

NATURAL GAS SUPPLY AGREEMENT

RECEIVED
JUN 15 1999
PUBLIC SERVICE
COMMISSION

This NATURAL GAS SUPPLY AGREEMENT, made and entered into in duplicate original copies on this 27 day of May, 1999, between CAGLE'S - KEYSTONE FOODS, LLC, 3150 Nashville Road, Franklin, Kentucky 42135, hereinafter referred to as "Buyer", and MILLENNIUM ENERGY, INC., 951 Fairview Avenue, P.O. Box 1118, Bowling Green, Kentucky 42102, hereinafter referred to as "Seller".

WITNESSETH:

WHEREAS, subject to the terms and conditions hereinafter set forth, Seller desires to sell natural gas to the Buyer and Buyer desires to purchase natural gas from the Seller;

NOW, THEREFORE, in consideration of the promises, mutual covenants and agreements herein contained, the parties hereto agree as follows:

1. Scope of Agreement. The terms, provisions, agreements, representations, conditions and warranties of this agreement are applicable to the distribution and sale of natural gas by Seller to Buyer.

2. Gas to be sold. Seller shall sell and deliver and Buyer shall purchase quantities of natural gas as requested each month by Buyer subject to a minimum purchase of no less than three thousand (3,000) MCF per month at Buyer's place of business in Franklin, Kentucky. Natural gas shall be provided to Buyer at a maximum pressure of 25 PSIG. Title to the natural gas shall pass from Seller to Buyer at the point of delivery being the outlet of Buyer's header piping, 3150 Nashville Road, Franklin, Kentucky.

3. Rates and Payment. For all natural gas sold by Seller and purchased by Buyer, Buyer shall pay Seller the following rates:

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
JUL 15 1999

PURSUANT TO 807 KAR 5:011,
SECTION 9(1)
BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

A. Local Distribution Charges.

1) Seller shall charge and Buyer shall pay a Customer Charge of ONE HUNDRED DOLLARS (\$100.00) per month.

2) Seller shall charge and Buyer shall pay a Distribution Charge of TWO DOLLARS (\$2.00) per MCF for the first three thousand (3000) MCF purchased each month which charge shall be reduced to \$1.00 per MCF for each additional MCF purchase thereafter each month.

B. Wholesale gas supply. Seller shall charge and Buyer shall pay a Commodity Charge at a price established by the current NYMEX commodity price, plus any and all transmission charges and marketing costs per MCF charged by Midwestern Gas Transmission. The Seller will assist Buyer in negotiating a wholesale gas price with natural gas suppliers on an annual basis.

4. **Billing and payment.** Seller shall read the meter on a monthly basis and provide a statement of natural gas usage within five (5) days after the meter has been read and natural gas usage determined. Buyer shall pay its monthly charges within fourteen (14) business days following the receipt by Buyer of its statement of natural gas usage. Any charges not paid within such fourteen (14) day period will be subject to a late payment penalty equal to 1½% per month.

5. **Term.** The initial term of this agreement is one (1) year from its commencement date. The commencement date for purposes of this agreement shall be the date natural gas is first supplied by Seller to Buyer. It is anticipated that the commencement date will be 15 August 1999 at which time it is anticipated that the distribution line of Seller will be installed and operational and that the business premises of Buyer will be completed and operational. Should either the distribution line of Seller or business premises of Buyer not be completed by 15 August 1999, then in that event the commencement date shall be the date upon which both facilities are complete. The Buyer has

PUBLIC SERVICE COMMISSION
EFFECTIVE

JUL 15 1999

the right to renew this contract upon the same terms and conditions by giving the Seller notice of such intent no less than thirty (30) days prior to the expiration of the current contact term.

6. **DISCLAIMER OF WARRANTIES.** THE SELLER AND BUYER EXPRESSLY ACKNOWLEDGE THAT SELLER ACTS AS A DISTRIBUTOR ONLY IF NATURAL GAS PURCHASED AT WHOLESALE AND IT DOES NOT WARRANT, EITHER EXPRESSLY OR IMPLIEDLY, THE QUALITY OR PURITY OF THE NATURAL GAS PROVIDED THROUGH ITS DISTRIBUTION SYSTEM. UNLESS CAUSED BY SELLER'S AFFIRMATIVE ACT OF NEGLIGENCE, SELLER SHALL NOT BE LIABLE FOR ANY FAILURE OF THE GAS SUPPLY TO BUYER'S BUSINESS ENTERPRISE OR FOR ANY INJURY OR DAMAGE TO PERSONAL PROPERTY OR LOSS SUFFERED BY THE BUSINESS OR OCCUPATION OF BUYER. IT IS FURTHER EXPRESSLY AGREED AND UNDERSTOOD THAT SELLER SHALL NOT BE LIABLE FOR FAILURE TO DELIVER NATURAL GAS PURSUANT TO THE TERMS OF THIS NATURAL GAS SUPPLY AGREEMENT IF THROUGH NO FAULT OF SELLER, IT IS UNABLE TO OBTAIN DELIVERY OF NATURAL GAS THROUGH ITS HOT TAP CONNECTED TO THE EL PASO MIDWESTERN PIPELINE NEAR THE INTERSECTION OF BUTTS ROAD AND LAKESPRING ROAD IN SIMPSON COUNTY, KENTUCKY.

7. **Notices.** Any notice, request, demand, statement, or other communication by either party shall be in writing and shall be delivered to the addresses listed below or at such other address as each party may designate in writing.

8. **Binding effect.** This agreement shall be binding upon and inure to the benefit of each of the parties and their respective successors and assigns.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

JUL 15 1999

PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)

BY: Stephan Bee
SECRETARY OF THE COMMISSION

9. **Governing Law.** This agreement shall be construed in accordance with and governed by the laws of the Commonwealth of Kentucky.

10. **Entire agreement.** This agreement supersedes all prior agreements between the parties with regard to the subject matter hereof, and there are no other understandings or agreements between Buyer and Seller with regard thereto.

IN WITNESS WHEREOF, the parties hereto have caused their duly authorized representatives to execute this agreement the day and year first written above.

CAGLE'S KEYSTONE FOODS, LLC
2000 Hills Avenue, N.W.
Atlanta, GA 30318

BY: *Jerry Gattis* President Cagle's, Inc.
JERRY GATTIS, A Member

MILLENNIUM ENERGY, INC.
951 Fairview Avenue
P.O. Box 118
Bowling Green, KY 42102

BY: *Floyd H. Ellis*
FLOYD H. ELLIS, President

201245-1

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

JUL 15 1999

PURSUANT TO 807 KAR 5:011,
SECTION 9(1)

BY: *Stephan D. Bell*
SECRETARY OF THE COMMISSION