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AGREEMENT

THIS AGREEMENT, made and entered into this 20<sup>th</sup> day of SEPTEMBER, 1984, by and between DELTA NATURAL GAS COMPANY, INC. ("Delta") and SOUTHERN GAS COMPANY ("Southern");

W I T N E S S E T H:

THAT, WHEREAS, Southern has entered into an agreement with CORBIN BRICK COMPANY ("Corbin") to supply Corbin its entire natural gas requirement for ninety days; and

WHEREAS, Corbin, an existing customer of Delta, desires to have such quantities of natural gas transported to its facilities near Woodbine, Kentucky; and

WHEREAS, Southern desires and Delta, on behalf of Southern, agrees to receive, transport and redeliver quantities of natural gas to Corbin's facilities near Woodbine, Kentucky, on the terms and conditions hereinafter set forth.

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

ARTICLE I. TRANSPORTATION QUANTITY

1.1 Southern shall deliver to Delta at the interconnection of Southern's gathering line with Delta's 6" pipeline near Gray in Knox County, Kentucky (the "Gray Delivery Point") (and thereafter at such other delivery points on Delta's system as may, from time to time, be agreed upon) quantities of gas on a daily basis equal to Corbin's daily requirements (plus 2% by volume to cover losses).

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BY: [Signature]

1.2 Delta agrees to receive, for the account of Corbin, up to 500 Mcf of natural gas per day not to exceed a total of 36,000 Mcf during the term herein specified delivered or caused to be delivered to Delta by Southern, at the Gray Delivery Point (or at such other delivery points on Delta's system as may, from time to time, be agreed upon). On behalf of Southern, Delta shall redeliver quantities of gas (less 2% by volume to cover losses) to Corbin, on a daily basis, equal to Corbin's daily requirements at an existing meter between the pipeline facilities of Delta and Corbin's facilities near Woodbine in Whitley County, Kentucky.

1.3 It is understood that the volumes of gas in excess of Corbin's requirements delivered to Delta shall be balanced as nearly as possible. Should an imbalance exist on the date of termination of this agreement, such imbalance will be corrected within thirty (30) days of such termination either for overdeliveries by Southern having the option to bill Delta at the rate of \$2.65/Mcf or credit the volumes to other transportation arrangements in effect at that time or for underdeliveries by Southern delivering the deficient volumes to Delta within the said thirty (30) day period.

ARTICLE II. RATE

2.1 For its services rendered hereunder Delta shall be paid by Southern each thirty (30) days during the term hereof a Service Charge of \$12,000, making a total charge of \$36,000 ("Service Charge").

ARTICLE III. BILLING

3.1 A statement shall be rendered by Delta to Southern each month by the fifteenth day of the month following the Service Charge.

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3.2 Payments by check to the order of Delta Natural Gas Company, Inc. shall be made by Southern within ten days of receipt of the monthly statement. In the event a dispute in payment arises, Southern will nevertheless make payment without prejudice, of the billed amount in full. Should Southern fail to pay the amount of any bill in full when such amount is due, interest on the unpaid balance shall accrue at the prime interest rate in effect at Morgan Guaranty Trust Company of New York.

ARTICLE IV. DELIVERY PRESSURE AND QUALITY

4.1 All natural gas delivered by Southern to Delta shall be at sufficient pressure to enable the gas to enter Delta's facilities against the prevailing pressure therein.

4.2 All gas caused to be delivered by Southern and all gas redelivered by Delta hereunder shall be commercially free from air, dust, gum, gum-forming constituents, harmful or noxious vapors, or other solid or liquid matter which might interfere with its merchantability or cause injury to or interference with proper operation of the lines, regulators, meters and other equipment of the receiving party.

4.3 The gas caused to be delivered by Southern and the gas redelivered by Delta shall not contain in excess of:

- (a) seven (7) pounds of water vapor per million cubic feet of gas at the base pressure and temperature of fourteen and seven-tenths (14.7) pounds per square inch absolute and sixty degrees Fahrenheit (60° F). The water vapor will be determined by the use of a Bureau of Mines type dew point apparatus or in accordance with the latest approved methods in use in the industry generally.

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- (b) four percent (4%) by volume of a combined total of carbon dioxide and nitrogen components, provided, however, that the total carbon dioxide content shall not exceed three percent (3%) by volume;
- (c) twenty-five hundredths (0.25) grains of hydrogen sulfide per one hundred (100) cubic feet of gas;
- (d) twenty (20) grains of total sulphur per one hundred (100) cubic feet.

4.4 The gas caused to be delivered by Southern and the gas redelivered by Delta shall have a total heating value of not less than 980 Btu (British Thermal Units) per standard cubic foot. The total heating value of the gas shall be determined by taking samples of the gas at delivery and redelivery points at such reasonable times as may be designated by either party and having the Btu content per cubic foot determined by an accepted type calorimeter (or other suitable instrument) for a cubic foot of gas at a temperature of sixty degrees (60°) Fahrenheit when saturated with water vapor and at an absolute pressure of 14.73 psi. The gas caused to be delivered by Southern and the gas redelivered by Delta shall have a utilization factor of one thousand three hundred (1,300) plus or minus six percent (6%). The utilization factor is defined as that number obtained by dividing the heating value of the gas by the square root of its specific gravity.

4.5 All natural gas delivered by Southern to Delta shall have a minimum flowing temperature of 35° F. and a maximum flowing temperature of 90° F.

4.6 If either the gas caused to be delivered by Southern or the gas redelivered by Delta fails to meet the quality specifications set forth herein, then the receiving party may either elect to continue to receive such gas or refuse to take all or any portion of such gas until the delivering party brings the gas into conformity with such specifications.

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BY: *[Signature]*





any such approval or authorization is withdrawn or expires, this Agreement may be cancelled at the option of any party hereto.

9.2 This Agreement may be terminated forthwith by Delta at any time during the term hereof if performance of this Agreement would subject Delta to the jurisdiction of the FERC.

9.3 Any company which shall succeed by purchase, merger or consolidation to the properties, substantially as an entirety, of Delta or Southern, as the case may be, shall be entitled to the rights and shall be subject to the obligations of its predecessor in title under this Agreement. Delta or Southern may, without relieving themselves of their obligations under this Agreement, assign any of their rights and obligations hereunder to a corporation with which it is affiliated at the time of such assignment. Otherwise no assignment of this Agreement or any of its rights or obligations hereunder shall be made by any party without the written consent of the other first obtained. However, the provisions of this Article shall not in any way prevent the parties of this Agreement from pledging or mortgaging their rights hereunder as security for indebtedness.

9.4 This Agreement shall be binding upon and shall inure to the benefits of the respective successors and assigns of the parties hereto.

IN WITNESS WHEREOF, the parties have hereunto executed this Agreement on the day and year first above written.

ATTEST: DELTA NATURAL GAS COMPANY, INC.

*Smyth J. Boney* PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE BY: *Alan L. Heath*  
ATTEST: SOUTHERN GAS COMPANY

*Karen M. Underwood* PURSUANT TO 806 KAR 5-011, SECTION 9(1) BY: *Edward K. Law*  
DEC 17 1984  
BY: *Brynes*