

Natural Gas of Kentucky

Form for filing Rate Schedules

For Entire Service Area
Community, Town or City

P.S.C. NO. 1

Original SHEET NO. 2

Natural Gas of Kentucky
Name of Issuing Corporation

CANCELLING P.S.C. NO. _____
SHEET NO. _____

CLASSIFICATION OF SERVICE

DISTRIBUTION TRANSPORTATION TARIFF

1. APPLICABILITY

Entire service area of the Company.

2. AVAILABILITY OF SERVICE

This tariff and rate is available to any local distribution company desiring transportation service subject to availability of capacity on the pipeline.

3. RATE, TERMS, AND SPECIAL PROVISIONS

Distribution gas transportation service will be provided at the following rate for each Mcf of gas transported: \$0.65

Any other terms, conditions or service shall be subject to special contract.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 26 1996

PURSUANT TO 807 KAR 5011,
SECTION 9 (1)

BY: Jordan E. Neal
FOR THE PUBLIC SERVICE COMMISSION

DATE OF ISSUE May, 6 1996 DATE EFFECTIVE May 6, 1996

ISSUED BY Mark O'Brien TITLE PRESIDENT
Name of Officer

ISSUED PURSUANT TO ORDER DATED MAY 6, 1996 IN CASE NO. 95-547

Form for Filing Rate Schedules

For Rural Barren County
Community, Town or City

P.S.C. NO. _____

_____ SHEET NO. _____

CANCELLING P.S.C. NO. _____

_____ SHEET NO. _____

Natural Gas of Kentucky
Name of Issuing Corporation

CLASSIFICATION OF SERVICE

Transportation Service	RATE PER UN
<p>Natural Gas of Kentucky, Inc. is establishing a transportation service for customer owned gas for delivery by Company to facilities of commercial and industrial customers in rural Barren County in Kentucky. Service under this tariff shall be performed pursuant to special contract between Customer and Company establishing specific requirements for quantities of natural gas to be transported, points of receipt and delivery, methods of metering, timing of receipts and deliveries of gas by Company, and other matters relating to individual customer circumstances. Service shall be subject to the Company's Rules and Regulations on file with the Commission.</p>	

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

JAN 31 1994

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

Shane L. Lister
PUBLIC SERVICE COMMISSION MANAGER

DATE OF ISSUE 7/20/93

DATE EFFECTIVE 1/31/94

ISSUED BY Mark H. Yocum
Name of Officer

TITLE President

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. _____ dated _____

RECEIVED

MAY 24 1994

PUBLIC SERVICE COMMISSION

~~Glass paving TWS~~

GAS TRANSPORTATION AGREEMENT

19th JG

May mob

THIS AGREEMENT, made and entered into this the 19 day of July, 1993, by and between LARRY GLASS CONSTRUCTION COMPANY, hereinafter referred to as "Customer", and NATURAL GAS OF KENTUCKY, INC., hereinafter referred to as "Company".

WHEREAS, Customer owns and operates an asphalt plant in Barren County, Kentucky, which Plant currently does not have access to natural gas service of any kind; and

WHEREAS, Customer has obtained a supply of gas for use at its facilities upon receipt of transportation from Company; and

WHEREAS, Company will construct a transportation facility for delivery of Customer's gas to Customer's Plant pursuant to the terms and conditions contained herein.

NOW THEREFORE, in consideration of the mutual agreements, covenants and conditions herein contained, Company and Customer hereby agree as follows:

ARTICLE I.

Definitions:

1.1 RATE shall mean the charge to be paid by Customer to Company for each MCF of gas delivered from the Delivery Point(s) to Customer's Plant.

1.2 DELIVERY POINT(S) shall mean the point(s) designated herein or mutually agreed by Customer and Company for delivery of the gas from Tennessee Gas Pipeline to the facilities of the Company.

1.3 QUANTITY shall mean the maximum amount of gas measured in MCF per day which Customer expects to cause to be delivered to Company at the Delivery Point(s) for redelivery to Customer's Plant.

ARTICLE II.

Term:

2.1 The term of the Agreement shall commence upon the execution hereof and shall remain in effect for an initial term of ten (10) years from the date of the first deliveries hereunder, and for successive renewal terms of one (1) year thereafter, unless terminated by either party upon written notice prior to the end of the initial term or any renewal term.

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JUN 20 1994

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

BY: [Signature]
PUBLIC SERVICE COMMISSION MANAGER

ARTICLE III.

Delivery Point(s), Pressure and Title:

3.1 Company shall cause the gas to be delivered to Customer at the Delivery Point(s) mutually agreed. Gas will be delivered at a pressure which is sufficient to effect delivery into Customer's facilities. Company shall at all times retain title to the gas while it is being transported by Company to Customer's Plant.

3.2 Delivery Point Description (receipt by Company):

MOS
in Metcalf Co. Ky. *MS*
At Tennessee Gas Pipeline Tap on the ~~Flint Knob Road in Barren County,~~
~~Kentucky.~~

3.3 Location of facilities for final delivery of gas:

MOS
in Horse Cave Ky.
At Customer's Asphalt Plant on ~~Flint Knob Road in Barren County,~~
~~Kentucky.~~

ARTICLE IV.

Quantity:

4.1 Company agrees to transport all natural gas used at Customer's asphalt plant located on Flint Knob Road in Barren County, Kentucky, over the facilities to be constructed by Company for the term of this Agreement, subject to any capacity or operational limitations of such facilities, and Customer agrees to buy all gas used at this asphalt plant exclusively from Company for the term of this agreement. Gas will be transported on an interruptible basis. Customer represents that it has alternate fuel capabilities to supply this plant during periods of interruption. Customer shall submit to Company a nomination for the quantity (including allowances for fuel, compression, and shrinkage) of gas Customer expects to transport during the next calendar month, on or before ten days prior to the first day of such month, specifying its nominated quantity in MCF/day on a form supplied by Company. Customer shall be responsible for current payment of any penalties or other transporter charges resulting from imbalances caused by its failure to properly match its nominations and its purchases. Company shall be responsible for current payment of any penalties or transporter charges resulting from imbalances caused by its failure to provide supply and effect transportation of the nominated quantities to the Delivery Point(s). At least every sixty (60) days, the parties shall reduce to zero, imbalances for all but the current month, by making tender of gas volumes, cash payment, or other adjustment as appropriate.

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BY: *[Signature]*
PUBLIC SERVICE COMMISSION MANAGER

4.2 Numerical Paragraph 2.1 and any other provision contained herein to the contrary notwithstanding, in the event transportation of gas is interrupted for thirty (30) consecutive days, or in the event transportation of gas is interrupted for a total of thirty (30) days within any sixty (60) day period, this Agreement may be terminated at the expiration of thirty (30) days after receipt by Company of written notice from Customer of its intention to terminate this agreement.

ARTICLE V.

Measurement Facilities:

5.1 At or near each Delivery-Point(s) hereunder, or any other mutually agreeable point, Company, at its sole expense, shall construct and install a metering station and grant and assign to Customer, or Customer's representative, all necessary rights of ingress and egress to the metering station site. The metering facilities shall be designed, owned, and constructed by Company.

5.2 Company's representative shall operate and maintain the measuring facilities including the reading, calibration, and adjusting thereof. Volumes shall be computed and the facility maintained and operated in accordance with and as prescribed by the American National Standards Institute/American Petroleum Institute (ANSI/API) standard number 2530 including current revisions thereto. Adjustments will be made for measurement errors in excess of two percent (2%) in accordance with standard pipeline practices and procedure. Customer shall have the right to install check measurement facilities provided that such does not interfere with the operation of the above mentioned measuring facilities.

ARTICLE VI.

Quality:

6.1 The gas delivered hereunder shall be of pipeline quality and conform to the specifications set forth in the applicable tariff of the Tennessee Gas Pipeline System.

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SECTION 9 (1)

BY: James H. Hall
PUBLIC SERVICE COMMISSION MANAGER

ARTICLE VII.

Price:

7.1 Transportation charges will be a flat rate of \$3.00 per MCF delivered.

Such price will be the total consideration paid by Customer to Company for transportation over Company's facilities and is inclusive of any and all costs, fees, taxes, royalties, gathering, treating, and transportation expenses, subject to Section 7.2 hereof, and Company agrees to indemnify, defend and hold Customer harmless from any and all obligation or liability for same.

7.2 Any state or local sales or use tax or any utility gross receipts license tax imposed by any state or local government agency or instrumentality within Kentucky shall be paid by Customer. Nothing contained herein shall be construed as imposing any obligation on Company with respect to any tax imposed on Customer after title and possession of the gas shall have passed to Customer or Customer's designee.

ARTICLE VIII.

Facilities to be Constructed:

8.1 Upon execution of this Agreement, and subject to the receipt of all required regulatory approvals, adequate financing, and right of way agreements, and subject to the completion of a tap to the Tennessee Gas Pipeline at the Delivery Point, Company shall commence the construction of a pipeline from the Delivery Point to Customer's Plant in Barren County, Kentucky. Upon completion, Company's facilities will be operated and maintained by Company during the term of this Agreement.

8.3 Customer agrees to commence conversion of their plant from diesel to natural gas upon the completion of this contract and have the conversion completed within eight (8) weeks.

ARTICLE IX.

Billing and Payment:

9.1 Company shall render to Customer on or before the calendar month a statement setting forth the total quantity of gas

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PURSUANT TO 307 KAR 5.011,
SECTION 9(1) gas
BY: [Signature]
PUBLIC SERVICE COMMISSION MANAGER

transported to Customer's Plant during the preceding month, payment of which will be due by the 15 of the same month. If payment is not made within such time, the unpaid balance shall bear interest until paid at the prime rate of interest charged from time to time by Chase Manhattan Bank, N.A., New York, New York, to responsible industrial and commercial borrowers, plus two percent (2%); provided, however, that such rate shall not be in excess of the maximum interest rate permitted under applicable law. Payment and presentation dates hereunder will be determined by postmark dates.

ARTICLE X.

Government Regulation:

10.1 It is understood by the parties that this Agreement, and performance hereunder, is subject to all present and future valid laws, orders, statutes, and regulations of courts or regulatory bodies (State or Federal) having jurisdiction over this transaction or any party hereto. Should any party hereto, by force of any such law, order, statute, or regulation, be ordered or required to do or refrain from any act inconsistent with the provisions of this Agreement, then this Agreement may be immediately terminated by such party by written notice to the other party. If the right to termination is not exercised by either party, then this Agreement shall continue, but shall be deemed modified to conform with the requirements of such law, order, statute, or regulation.

10.2 Company agrees to make, on a timely basis, all regulatory filings if any, that may be needed to effectuate the contemplated purchase and sale.

ARTICLE XI.

Warranties:

11.1 Company warrants unto Customer, its successors, and assigns, that it holds good and marketable title to the gas transported hereunder and/or that it has the authority from the holder(s) of such title to said gas to contract for the transportation of the gas delivered to Customer hereunder.

11.2 Company agrees to indemnify, defend, and hold Customer and the property of Customer free and harmless from any and all claims, liability, loss, damage or expenses, including court costs and reasonable attorney fees of Customer, resulting from Company's obligations hereunder, including, but not limited to, any claim, liability, loss, damage or expense, including court costs and reasonable attorney fees arising:

a. By reason of injury to person or property, from ~~the~~ ^{PUBLIC SERVICE COMMISSION} resulting from, caused by, or arising out of Company's obligations ^{OF KENTUCKY}, including any liability for injury to the person or personal property ^{EFFECTIVE} of Company, its agents, officers, or employees;

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BY: Chas. J. Miller
PUBLIC SERVICE COMMISSION

b. By reason of any work performed or materials furnished at the instance or request of Company, its agents or employees.

c. By reason of Company's failure to perform any provision of this Agreement or to comply with any requirement imposed upon it or upon Company's operations by any duly authorized governmental agency or political subdivision, including, but not limited to, any violation or alleged violation of any Federal, state or local statute, rule, ordinance or regulation relating to the protection of the environment, including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. 9601, et seq. ("CERCLA"), Resource Conservation and Reorganization Act, 42 U.S.C. §6901, et seq. ("RCRA"), the Safe Drinking Water Act, 42 U.S.C. §300, et seq., the Clean Air Act, 42 U.S.C. §7401, et seq. ("CAA"), the Toxic Substance Control Act, 15 U.S.C. §2601, et seq., ("TSCA"), and the Hazardous Materials Transportation Act, 49 U.S.C. §1802, et seq., or

d. Because of Company's failure or inability to pay as they become due any obligations incurred by Company in the operations to be conducted pursuant to this Agreement.

ARTICLE XII.

Force Majeure:

12.1 In the event Company or Customer is rendered unable, by an event of force majeure, to carry out wholly or in part, its obligations under the provisions hereunder, it is agreed that if such party gives notice and full particulars of such event of force majeure to the other party as soon as possible after the occurrence of the cause relied on, then the obligations of the party affected by such effect of force majeure shall, other than the obligation to make payments when due hereunder, shall be suspended during the continuance of any such inability so caused, and such event of force majeure shall, so far as possible, be remedied with all reasonable dispatch. The term "force majeure" as employed herein shall mean acts and events not reasonably within the control of the party claiming suspension, but in no event shall "force majeure" mean financial inability to pay for any amount due under this Agreement.

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ARTICLE XIII.

Notices:

13.1 Any notice, request, demand, statement, or payment provided for in this Agreement shall be in writing and shall be deemed delivered as of the postmarked date when mailed by ordinary mail to the other party at the address appearing below. A notice sent by telecopier shall be received twenty-four (24) hours after such notice was sent. The addresses of the parties are as follows:

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BY: *[Signature]*
PUBLIC SERVICE COMMISSION MANAGER

CUSTOMER:

NOTICES AND CORRESPONDENCE:

Larry Glass Construction Company
1683 Burkesville Road
Glasgow, Kentucky 42141

COMPANY:

NOTICES AND CORRESPONDENCE:

Jadie Parsons
2875 Sulphur Well Road
Center, Kentucky 42214

or to such address as Company or Customer shall from time to time designate by letter properly addressed.

ARTICLE XIV.

Miscellaneous:

14.1 The provisions of this Agreement shall extend to the parties hereto and to their heirs, successors, and assigns. This Agreement may not be assigned without the written consent of both parties, which shall not be unreasonably withheld; provided, however, either party hereto may assign this Agreement to a financially-responsible affiliate without the prior consent of the other party.

14.2 This Agreement constitutes the entire agreement between the parties and no waiver, representation, or agreement, verbal or otherwise, shall affect the subject matter hereof unless and until such waiver, representation, or agreement is reduced to writing and executed by the authorized representative of the parties.

14.3 This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Kentucky.

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JUN 20 1934

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

BY: Clayton D. Hall
PUBLIC SERVICE COMMISSION MANAGER

"CUSTOMER"

BY: LARRY GLASS CONSTRUCTION
COMPANY, INC.

TITLE: president

Larry J. Glass
signature

ATTEST:

[Signature]
signature

"COMPANY"

BY: NATURAL GAS OF KENTUCKY,
INC.

TITLE: Secretary

Jackie Parsons
signature

ATTEST:

[Signature]
signature

PUBLIC SERVICE COMMISSION
OF KENTUCKY
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JUN 20 1934

PURSUANT TO 807 KAR 5:011.
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BY: [Signature]
PUBLIC SERVICE COMMISSION MANAGER