

AGREEMENT

THIS AGREEMENT, made and entered into this 1st day of December, 2018 by and between DELTA NATURAL GAS COMPANY, INC. (Delta), a Kentucky Corporation, and MOREHEAD UTILITY (End User).

W I T N E S S E T H :

THAT, WHEREAS, End User desires to purchase certain quantities of natural gas from a supplier to be designated (Supplier) and Supplier intends to sell the same to End User; and

WHEREAS, End User desires to have said quantities of natural gas purchased from Supplier transported and delivered to End User in Morehead, Kentucky, by Delta; and

WHEREAS, Delta, subject to the terms and conditions set forth herein, desires to transport and deliver to End User that quantity of natural gas purchased by End User from Supplier and delivered by Supplier to Delta at a certain designated point(s);

NOW THEREFORE, the parties agree to as follows:

ARTICLE 1. DEFINITIONS.

Unless this Agreement provides otherwise, the following definitions shall apply:

1.1. "Natural Gas" or "Gas" shall mean any mixture of hydrocarbons or hydrocarbons and non-combustible gases in a gaseous state, consisting essentially of methane.

1.2. "Delivery Point" shall mean the interconnection between the pipeline facilities of Delta and a designated delivery point which shall be the consent of the parties hereto.

KENTUCKY PUBLIC SERVICE COMMISSION
Gwen R. Pinson Executive Director
<i>Gwen R. Pinson</i>
EFFECTIVE 12/1/2018 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

1.3. "Redelivery Point" shall mean the point of interconnection between the pipeline facilities of Delta and the metering facilities of Delta for End User.

1.4. "Supplier Contract Gas" shall mean the volumetric quantity of natural gas delivered at the Delivery Point to Delta by Supplier for the account of End User.

1.5. "Excess Gas" shall mean the amount or quantity of natural gas delivered by Delta to End User at the Redelivery Point in excess of or in addition to the Supplier Contract Gas (as adjusted for Delta's retainage of two percent (2%) for losses).

1.6. "Mcf" shall mean the quantity of gas occupying a volume of one thousand (1,000) cubic feet at a pressure base of 14.73 pounds per square inch absolute (14.73 psia) and a temperature base of 60 degrees Fahrenheit (60° F).

ARTICLE 2. TERM AND EFFECTIVE DATE.

2.1. Subject to the terms and conditions herein, the term of this Agreement shall commence on December 1, 2018 and shall continue in full force and effect until December 1, 2023 and thereafter year to year unless terminated by either party with sixty (60) days written notice prior to the end of each term year. Notwithstanding the foregoing, this Agreement shall not become effective until approved by the Kentucky Public Service Commission ("Commission"). If the Commission suspends this Agreement for further review and subsequently approves it after December 1, 2018, then the effective date of this Agreement shall be the first day of the month after the date of such Commission approval.

ARTICLE 3. TRANSPORTATION AND DELIVERY OF CONTRACT GAS

**KENTUCKY
PUBLIC SERVICE COMMISSION**
Gwen R. Pinson
Executive Director
Gwen R. Pinson

**EFFECTIVE
12/1/2018**
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

3.1. Subject to the provisions of Article 6 hereof and subject to available capacity and the daily needs of End User, Delta shall accept from Supplier on behalf of End User all daily Supplier Contract Gas which is delivered by Supplier to the Delivery Point, with an average daily minimum of 200 Mcf, up to a daily maximum of 650 Mcf unless capacity allows a higher volume.

3.2. Delta shall transport and deliver to End User natural gas in quantities which are equivalent to the amount of Supplier Contract Gas less two percent (2%) by volume for line loss.

3.3. Volumes transported and delivered by Delta to End User as provided in Article 3.1 herein shall be balanced on a yearly basis as nearly as possible. If Delta does not receive and transport a total volume of 73,000 Mcf after each twelve consecutive billing months, End User shall pay Delta for the under balanced transportation at Delta's then effective rates for 1-10,000 Ccf of Interruptible Service as set forth in Delta's tariffs on file with the Kentucky Public Service Commission, as same may be changed from time to time. If Delta's usage bands are revised, End User's under balanced transportation rate shall be the first usage band in the Interruptible Service tariff. Should an imbalance exist upon the termination of this Agreement, such imbalance will be corrected within thirty (30) days of such termination. End User shall purchase from Delta the Excess Gas delivered to End User in accordance with Article 3.3 of this Agreement. Once gas begins to flow, it is Delta's intent to allow all gas delivered to be credited to this Agreement.

3.4. Delta's transportation obligation hereunder shall be to

KENTUCKY PUBLIC SERVICE COMMISSION
Gwen R. Pinson
Executive Director
Gwen R. Pinson
EFFECTIVE 12/1/2018
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

provide Interruptible service to End User.

3.5. Delta shall not be responsible for paying any transportation or related costs of intermediate transporters, including related line loss, compressor fuel, gas inventory charges and any penalties or other costs.

ARTICLE 4. PRICE.

4.1. Subject to the provisions of Article 3, including charges for annual under balanced transportation, End User shall pay the applicable rate as set forth in Delta's tariffs on file with the Kentucky Public Service Commission (PSC), as same may be changed from time to time, for the services of Delta in transporting to End User under the terms of this Agreement the natural gas in amounts equal to or less than the amount of Supplier Contract Gas (minus two percent (2%) by volume for line loss).

4.2. For any Excess Gas delivered or sold by Delta to End User, End User shall pay Delta the applicable General Service Rate of Delta (Base Rate plus Gas Cost Recovery Rate), as set forth in Delta's tariffs on file with the PSC, as same may be changed from time to time.

ARTICLE 5. STATEMENTS AND PAYMENTS.

5.1. Statements shall be rendered by Delta as appropriate to End User each month showing the amounts due to Delta for services rendered by Delta for End User during the period

5.2. Each statement required to be furnished shall be mailed to the address set forth in this Agreement

payable to the order of Delta Natural Gas Company, Inc. shall be

KENTUCKY PUBLIC SERVICE COMMISSION
Gwen R. Pinson
Executive Director
Gwen R. Pinson
EFFECTIVE 12/1/2018
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

made by End User by mailing same within twenty (20) days after receipt of the bill. End User agrees to pay interest at the rate of one and one-half percent (1 1/2%) per month on any outstanding balance which is due Delta under the terms of this Agreement and which is not paid within the time period previously set forth.

ARTICLE 6. QUALITY.

6.1. All Supplier Contract Gas and all gas delivered to End User hereunder shall at all times be merchantable and be free from gasoline, oil, water, salt, gum, dust and other foreign substances that might interfere with the marketability of the gas. The gas delivered by Supplier shall contain not less than 1,000 Btu per cubic foot (as determined by calorimeter test at 60 degrees Fahrenheit (60° F) and saturated with water vapor), and a utilization factor of 1,300 plus or minus 6% (U.F. = heating value (BTU) divided by the square root of the specific gravity). The gas delivered shall not contain more than:

- (a) Seven (7) pounds of water per million cubic feet measured at 14.7 psia and 60 degrees Fahrenheit on an approved dew point apparatus;
- (b) Three percent (3%) by volume of carbon dioxide;
- (c) Twenty-five hundredths (0.25) grain of hydrogen sulfide per one hundred (100) cubic feet; or
- (d) Ten (10) grains of total sulfur per one hundred (100) cubic feet.

6.2. The requirement that the natural gas delivered by Supplier to Delta on behalf of End User conform to the specifications is a condition precedent to the performance by

**KENTUCKY
PUBLIC SERVICE COMMISSION**

Gwen R. Pinson
~~Executive Director~~

Gwen R. Pinson

**EFFECTIVE
12/1/2018**


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

Delta of the obligation to transport gas to End User imposed by this Agreement.

ARTICLE 7. MEASUREMENT.

7.1. Meters and other related equipment installed and maintained by or on behalf of Delta shall be the exclusive method and means of determining the quantity of gas redelivered to End User or delivered to Delta by Supplier for the account of End User. Reading, calibration and adjustment of Delta's meters and related measurement equipment shall be performed solely by Delta using generally accepted procedures. Delta shall read said meters at regular intervals and the cost of reading, calibrating, adjusting and otherwise maintaining said meters, excluding repair of damage due to the negligence or willful misconduct of End User, shall be borne by Delta. Delta shall test the accuracy of any Delta-owned meter in use under this Agreement in accordance with its standard practices as filed with the PSC (Practices 0-8.1 and 0-8.2) for such testing.

7.2. If End User challenges the accuracy of any meters maintained by Delta and requests to have the meters tested, Delta shall test the meters in the presence of End User or its representative, if End User exercises the right to be present or represented at such test. If the test shall prove the meter to be accurate within plus or minus two percent (+ or - 2%), the cost of testing the same shall be borne by the party requesting the test but if the test proves the meter to be in error by more than plus or minus two percent (+ or - 2%), then the cost of repairing the same shall be borne by the party who benefited from

<p>KENTUCKY PUBLIC SERVICE COMMISSION</p>
<p>Gwen R. Pinson Executive Director</p> 
<p>EFFECTIVE 12/1/2018 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)</p>

the inaccuracy. Meter measurements found to be in error more than plus or minus two percent (+ or - 2%) shall be corrected and the accounts for the period during which the meter error existed shall be adjusted accordingly. In the event the period during which the meter error existed is unknown, then the accounts shall be adjusted for one-half of the elapsed time since the last previous test but in no event for a period of more than sixty (60) days.

ARTICLE 8. DELIVERY POINTS AND TITLE.

8.1. Supplier Contract Gas. The point of delivery from Supplier to Delta for the account of End User shall be that Delivery Point herein described in Paragraph 1.2. End User shall retain title to the gas from the Delivery Point to the Redelivery Point. While Delta is in control and possession of the Supplier Contract Gas, it shall be responsible for any damage, claim, liability or injury caused by the gas and shall be responsible for the gas itself.

8.2. Excess Gas. The title to the Excess Gas sold by Delta to End User hereunder shall pass to End User at the Redelivery Point. Before the Excess Gas passes the Redelivery Point, Delta shall be in control and possession thereof and shall be responsible for the gas itself.

8.3. After delivery at the Redelivery Point of the Supplier Contract Gas and the Excess Gas sold by Delta to End User hereunder, End User shall be deemed in control and possession thereof and shall be responsible for any damage, claim, liability or injury caused by the gas.

ARTICLE 9. TAXES AND FRANCHISE FEES.

KENTUCKY PUBLIC SERVICE COMMISSION
Gwen R. Pinson Executive Director
<i>Gwen R. Pinson</i>
EFFECTIVE 12/1/2018 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

Delta may collect from End User any taxes and franchise fees, including, but not limited to, sales tax, school tax and gross receipts tax, which, by law, may be collected from End User and which are not otherwise paid by End User, whether such tax is now in existence or hereinafter promulgated or applied. The obligation to pay such taxes shall be in addition to the obligation to pay the appropriate rate set forth in Article 4 of this Agreement.

ARTICLE 10. FORCE MAJEURE.

10.1. Suspension of Obligations. 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 an express means of written communication, to the other party within a reasonable time after the occurrence of the force majeure relied on, the party giving such notice, to the extent that it is affected by such force majeure, shall not be in default of its obligations hereunder or liable in damages during the continuation of any inability so caused. The party claiming suspension due to force majeure shall use due diligence to put itself again in position to carry out all of the obligations which it assumes in this Agreement.

10.2. Force Majeure. The term "force majeure" as used herein means any cause not reasonably in the public service of the Commission claiming suspension, including but not limited to, acts of God or a public enemy, strikes, riots, injunctions or court orders, through legal proceedings, breakage or accident to machinery,

KENTUCKY
PUBLIC SERVICE COMMISSION
Gwen R. Pinson
Executive Director
Gwen R. Pinson
EFFECTIVE
12/1/2018
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

equipment or lines of pipe not due to negligence or willful misconduct of the party invoking force majeure, washouts, earthquakes, storms, freezing of lines or wells, blowouts, shutdowns to make emergency or unexpected repairs to machines, equipment or lines of pipe, and compliance with any statute or regulation, either State or Federal, or with any order of the Federal government of any branch thereof, or of the government of the Commonwealth of Kentucky.

10.3. Obligation to Pay. Notwithstanding the foregoing provisions of this Article, End User may not claim suspension, by reason of force majeure, of its obligations under Article 4 and 9 of this Agreement to pay Delta for transportation service rendered and those taxes and franchise fees which Delta may collect from End User.

ARTICLE 11. GOVERNMENTAL REGULATION.

11.1. This Agreement shall be subject to all applicable and valid statutes, rules, orders and regulations of any federal, state or local governmental authority or agency having jurisdiction over the parties, their facilities or gas supply, this Agreement or any provision thereof. The parties agree that should any state, federal or local governmental authority or agency with jurisdiction over the parties to this Agreement or transactions herein require approval for ~~Public Service Commission~~ hereunder, then each party shall make all necessary applications or filings and shall submit any records or documents to the governmental authority or agency.

KENTUCKY PUBLIC SERVICE COMMISSION
Gwen R. Pinson Executive Director
<i>Gwen R. Pinson</i>
EFFECTIVE 12/1/2018 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

11.2. Delta shall not be liable for failure to perform hereunder if such failure is due to compliance with rules, regulations, laws, orders or directives of any state, federal or local governmental regulatory authority or agency.

11.3. Nothing in this Agreement shall prevent any party from contesting the validity of any law, order, rule, regulation or directive of any state, federal or other governmental regulatory authority or agency, nor shall anything in this Agreement be construed to require any party to waive its right to assert the lack of jurisdiction of such regulatory body, governmental entity, or agency over this Agreement or any party thereto.

11.4. This Agreement shall not be effective in whole or in part until and unless all necessary regulatory approvals or authorizations shall have been obtained to the satisfaction of each of the parties hereto. In the event any such approval or authorization is withdrawn or expires (and any renewal is refused by the appropriate regulatory authority), this Agreement may be cancelled at the option of any party hereto. This Agreement may be terminated by Delta at any time during the term hereof if performance of this Agreement would subject Delta to the jurisdiction of the Federal Energy Regulatory Commission (FERC) or its successor. To the extent that Delta is aware of impending jurisdiction by FERC, Delta shall notify End User, in writing, of such impending action and the reason therefor prior to termination.

11.5. Except as otherwise provided here: *Gwen R. Pinson*
subject to the terms and conditions of Delta's Rates, Rules and

KENTUCKY
PUBLIC SERVICE COMMISSION
Gwen R. Pinson
Executive Director
Gwen R. Pinson
EFFECTIVE
12/1/2018
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

Regulations, as set forth in Delta's tariffs on file with the PSC, as same may be changed from time to time.

ARTICLE 12. GOVERNING LAW.


This Agreement was entered into under and, to the extent permitted by law, shall be construed in accordance with the laws of the Commonwealth of Kentucky.

ARTICLE 13. NOTICES.

Any notice, request, demand, statement, bill, payment, or other communication from any party to any other shall be in writing and shall be delivered to the addresses listed below or at such other address as the receiving party may designate in writing:

To Delta: Delta Natural Gas Company, Inc.
3617 Lexington Road
Winchester, Kentucky 40391
Attn: Donald C. Cartwright

To End User: Morehead Plant Utility Board
135 South Wilson Ave
Morehead, Ky. 40351
Attn: ~~Financial Coordinator~~
Kevin Mayhorn

KENTUCKY	
PUBLIC SERVICE COMMISSION	
Gwen R. Pinson Executive Director	
EFFECTIVE 12/1/2018	
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)	

ARTICLE 14. ASSIGNMENT.

Except as provided in the following sentence, neither party will, directly or indirectly, transfer or assign this Agreement or any of its rights or obligations hereunder without the prior written consent of the other party, which consent may be withheld or granted at the sole discretion of the other party. Either party may, without the consent of the other party, (a) sell, pledge, encumber or assign the revenues or proceeds it is to receive under this Agreement in connection with any financing or other financial arrangements; (b) transfer or assign this Agreement to an affiliate of that party; or (c) transfer or assign this Agreement to any person or entity succeeding to all or substantially all of the assets of such party; provided however, that in the case of clause (b) or (c), any such assignee will agree in writing to be bound by the terms and conditions hereof. Assignments or transfers not in compliance with this section shall be void and ineffective.

ARTICLE 15. SUCCESSORS.

Subject to the terms and conditions of this Agreement, this Agreement shall extend to and be binding upon the successors and assigns of the parties hereto.

ARTICLE 16. WAIVER.

A waiver by any party of any one or more defaults by any other party in the performance of any provision of this Agreement shall not operate as a waiver of any future default

KENTUCKY PUBLIC SERVICE COMMISSION
Gwen R. Pinson Executive Director

EFFECTIVE 12/1/2018 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

ARTICLE 17. SEVERABILITY.

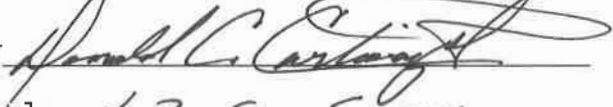
Except as otherwise provided herein, any provision of this Agreement declared or rendered unlawful by a statute, court of law or regulatory agency with jurisdiction over the parties or either of them, shall not otherwise affect the other obligations of the parties under this Agreement.

ARTICLE 18. HEADINGS.


The headings of the provisions of this Agreement are used for convenience only and shall not be deemed to affect the meaning or construction of such provisions.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands this the day and year first above written.

DELTA NATURAL GAS COMPANY, INC.

By 
Title V. P. Gas Supply
Date 9/25/18

Morehead Plant Utility Board

By 
Title General Manager
Date 9/20/18

KENTUCKY PUBLIC SERVICE COMMISSION
Gwen R. Pinson Executive Director 
EFFECTIVE 12/1/2018 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)