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This instrument prepared by:  
J. David Woodruff, Jr.  
12th Floor  
2101 Sixth Avenue North  
Birmingham, AL 35203

LEASE

STATE OF ALABAMA     )  
SHELBY COUNTY         )

THIS LEASE, made this 28th day of September, 1993, by and between The Chilton County Gas District, a public corporation organized under the laws of the State of Alabama, hereinafter called "lessor", and Alabama Gas Corporation, an Alabama corporation, hereinafter called "lessee", WITNESSETH:

WHEREAS, contemporaneously with the execution and delivery of this Agreement the parties have closed, for a purchase price of \$1,082,000 the purchase by lessee of lessor's gas distribution system pursuant to that certain Purchase Agreement, dated March 16, 1993, between the parties, excepting from such conveyance however that portion of lessor's gas distribution system hereinafter described;

For and in consideration of the foregoing, the mutual covenants and promises hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Lease. Lessor hereby leases to lessee, and lessee hereby leases and hires from lessor, that portion of lessee's gas distribution system described as follows:

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SHELBY COUNTY JUDGE OF PROBATE  
006 NCD 21.00

Inst # 1994-05392

will pick up

the first 10 feet of that portion of the transmission line beginning at the point of connection at the outlet flange of the Southern Natural Gas Company's metering station located near Calera, Alabama on Highway 25 in Shelby County, Alabama.

Said 10-foot portion of transmission line is hereinafter called "pipeline".

2. Term. Lessor does hereby lease to the lessee the above described pipeline for a term commencing on the date hereof and terminating at midnight September 28, 2023. At lessee's option lessee may terminate this lease at any time by delivery of written notice of termination to lessor.

3. Rent. The rent for the pipeline has been fully prepaid with the considerations described above.

4. Use. Lessee shall use the pipeline in a careful and proper manner and shall comply with and conform to all national, state, municipal, police and other laws, ordinances and regulations in anywise relating to the possession, use or maintenance of the pipeline. If at any time during the term hereof lessor supplies lessee with labels, plates or other markings, stating that the pipeline is owned by lessor, lessee shall affix and keep the same upon a prominent place on the pipeline.

5. Lessor's Inspection. Lessor shall at any and all times during business hours have the right to enter into and upon the premises where the pipeline may be located for the purpose of inspecting the same or observing its use. Lessee shall give lessor immediate notice of any attachment or other judicial process affecting any item of pipeline.

6. Alterations. Lessee shall have the right to make alterations, additions, replacements or improvements to the pipeline.

7. Repairs. Lessee, at its own cost and expense, shall keep the pipeline in good repair, condition and working order and shall furnish any and all parts, mechanisms and devices required to keep the pipeline in good mechanical and working order.

8. Loss and Damage. Lessee hereby assumes and shall bear the entire risk of loss and damage to the pipeline from any and every cause whatsoever with the exception of condemnation and relocation. No loss or damage to the pipeline or any part thereof shall impair any obligation of lessee under this lease which shall continue in full force and effect.

In the event of loss or damage of any kind whatever to any item of pipeline, lessee shall at the option of lessee:

- (a) Place the same in good repair, condition and working order; or
- (b) Replace the same with like equipment in good repair, condition and working order.

9. Condemnation and Relocation. In the event said pipeline should be condemned and its use thereof prohibited by the State, County and/or City authorities, such condemnation shall operate as a cancellation of this lease. Should the said pipeline be required by the State, County and/or City authorities to be removed and/or relocated, lessee at its option may either cancel this lease or accept the responsibility for such removal and relocation and the costs of such removal and relocation. In either

event, lessee will have the right to any proceeds or reimbursement received from whatever governmental agency.

10. Surrender. Upon the expiration or earlier termination of this lease, with respect to any item of pipeline, lessee shall return the same to lessor in good repair, condition and working order, ordinary wear and tear resulting from proper use thereof alone excepted.

11. Insurance. Lessee shall maintain all risks property damage insurance for not less than the full replacement value; and shall carry public liability and property damage insurance covering the pipeline.

12. Taxes. Lessee shall keep the pipeline free and clear of all levies, liens and encumbrances and shall pay all license fees, registration fees, assessments, charges and taxes (municipal, state and federal) which may now or hereafter be imposed upon the ownership, leasing, renting, sale, possession or use of the pipeline, excluding, however, all taxes on or measured by lessor's income.

13. Warranties. Lessor makes no warranties, either express or implied, as to any matter whatsoever, including, without limitation, the condition of the pipeline, its merchantability or its fitness for any particular purpose.


14. Indemnity. Lessee shall indemnify lessor against and hold lessor harmless from, any and all claims, actions, suits, proceedings, costs, expenses, damages and liabilities, including attorney's fees, arising out of, connected with, or resulting from

the ownership, lease maintenance, possession, use, or operation of the pipeline during the term of this Lease.


15. Assignment. Either party may assign its interest in this lease. This lease inures to the benefit of, and is binding upon, the successors and assigns of the parties hereto.

IN WITNESS WHEREOF the parties hereto have executed these presents the day and year first above written.

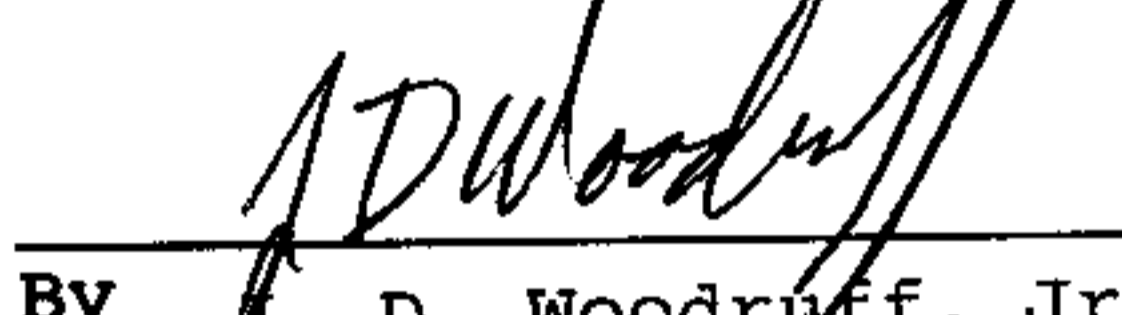
ATTEST:

  
By Deborah Robinson  
Its Secretary

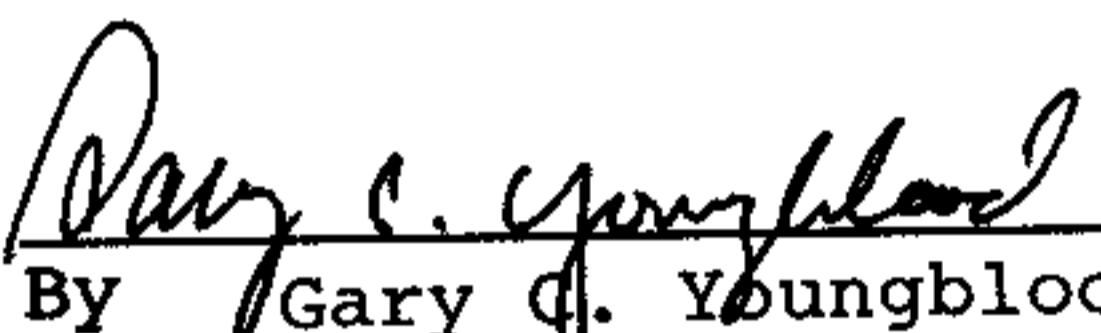
THE CHILTON COUNTY GAS DISTRICT

  
By Clyde L. Northcutt  
President

ATTEST:

  
By J. D. Woodruff, Jr.  
Assistant Secretary

ALABAMA GAS CORPORATION

  
By Gary C. Youngblood  
Senior Vice President-  
Administration

STATE OF ALABAMA )  
CHILTON COUNTY )

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that Clyde L. Northcutt whose name as President of The Chilton County Gas District is signed to the foregoing lease, and who is known to me, acknowledged before me on this day that, being informed of the contents of the instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said District.

Given under my hand and official seal, this the 28th day of September, 1993.

*Myrtle Cost*  
NOTARY PUBLIC

My Commission Expires January 20, 1997

STATE OF ALABAMA )  
CHILTON COUNTY )

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that Gary C. Youngblood, whose name as Senior Vice President - Administration of Alabama Gas Corporation, is signed to the foregoing lease, and who is known to me, acknowledged before me on this day that, being informed of the contents of the conveyance, he, with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and official seal, this the 28th day of September, 1993.

*Myrtle Cost*  
NOTARY PUBLIC

My Commission Expires January 20, 1997

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STATE OF ALA. CHILTON CO  
I CERTIFY THIS  
INSTRUMENT WAS FILED

1993 OCT 21 AM 9:50

UCC FILE NUMBER OR REC.  
BK. & PAGE AS SHOWN ABOVE

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| DEED   |       |
| MORTG. |       |
| REC.   | 16.00 |
| INDEX  | 3.00  |
|        | 2.00  |