

NATURAL GAS SERVICE AGREEMENT

This NATURAL GAS SERVICE AGREEMENT ("Service Agreement") is made and entered into as of the 7<sup>th</sup> day of September, 2005, by and between Bluegrass Gas Sales Company, (Bluegrass) a Kentucky corporation, whose address is 11405 Park Road, #180, Anchorage, KY 40223 and Charles Houk Greenhouses (1-6), a Kentucky corporation, whose address is 310 Wallow Ridge Rd., Horse Cave, KY 42749 (Customer) also referred to jointly as the "parties."

WITNESS:

WHEREAS Customer has a greenhouse that is energy intensive, and

Whereas Customer has alternative fuel capabilities to use propane or electric energy, and

Whereas Customer has annual gas volume requirements in amounts which exceed average usage and which provide stable annual loads that benefit Bluegrass, and


Whereas, Bluegrass benefits from the large volumes of gas purchased by Customer, and

Whereas, Bluegrass desires to provide to Customer, and Customer desires to obtain natural gas service in accordance with these terms and conditions;

NOW, THEREFORE, in consideration of these mutual covenants and other good and valuable consideration, the parties agree as follows:

1. Natural Gas Service Type and Volume Levels. Customer agrees to purchase from Bluegrass all of Customer's energy fuel requirements for Customer's facility, and Bluegrass agrees to provide service to Customer of the type specified below, subject to the provisions of approved tariffs of the Public Service Commission filed by Bluegrass, the related rules and regulations governing natural gas service and this Service Agreement.

2. The price to be paid by Customer shall be calculated to reflect an amount representing 85 percent of the currently effective Bluegrass residential gas rate as approved by the Public Service Commission and as adjusted periodically through Bluegrass's Gas Cost Recovery Mechanism or general rate adjustment. Such rates, including gas cost adjustments, shall be subject to change as permitted by law. Any federal, state or other legal taxes, other than those based upon or measured by Bluegrass's income which apply now or may hereafter be imposed, shall be paid by the Customer, in addition to the rates as specified.

3. This Agreement shall become effective for service on the first day of the month after approved by the Public Service Commission ("PSC") in full force and effect for one year (the "Primary Term"), and by  unless and until terminated at the end of the Primary Term or any subsequent annual

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term by either party upon one hundred twenty (120) days prior written notice to the other party. Customer agrees that while this Service Agreement is in effect, all natural gas consumed by Customer shall be delivered by Bluegrass, and it will not supplement its energy needs with any alternative fuel.

4. Any notice required to be given under this Agreement or any notice that either party may desire to give the other party, shall be in writing and shall be considered duly delivered when deposited in the United States mail, postage prepaid, registered or certified, or sent by facsimile and addressed as follows:

If to Bluegrass:

Julie Parsons  
3620 Rockland Rd.  
Center, KY 42214

If to Customer:

Charles Houk Greenhouses (1-6)  
310 Wallow Ridge Rd.  
Horse Cave, KY 42749

Routine communications, including monthly invoices, may be mailed by ordinary mail, postage prepaid, and addressed to the above-designated name and address.

5. General Terms and Conditions: All other terms and conditions governing this service shall be in accordance with the filed tariffs of Bluegrass as amended from time to time.

IN WITNESS WHEREOF, the parties have executed this Service Agreement as of the date above.

Bluegrass Gas Sales Company

By: *M. [Signature]*

Title: President

Witness: Debra M. Brown

Customer:

By: C. Charles Houk

Title: Farm Owner

Witness: Merita E. Lark

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By: *[Signature]*  
Executive Director