

NEAL & HARWELL, PLC

ATTORNEYS AT LAW
1201 DEMONBREUN STREET
SUITE 1000
NASHVILLE, TENNESSEE 37203

TELEPHONE
(615) 244-1713

FACSIMILE
(615) 726-0573

NEALHARWELL.COM

A. SCOTT ROSS

SROSS@NEALHARWELL.COM
(615) 238-3524 (DIRECT)

19-00072

August 14, 2019

Victoria Lawless, Docket Manager
Tennessee Public Utility Commission
500 Deaderick Street, 4th Floor
Nashville, TN 37242

VIA HAND DELIVERY AND E-MAIL

tpuc.docketroom@tn.gov

RE: Atmos Energy Corporation
Petition for Approval of Agreement with Brown-Forman
Corporation, d/b/a Jack Daniel Distillery

Dear Ms. Lawless:

Enclosed are the Petition of Atmos Energy Corporation in the referenced matter, along with Pre-Filed Testimony of Daniel P. Bertotti. We are filing a redacted version of both for posting to the website. Also enclosed are the unredacted (full) versions of the filings, which are being filed **under seal** and are not to be posted to the website. I enclose a proposed Protective Order.

I have also enclosed the filing fee of \$25.00.

Please do not hesitate to contact me if you have any questions regarding this filing.

Best regards.

Sincerely,


A. Scott Ross

ASR:prd

Enclosures

**BEFORE THE TENNESSEE PUBLIC UTILITY COMMISSION
NASHVILLE, TENNESSEE**

IN RE:

PETITION OF ATMOS ENERGY
CORPORATION FOR APPROVAL OF
AGREEMENT WITH BROWN-FORMAN
CORPORATION, d/b/a JACK DANIEL
DISTILLERY

)
)
) Docket No. 19-00072
)
)
)

**PETITION OF ATMOS ENERGY CORPORATION FOR APPROVAL
OF AGREEMENT WITH BROWN-FORMAN CORPORATION
d/b/a JACK DANIEL DISTILLERY**

Atmos Energy Corporation ("Atmos Energy") respectfully petitions the Tennessee Public Utility Commission ("TPUC") for approval, pursuant to TRA Rule 1220-4-1-.07, of an Agreement for Extension of Distribution Main and Interruptible Service ("Agreement") with Brown-Forman Corporation, d/b/a Jack Daniel Distillery, Lem Motlow, Prop. ("Jack Daniel").

In support of this Petition, Atmos Energy respectfully states as follows:

1. The full name and address of the principal place of business of the company are:

Atmos Energy Corporation
5430 LBJ Freeway, S. 1800
Dallas, TX 75240

2. All correspondence and communications with respect to this Petition should be sent to the following:

Mark A. Martin
Atmos Energy Corporation
Rates & Regulatory Affairs
3275 Highland Pointe Drive
Owensboro, KY 42303-7835
mark.martin@atmosenergy.com

A. Scott Ross, Esq.
Neal & Harwell, PLC
1201 Demonbreun Street, Ste. 1000
Nashville, TN 37203
sross@nealharwell.com

Kevin C. Frank, Esq.
Atmos Energy Corporation
5430 LBJ Freeway
1800 Three Lincoln Centre
Dallas, TX 75240
kevin.frank@atmosenergy.com

3. Atmos Energy is a corporation organized and existing under the laws of the states of Texas and Virginia and is engaged in the business of transporting, distributing and selling natural gas, including areas of Tennessee.

4. Jack Daniel is a Delaware corporation, which, among other things, operates the Jack Daniel's distillery in Lynchburg, Moore County, Tennessee.

5. Jack Daniel seeks an extension of Atmos Energy's natural gas system so as to enable Atmos Energy to increase its capacity to provide natural gas service to Jack Daniel at its Lynchburg distillery. To that end, Jack Daniel and Atmos Energy have, subject to TPUC approval, entered into an Agreement under which Atmos Energy will install approximately 21,000 feet of 8-inch steel natural gas pipeline situated in Moore County, Tennessee, connecting the Jack Daniel distillery with the interstate pipeline operated by Enbridge Incorporated (d/b/a East Tennessee Natural Gas). The Agreement is attached hereto as Exhibit A.

6. In general terms, the Agreement calls for Atmos Energy to construct the referenced facilities; for Jack Daniel to make Aid-In-Construction payments to Atmos Energy totaling \$ [REDACTED]; for gas service to be provided to Jack Daniel in accordance with then-current rates under Atmos Energy Tariff 250 (Interruptible Gas Service) or, if elected by Jack

Daniel, under Tariff 260 (Transportation Service); for Jack Daniel to utilize Atmos Energy exclusively for the delivery of its natural gas requirements; and for Jack Daniel to make a minimum level of gas purchases during the initial 15-year term of the Agreement, with corresponding margin contribution shortfall provisions.

7. Although pricing under the Agreement will be in accordance with then-current tariff rates, the Agreement's minimum margin requirement provisions are not specifically authorized by an existing Atmos Energy Tennessee tariff. Atmos Energy therefore submits this Petition seeking TPUC approval of the Agreement.

8. Atmos Energy would show that approval of the Agreement will benefit Tennessee ratepayers and otherwise serve the public interest.

9. In further support of this Petition, Atmos Energy relies upon the Pre-Filed Testimony of Daniel P. Bertotti.

WHEREFORE, Atmos Energy respectfully requests that the Agreement between Atmos Energy Corporation and Brown-Forman Corporation, d/b/a Jack Daniel Distillery, Lem Motlow, Prop. be approved.

Respectfully submitted,

NEAL & HARWELL, PLC

By: 

A. Scott Ross, #15634

1201 Demonbreun Street, Ste. 1000

Nashville, TN 37203

(615) 244-1713 – Telephone

(615) 726-0573 – Facsimile

sross@nealharwell.com

Counsel for Atmos Energy Corporation

EXHIBIT A

AGREEMENT FOR EXTENSION OF DISTRIBUTION MAIN AND INTERRUPTIBLE SERVICE

THIS AGREEMENT FOR EXTENSION OF DISTRIBUTION MAIN AND INTERRUPTIBLE SERVICE (the "Agreement") is made and entered into this 8th day of August, 2019, by and between **ATMOS ENERGY CORPORATION**, a Texas and Virginia corporation ("Company"), and **BROWN-FORMAN CORPORATION, d/b/a Jack Daniel Distillery, Lem Motlow, Prop.**, a Delaware corporation with its principal place of business at 850 Dixie Highway, Louisville, Kentucky 40210 ("Customer"), each also referred to individually as a "Party" and collectively as the "Parties."

WITNESSETH

WHEREAS, Customer is desirous of securing an extension of facilities to the gas distribution system now owned and operated by Company in order to enable Company to increase Company's capacity to provide interruptible natural gas service to Customer at the Jack Daniel's Distillery, located on Lynchburg Highway, Lynchburg, Moore County, Tennessee; and

WHEREAS, Company is willing to construct such extension and related facilities (the "Extension") as described in Section 3, subject to the terms and conditions set forth herein; and

WHEREAS, in consideration thereof, Customer agrees to exclusively use Company for the delivery of its natural gas requirements subject to the terms and conditions described below; and

NOW, THEREFORE, FOR AND IN CONSIDERATION of the mutual covenants and agreements hereof, and other good and valuable consideration, the Company and Customer have agreed and do hereby covenant and each agree with the other as follows, to-wit:

1. Contract Requirements, Availability. For the operation of Customer's facilities located in Lynchburg, Moore County, Tennessee (collectively the "Facility"), the Company will sell and deliver to Customer, and Customer agrees to purchase and take delivery from Company, Customer's full natural gas requirements of the Facility up to the "Maximum Daily Quantity" as hereinafter defined, for the Term as hereinafter defined, utilizing the point of delivery specified hereinafter, and on the basis set forth herein. Company shall not be responsible for obtaining capacity for Customer on any upstream connecting pipeline and is supplying interruptible natural gas service only. Customer may elect to convert the interruptible service to interruptible transportation service on not less than sixty (60) days' prior written notice to Company, subject to the terms and conditions set forth in Section 14 below.

(a) Maximum Daily Quantity: "Maximum Daily Quantity" shall be defined as 425 Mcf per hour, and 10,200 Mcf per day, at a minimum delivery pressure of 50 psig.

Company shall not be obligated to deliver to Customer quantities of natural gas in excess of the above Maximum Daily Quantity. The Maximum Daily Quantity may be renegotiated from time to time on terms acceptable to, and agreed to in writing by, both Parties.

(b) Price: The price to be paid by Customer for interruptible natural gas service under this Agreement is as set forth in Company's then current Rate Schedule 250 of Company's Tariff on file with the Tennessee Public Utility Commission.

(c) "Day" Defined: For purposes of and as used in this Section 1, "day" shall mean the 24-hour period beginning at nine o'clock a.m. Central Time.

2. Term. The Term of this Agreement shall become effective on the date the Extension is complete and put in service (i.e., with a Full Flow (defined herein as a maximum hourly quantity of 425 Mcf and a maximum daily quantity of 10,200 Mcf) of natural gas, as called for herein) by Company (the "Effective Date") and shall continue in full force and effect thereafter for a term of 15 years (the "Primary Term"). Subject to the other provisions of this Section 2, this Agreement shall automatically renew for three (3) consecutive five (5) year terms (each of which is a "Renewal Term"), the first of which shall begin immediately at the end of the Primary Term. (The Primary Term and the Renewal Terms may be referred to collectively as the "Term.") If Customer does not want this Agreement to renew for a particular Renewal Term, it must give written notice to Company not less than six (6) months prior to the expiration of the prior Term that it elects for there not to be a Renewal Term (or another Renewal Term, as applicable). During any Renewal Term, Customer shall only be obligated for payment of the rates established in line (6) of Appendix A, attached hereto and fully incorporated herein, and no Required Annual Gross Margin (as hereinafter defined) shall be required, but the other terms and provisions of this Agreement shall continue to apply, as applicable. During any Renewal Term, Company shall not reduce the average amount of natural gas it makes available to Customer on a daily basis from what it makes available during the Primary Term, unless agreed otherwise in writing by the parties. Upon Customer's timely election not to renew this Agreement, or upon default by Customer under this Agreement which is not cured, all further renewal rights of Customer shall immediately terminate.

3. Extension of Facilities. The Extension shall consist of approximately 21,000 feet of 8-inch steel natural gas pipeline situated in Moore County, Tennessee and running from a point of interconnection with Company's proposed interconnecting facility with Enbridge Incorporated (d/b/a East Tennessee Natural Gas) near Bobo Hollow Road and Tennessee State Route 55 (Lynchburg Highway), then paralleling the ROW of TN-55 south to the company's existing natural gas distribution system near the entrance to Jack Daniel's Distillery and customer's existing meter station. Customer agrees to provide easements as necessary to complete the Extension on Customer's property at no cost to Company and on terms acceptable to Company. Customer also agrees to use reasonable efforts to assist Company in securing all easements necessary to complete the Extension. The location of the easements will be determined at the end of construction of the

Extension on an "as built" basis so as to ensure the Extension lies completely within the easement.

4. Aid-In-Construction. Customer agrees to pay Company Aid-In-Construction (AIC) payments totaling \$ [REDACTED] in three (3) installments as follows:

- (a) The first installment of \$ [REDACTED] shall be paid on October 15, 2019.
- (b) The second installment of \$ [REDACTED] shall be paid on May 15, 2020.
- (c) The final installment of \$ [REDACTED] shall be paid within fifteen (15) days after Company notifies Customer that construction on the Extension is complete and Company is ready and able to deliver natural gas (Full Flow) through the Extension to the Facility.

The Extension shall remain the property of the Company as described in Section 8 below.

5. Gross Margin Requirements. Company agrees to construct the Extension and to make natural gas available to the Facility in such amounts, so that the annual gross margin derived by Company from interruptible service for Customer to the Facility via the rates set forth in Appendix A, line (6) shall be equal to or exceed the "Required Annual Gross Margin" as set forth in Appendix A, line (5). "Required Annual Gross Margin" as used herein is defined as the amount of Gross Margin which Company must derive from transportation service to the Facility in each year of the fifteen (15) years of the Primary Term of this Agreement and which is set forth in line (6) of Appendix A. "Gross Margin" is defined herein as the amount paid by Customer to Company for the delivery of natural gas delivered to the Facility and which exceeds the cost incurred by Company to purchase and deliver the natural gas that is delivered by Company to the Facility, plus facility charges over the applicable period.

At the end of each one (1) year period during the Primary Term beginning on the date the Extension is complete and put in service (i.e., with a Full Flow of natural gas, as called for herein), if the actual gross margin derived by Company during such one (1) year period, as reasonably calculated by Company, does not meet or exceed the Required Annual Gross Margin of that corresponding year shown on Appendix A, the Customer agrees to pay promptly to Company the difference between the Required Annual Gross Margin, as shown on Appendix A, and the actual gross margin for such one (1) year period, as reasonably calculated by Company, plus any applicable taxes. The Required Annual Gross Margin obligation for each year as set forth in this Section 5 and in Appendix A is not contingent upon Customer taking delivery of gas from Company during any such year or upon the Facility being operational during the Primary Term, and in the event that Customer ceases to take deliveries of gas from Company at the Facility prior to the expiration of the Primary Term of this Agreement, any Required Annual Gross Margin shortfall for the then current year and the Required Annual Gross Margin for each year remaining in the Primary Term shall continue to be due and payable as stated herein. Each year stands alone and Customer shall not be entitled to any credit

carryover in the event the Required Annual Gross Margin is exceeded in any year of the Primary Term.

Notwithstanding the other provisions of this Section 5 or Appendix A, to the extent that (i) interruptible sales natural gas is available at the Enbridge Incorporated (dba East Tennessee Natural Gas) interconnect described in Section 3 above for interruptible transport by Company for Customer, or (ii) Customer has arranged its own transportation natural gas at said interconnect for transport by Company for Customer, and if, notwithstanding the circumstances described in Clauses (i) or (ii) above, Company cannot or does not make interruptible natural gas service available to Customer at the Maximum Daily Quantity (through no fault of Customer), such that Customer has to use an alternate fuel supply or curtail or alter its production or operations, then for each day of such interruption the Required Annual Gross Margin for the applicable year shall be appropriately reduced by Company based on Customer's historical average daily transportation quantities over the sixty (60) day period immediately preceding each such day of interruption to account for such unavailability.

6. Regulatory Authorities. This Agreement is subject to approval by the Tennessee Public Utility Commission (the "Commission"). Furthermore, the terms and conditions of this Agreement are subject to amendment or alteration as a result of and in accordance with a valid applicable order, regulation, allocation or formal request of any governmental or regulatory authority. Inability on the part of the Company to meet its contractual obligations to Customer, when such inability is due to Company's compliance with such order, regulation, allocation or formal request, shall not constitute default on the part of Company, and this Agreement shall remain in full force and effect except as necessarily modified during the effective period of such order, regulation, allocation or formal request, and Company shall not be liable for any injury or loss caused by such curtailment or discontinuance of the supply of natural gas on account thereof.

7. Point of Delivery. The point of delivery of the gas delivered hereunder shall be at the point as described in Appendix B ("Delivery Point").

8. Ownership of Facilities. All gas distribution facilities constructed by Company to fulfill its obligations hereunder, shall remain the property of Company and the title, control and operation thereof, shall at all times remain in Company, its successors or assigns.

9. Commencement of Construction. Company will commence physical construction of the Extension by June 1, 2020, or as soon after as is reasonable and practical and materials can be obtained for the work, and Company shall diligently carry out and complete the work without delay; but Company shall not be liable for delays in commencing or completing such work or its failure to commence or complete same caused by conditions or contingencies beyond its control, including, but not by limitation, events of Force Majeure, as defined in Section 11 below. The construction on the Extension shall be carried out with natural gas to be ready for delivery (i.e., at Full Flow, as called for herein) by the Company to the Facility on or before January 1, 2021.

10. Metering.

(a) Company agrees to operate and maintain standard meter or meters of suitable capacity and design to measure gas deliveries as specified herein, and may measure all gas delivered hereunder at such pressure as may exist by virtue of operating conditions. Regulators, metering equipment and all necessary appurtenances shall be installed upon Customer's Facility, in locations to be provided by and/or at the expense of the Customer, and to be approved by Company. Customer grants to Company the right of free ingress and egress to such equipment at all times for the purposes of installation, operation, repair and/or removal. Customer will be allowed electronic read-only access to any meters that have such capability.

(b) Title to all regulators, metering equipment, pipelines and all necessary appurtenances placed on Customer's Facility or elsewhere by Company and not sold to Customer shall remain in Company, with the right in Company to remove same within a reasonable time after the termination of this Agreement. Customer will protect such property on Customer's Facility from injury or damage and will not tamper with or remove such property nor permit the same to be tampered with or removed without consent of Company.

(c) Company shall make such periodic tests of its measuring equipment as it may deem necessary, and agrees to calibrate meters delivering gas to Customer as often as is necessary to comply with good operating practice. Company agrees to give Customer reasonable notice of such tests of the measuring equipment so that if Customer desires, it may have its representative present. In the event the meters are found to be inaccurate, such meters will be adjusted to register accurately. If upon any test, the percentage of inaccuracy (either plus or minus) of the measuring equipment is found to be greater than two percent (2%), registrations thereof shall be corrected for a period extending back to the time such inaccuracy occurred if such time is ascertainable, and if not ascertainable, then back one-half (1/2) of the time elapsed since the last date of calibration. If a meter test is requested by Customer and the percentage of inaccuracy (either plus or minus) of the equipment in question shall be found to be less than two (2%), then the cost of such test shall be borne by Customer.

If, for any reason, the meters are out of service or out of repair so that the amount of gas delivered cannot be ascertained or computed from the readings thereof, the gas delivered during the period such meters are out of service or out of repair shall be estimated by the Company using the best data available.

11. Force Majeure.

(a) Company shall not be responsible for any delay or interruption of the construction of the Extension or for any delay, shortage or interruption of interruptible natural gas service due to Force Majeure, whether occurring on Company's distribution system or on the pipelines upstream thereof. The term "Force Majeure" as used herein

shall include, but not be limited to, Acts of God, delay in acquiring land rights on commercially reasonable terms and conditions, industrial and civil disturbances, strikes or lockouts, acts of public enemy, acts of terrorism, the necessity for making repairs and/or alterations, sudden partial or entire failure of natural gas supply or pipe lines, shortage in availability to Company of natural gas, interruption in delivery by Company's suppliers or transporters, and any other causes, whether of the kinds herein enumerated or otherwise, not within the control of Company, and which by the exercise of due diligence Company is unable to overcome.

(b) Like causes or contingencies affecting the operation of the Facility shall relieve Customer from obligation to take gas while such causes shall be operative, provided that Company shall resume deliveries, and Customer shall resume taking gas, as the case may be, when such causes or contingencies cease to be operative.

12. Billings.

(a) All invoices for service or other amounts payable hereunder will be rendered monthly and are due and payable within thirty (30) days from the billing date indicated thereon. To the extent authorized by applicable law, Customer will be assessed a 5% late fee if the net invoice amount is not received by Company on or before thirty (30) days after the receipt of an acceptable invoice.

(b) Service may be suspended after ten (10) days written notice upon failure of Customer to pay amounts due for service rendered or other amounts payable hereunder, excluding any amounts reasonably challenged by Customer. Any suspension of service for non-payment of invoices shall be without prejudice to the Term of this Agreement or to any other right of action or remedy to which the Company is entitled.

(c) Unless authorized by applicable law, Customer shall not make any deduction or set off against Company's invoices for any reason whatsoever.

13. General Rules and Regulations. Customer shall be subject to the then current General Rules and Regulations as set forth in Company's Tariff on file with the Commission which is fully incorporated herein, provided however that in the event of any conflict between the terms and conditions of this Agreement and the General Rules and Regulations set out in Company's Tariff on file with the Commission, the terms and conditions of this Agreement shall control.

14. Interruptible Transportation. In the event that Customer elects to convert from interruptible service to interruptible transportation pursuant to Section 1 above, such transportation service shall be subject to Company's then current Tariff Rate Schedule 260 on file with the Commission, provided however that in the event of any conflict between the terms and conditions of this Agreement and Company's Tariff on file with the Commission, the terms and conditions of this Agreement shall control. Notwithstanding anything to the contrary contained herein, Customer's conversion to interruptible transportation is subject to the Parties mutually agreeing upon an appropriate

receipt point for delivery of Customer's gas to Company for redelivery to Customer at the Delivery Point specified in Appendix B. The first paragraph of Section 20 of this Agreement shall, with respect to interruptible transportation provided by Company to Customer under this Agreement as a result of Customer's election to convert to such interruptible transportation, be replaced with the following paragraph:

"As between Customer and Company, Company shall be in exclusive control and possession of natural gas from the point where the natural gas is received or caused to be received from Customer at the receipt point that has been mutually agreed upon by Company and Customer (the "Receipt Point") to the point where the natural gas is delivered to Customer at the Delivery Point, and Company shall be fully responsible and liable therefor, as well as for the operation of its facilities, appurtenances and properties and for the handling of said gas while it is in Company's exclusive control and possession. As between Customer and Company, Customer shall be in exclusive control and possession of the natural gas prior to the receipt of the natural gas by Company at the Receipt Point, and after the natural gas is delivered to Customer at the Delivery Point, and Customer shall be fully responsible and liable therefore, as well as for the operation of its facilities, appurtenances and properties and for the handling of said gas while it is in Customer's exclusive control and possession."

and Line 6 of Appendix A shall, in such case, be revised to state:

"Customer shall pay Company's applicable monthly charge (as determined under this Agreement and/or Rate Schedule 260, as applicable) as well as Company's applicable then current Rate Schedule 260 interruptible transportation delivery charge per Mcf received from Customer at the Receipt Point and redelivered to Customer at the Delivery Point during the Term of this Agreement."

15. Exclusivity. During the Primary Term and any Renewal Term of this Agreement and in consideration of Company's extensive capital outlay in order to make gas available to Customer, Customer agrees to exclusively use the Company for the delivery of its natural gas requirements, provided Company can and does provide sufficient natural gas to fulfill Company's requirements therefor. Further, should Customer cease using natural gas for its energy requirements and instead opt for some alternative energy source, or cease operations at the Facility, Customer shall continue to be obligated under this Agreement, including, but not limited to, the obligation to pay any Required Annual Gross Margin shortfall for the remainder of the Primary Term of this Agreement.

16. Default. Service may be suspended or this Agreement cancelled by the Company at its option, without notice, for any of the following causes: (a) on the discovery by Company of conditions that Company, in its reasonable discretion, determines are dangerous to life or property, (b) in the event of Customer's material default of contractual obligations, with the exception of nonpayment for which ten (10) days' notice is required, or (c) on the discovery by Company that a meter or other Company-owned facilities on Customer's Facility has or have been damaged or tampered with. However, service may not be suspended or cancelled on account of non-payment by Customer if

such unpaid amounts are being reasonably challenged by Customer. Service suspended will not be restored until the cause of suspension has been removed or remedied. Any suspension of service hereunder shall not impair any of the Company's rights or remedies available to it.

Customer may cancel this Agreement at its option, without notice, if Company materially defaults in performing its obligations under this Agreement (including without limitation the failure to provide interruptible natural gas service to the Facility, as required herein).

No waiver by either Party of one or more defaults by the other Party in the performance of any of the provisions of this Agreement shall operate or be construed as a waiver of any other or further default or defaults, whether of a like or of a different character.

17. Assignment of Rights. This Agreement is assignable subject to the terms of this Section 17 and shall be binding upon the permitted successors, assigns and legal representatives of the respective Parties. However, in no case shall a Party to this Agreement assign its rights without the prior written consent of the other Party, which consent may not unreasonably be withheld or delayed; provided, however, that:

(a) a Party may assign or transfer this Agreement to a wholly owned subsidiary or affiliated company without the consent of the other Party, and

(b) Customer may assign or transfer its rights in and under this Agreement to an entity which acquires the entire Jack Daniel distillery and brand, without the consent of the Company.

18. Entire Agreement; Supersedes Prior Negotiations/Agreements; Amendment. This Agreement, with Appendices A, B and C which are integral parts of this Agreement, constitute the entire agreement between the Parties concerning the extension of natural gas distribution mains by Company to serve Customer and the provision of interruptible natural gas service by Company to Customer. Any prior representation, agreements, or understandings relating to the extension of natural gas distribution mains and the provision of firm transportation service by Company to Customer, either written or oral, by either Party are superseded by this Agreement. No change to this Agreement shall be binding on either Party unless it is in writing and is signed by both Parties.

19. Indemnification. Company agrees to indemnify, defend and hold Customer, its affiliates, and their respective officers, directors and employees, harmless from and against all claims, demands, losses, damages, liabilities or expenses, including attorney's fees, arising out of or resulting from Company's breach of any of the terms of this Agreement, or arising out of Company's or Company's Contractor's negligent acts or omissions or willful misconduct in the performance of its obligations hereunder. Customer agrees to indemnify, defend and hold Company, its affiliates, and their respective officers, directors and employees, harmless from and against all claims, demands, losses, damages, liabilities or expenses, excluding attorney's fees, arising out of

or resulting from Customer's breach of any of the terms of this Agreement, or arising out of Customer's negligent acts or omissions or willful misconduct in the performance of its obligations hereunder.

20. Liability. As between Customer and Company, Company shall be in exclusive control and possession of natural gas before the natural gas is delivered to Customer at the Delivery Point, and Company shall be fully responsible and liable therefor, as well as for the operation of its facilities, appurtenances and properties and for the handling of said gas while it is in Company's exclusive control and possession. As between Customer and Company, Customer shall be in exclusive control and possession of natural gas after the natural gas is delivered to Customer at the Delivery Point, and Customer shall be fully responsible and liable therefore, as well as for the operation of its facilities, appurtenances and properties and for the handling of said gas while it is in Customer's exclusive control and possession.

Customer shall indemnify, defend and hold Company harmless from and against all loss, cost and expense, including, but not limited to, court costs and attorney fees, for any claims, suits, judgments, demands, actions or liabilities growing out of the operations conducted hereunder by Customer or arising while the gas is in Customer's exclusive control and possession. Company shall indemnify, defend and hold Customer harmless from and against any loss, cost and expense, including court costs and attorney fees, for any claims, suits, judgments, demands, actions, or liabilities growing out of the operations conducted hereunder by Company, including, but not limited to, Company's operation of its equipment, pipelines and other facilities and appurtenance thereto or arising while the gas is in Company's exclusive control and possession.

21. Waiver of Certain Damages. **IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR ANY PUNITIVE OR EXEMPLARY DAMAGES: (1) IN THE EVENT OF ITS BREACH OF THIS AGREEMENT, (2) FOR AN EVENT OF DEFAULT, OR (3) FOR ANY OTHER CLAIM RELATED TO THIS AGREEMENT.**

22. Governing Law. This Agreement is governed by and will be construed in accordance with the laws of the State of Tennessee without giving effect to any choice or conflict of law provisions or rule that would cause the application of the laws of any other jurisdiction.

23. Severability. If any provision of this Agreement is determined to be invalid, void or unenforceable by any governmental authority having jurisdiction, then such determination will not invalidate, void or make unenforceable any other provision of this Agreement so long as the economic benefits or legal obligations of this Agreement are not affected in any manner materially adverse to either Party. Upon such determination that any provision is invalid, void or unenforceable, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner such that the transactions contemplated hereby are fulfilled to the extent possible.

24. No Third Party Beneficiaries. The provisions of this Agreement will not impart rights enforceable by any person, firm or organization not a Party or not bound as a Party, or not a permitted successor or assignee of a Party bound to this Agreement.

25. Notice. Notice may be given under this Agreement to either Party by sending the notice in the U.S. Mail to the addresses identified below:

If to Company: Atmos Energy Corporation
810 Crescent Centre Drive, Suite 600
Franklin, TN 37067
Attention: Danny Bertotti

Atmos Energy Corporation
(Kentucky/Mid-States Division)
5430 LBJ Freeway, Suite 160
Dallas, Texas 75240-2601
Attention: Contract Administration

If to Customer: Brown-Forman Corporation, d/b/a Jack Daniel
Distillery, Lem Motlow, Prop.
Attn: Larry Combs, Senior Vice President, General
Manager, Jack Daniel Supply Chain
850 Dixie Highway
Louisville, Kentucky 40210

with a copy to: General Counsel
Brown-Forman Corporation
850 Dixie Highway
Louisville, Kentucky 40210

IN WITNESS WHEREOF, the Parties, through their properly empowered officials, hereto have set their respective hands to this Agreement, as of the day and year first above written.

<Signature Page to Follow>

ATMOS ENERGY CORPORATION

DocuSigned by:
By: Danny Bertotti
3C1218A0B501427
DS
13B
Danny Bertotti
Vice President Marketing
DS
MB

**BROWN-FORMAN CORPORATION,
d/b/a Jack Daniel Distillery, Lem
Motlow, Prop.**

DocuSigned by:
By: Larry Combs
EF56EA6D9FD6451...

Name: Larry Combs

Title: SVP, General Manager

APPENDIX A
To “Agreement for Extension of Distribution Main and Interruptible Service” by
and between Atmos Energy Corporation and Brown-Forman Corporation dated
August 8th, 2019

ANNUAL GROSS MARGIN REQUIREMENTS

- (1) Customer Brown-Forman Corporation
- (2) Estimated maximum hourly requirement 425 Mcf
- (3) Estimated maximum daily requirement 10,200 Mcf
- (4) Customer's maximum hourly and daily requirements may not be exceeded without consent of Company.

(5) Required Annual Gross Margin

Year 1:	\$739,000
Year 2:	\$833,000
Year 3:	\$820,000
Year 4:	\$850,000
Year 5:	\$877,000
Year 6:	\$907,000
Year 7:	\$939,000
Year 8:	\$972,000
Year 9:	\$1,007,000
Year 10:	\$1,042,000
Year 11:	\$1,080,000
Year 12:	\$1,118,000
Year 13:	\$1,159,000
Year 14:	\$1,200,000
Year 15:	\$1,244,000

(6) Pricing

Customer shall pay Company's then applicable monthly charge (as determined under this Agreement and/or Rate Schedule 250, as applicable) as well as Company's then applicable Rate Schedule 250 interruptible delivery charge per Mcf delivered to Customer at the Facility during the Term of this Agreement.

This Appendix A is attached to and made a part of the Agreement for Extension of Distribution Main and Interruptible Service by and between Atmos Energy Corporation and Brown-Forman Corporation dated August 8th, 2019, as though the same was copied verbatim therein.

APPENDIX B

**To “Agreement for Extension of Distribution Main and Interruptible Service” by
and between Atmos Energy Corporation and Brown-Forman Corporation dated
August 8th, 2019**

Point of Delivery: Jack Daniel Distillery, Lynchburg Highway, Lynchburg, Tennessee

This Appendix B is attached to and made a part of the Agreement for Extension of Distribution Main and Interruptible Service by and between Atmos Energy Corporation and Brown-Forman Corporation dated August 8th, 2019, as though the same was copied verbatim therein.