scheduling of deliveries that said Gas Supply Department reasonably requests or as may be required by proper regulatory authorities.

In addition, in the event that Customer is determined to be the cause of such billing disadvantages or other penalties, whether imposed on Company by Transporter or if caused by Customer in transporting gas on Company's system, then Customer will pay such penalties, fees, or charges as determined by Company and in accordance with the payment provisions of this Agreement.

15. Both parties recognize that the operation of this Agreement will require extensive coordination and cooperation of the parties. The parties therefore agree to cooperate in the development and pursuit of such detailed procedures as may be necessary in order to carry out the purpose and intent of this Agreement.

16. This Agreement shall be binding upon the parties hereto and their respective successors and assigns. It is understood that this Agreement may be submitted with, and made a part of, one or more applications to duly constituted authorities, and copies of this Agreement may be submitted to any person dealing with the subject matter hereof.

17. Customer agrees to save harmless and indemnify Company against any and all claims, liabilities, demands, rights of action, and causes of action (including all costs and expenses incurred by Company in connection therewith, including without limitation reasonable attorney fees and court costs) (collectively "Claims") caused by, resulting from, or arising out of this Agreement, except: (a) where said Claims are caused by or arise out of the willful negligence of Company, or (b) where said Claims are caused by or arise out of the performance by Company with respect to the distribution of gas through its own system.

18. (a) If by reason of force majeure any party hereto is rendered unable, wholly or in part, to carry out its obligations under this Agreement, and if such party gives notice and reasonably full particulars of such force majeure, by mail, facsimile, or other means of express written communication, to the other party within a reasonable time after the occurrence of the cause relied on, the party giving such notice, to the extent that it is affected by such force majeure, shall not be liable in damages during the continuation of any inability so caused. The party claiming suspension due to force majeure shall remedy the effects of any force majeure so far as is possible, with all reasonable dispatch.

Pursuant to 807 KAR 5:071, Section 9(1)

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(b) The term "force majeure" as used herein means any cause not reasonably in the control of the party claiming suspension, including but not limited to: strikes, lockouts, or other industrial disturbances; acts of the public enemy, wars, blockades, insurrections and riots; acts of God, earthquakes, storms and floods; arrests and restraints of the government, either Federal or State, civil or military; shutdowns for purposes of necessary repairs, relocation, testing or construction of facilities; and inability of any party hereto to obtain necessary materials, supplies, permits, or labor to perform or comply with any obligation or condition of this Agreement. It is understood and agreed that the settlement of strikes, lockouts, or controversies with landowners involving rights-of-way shall be entirely within the discretion of the party having the difficulty and that the above requirement that the effects of any force majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes, lockouts, or controversies with landowners involving rights-of-way by acceding to the demands of the opposing party when such course is inadvisable in the discretion of the party having the difficulty.

19. All notices related to the transportation of natural gas shall be addressed as follows:

To Company: Gas Supply Analyst
Louisville Gas and Electric Company
P. O. Box 32010
Louisville, Kentucky 40232

To Customer: Conoco Inc.
600 N. Dairy Ashford Drive
Houston, Texas 77079
Attn: DuPont Gas Supply

EFFECTIVE

Pursuant to 807 KAR 5:001, Section 9(1)

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