

INDUSTRIAL POWER AGREEMENT

THIS AGREEMENT, made and entered into this 9th day of September, 1987, by and between FARMERS RURAL ELECTRIC COOPERATIVE CORPORATION, a Kentucky corporation with its principal offices at 504 South Broadway, Glasgow, Kentucky 42141, hereinafter referred to as the "Cooperative", and ELECTROLYTICS, INC. (d.b.a. Aerovox Mallory), a Delaware corporation with its principal offices in Glasgow, Kentucky, hereinafter referred to as the "Customer".

WITNESSETH:

WHEREAS, the Cooperative is a rural electric cooperative providing retail electric service in Barren County, Kentucky, and

WHEREAS, the Cooperative is a member of East Kentucky Power Cooperative, Inc., hereinafter referred to as "EKPC", and purchases all of its wholesale electric power and energy from EKPC, and

WHEREAS, EKPC has been advised of and has consented to the provisions of this Agreement, and

WHEREAS, the Customer is a member of the Cooperative and desires to purchase all of its retail electric power and energy needs from the Cooperative, under the terms and conditions contained herein, to serve its Glasgow plant located at 20 Aberdeen Drive, hereinafter referred to as its "plant".

NOW, THEREFORE, in consideration of the mutual covenants, terms, and conditions contained herein, the parties agree as follows:

1. Term. This Agreement shall become effective on the 1st day of January, 1988, subject to the provisions of Section 12. This Agreement shall continue for a term of five (5) years from said date and shall continue thereafter unless terminated by either party by providing written notice of such termination at least six (6) months prior to the desired termination date.
2. Availability of Power. Subject to the other provisions of this Agreement, the Cooperative shall make available to the Customer, and the Customer shall take and purchase from the Cooperative, all of Customer's requirements for power and energy for the operation of the Customer's said plant subject to all applicable rules, regulations and orders of the Kentucky Public Service Commission and Kentucky Revised Statutes; and provided however, that nothing contained herein shall be deemed to prohibit Customer from utilizing power and energy for the operation of its plant which Customer generates itself subject however, to Customer paying the minimum monthly charge pursuant to the applicable tariff. The "contract demand" under this Agreement shall be one thousand (1,000) KW.

The power and energy made available to the Customer hereunder shall be delivered, taken, and paid for in accordance with the terms hereof and the tariffs of the Cooperative Schedule E as approved by the Kentucky Public Service Commission, hereinafter referred to as the

"KPSC", and as modified from time to time by appropriate authority, a copy of which is attached hereto and hereby made a part hereof. In the event of any conflict between the provisions of this Agreement and said tariff, the later shall control.

3. Conditions of Delivery. The point of delivery for power and energy made available hereunder shall be the point at which the Customer's facilities connect to the Cooperative's facilities. The power and energy made available hereunder shall be in the form of three-phase alternating current at a frequency of approximately sixty (60) hertz and at a nominal voltage of 7.2/12.47 KV. Regulation of voltage shall be within such limits as prescribed by the applicable rules and regulations of the KPSC. Maintenance by the Cooperative at said point of delivery of the above stated frequency and voltage within the above stated limits shall constitute availability of power for purposes of this Agreement. The power and energy taken by the Customer hereunder shall be measured by meters and associated metering equipment to be or caused to be installed, operated, and maintained by the Cooperative or EKPC. None of such electric power and energy is to be resold to third parties.

Neither the Cooperative nor EKPC shall be obligated to provide or be responsible for providing protective equipment for the Customer's lines, facilities, and equipment to protect against single phasing, low volt-

age, short circuits or any other abnormal system conditions, but the Cooperative or EKPC, as the case may be, may provide such protective equipment as it deems necessary for the protection of its own property and operations. The electrical equipment installed by the Customer shall be capable of satisfactory coordination with any protective equipment installed by the Cooperative or EKPC.

4. Primary Service. Service shall be furnished at primary distribution voltage (7.2/12.47 KV) and Customer shall be responsible for owning, operating, and maintaining the equipment necessary for transforming primary voltage to secondary voltage. In order to fairly compensate the Customer for so doing, the energy charge reflected in Schedule E attached hereto or as said schedule may be amended from time to time, shall be subject to a discount of five (5) percent and Customer's monthly bill shall reflect such discount. The Cooperative's metering equipment shall be installed on the source side of the point of delivery.
5. Electrical Disturbances. The Customer shall not use the energy delivered under this Agreement in such a manner as to cause electric disturbances which may be reasonably expected to cause damage to or interference with the Cooperative's system, systems connected with the Cooperative's system, or facilities or other property in proximity to the Cooperative's system, or prevent the

Cooperative from serving other purchasers satisfactorily.

The Cooperative may, at any time during the term of this Agreement, notify the Customer of any such disturbances and, before attempting to take any other action, shall afford the Customer reasonable time and opportunity, under the circumstances involved, to correct or suppress the disturbances. If the Customer does not so correct or suppress the disturbances, then the Cooperative may suspend or discontinue service, but only to the extent appropriate.

Any interruption of service which may become necessary by reason of this Section shall not relieve the Customer from its obligation to pay the Cooperative the monthly charge as specified herein.

6. Right of Removal. Any and all equipment, apparatus, devices or facilities placed or installed, or caused to be placed or installed, by either of the parties hereto, or by EKPC, on or in the premises of the other party shall be and remain the property of the party owning and installing such equipment, apparatus, devices or facilities regardless of the mode or manner of annexation or attachment to real property of the other. Upon the termination of this Agreement, or any extension thereof, the owner thereof shall have the right to enter upon the premises of the other and shall within a reasonable time remove all or any portion of such equipment, apparatus,

devices or facilities unless otherwise agreed by the parties, or either party and EKPC, as applicable, at the time of such termination.

7. Rates and Charges. The Customer shall pay the Cooperative monthly for power and energy made available under this Agreement in accordance with the rates, charges and provisions of the Cooperative's standard tariff applicable to consumers of the same class as the Customer (customers with contract demands of 1,000 to 4,999 KW), Schedule E as approved by the KPSC and as modified, replaced, or as adjusted from time to time and approved by the KPSC (subject to the five percent discount described in Paragraph 4 above, "Primary Service"). Said tariff Schedule E as presently applicable is attached hereto and made a part hereof as if specifically copied herein.
8. Payment of Bills. Payment for electric power and energy furnished hereunder shall be due and payable at the office of the Cooperative monthly in accordance with applicable provisions of said Schedule E in effect for the billing period. If Customer shall fail to pay any such bill, the Cooperative may discontinue delivery of electric power and energy hereunder upon fifteen (15) days written notice to the Customer of its intention to do so. Such discontinuance for non-payment shall not in any way affect the obligations of the Customer to pay the minimum monthly charge provided herein. All amounts unpaid when due shall be subject to the applicable

charge for late payment (presently two percent) as allowed by the KPSC.

9. Notices. Any written notice, demand, or request required or authorized under this Agreement shall be deemed properly given to or served on Cooperative if mailed to:

Mr. J. B. Galloway, General Manager  
Farmers Rural Electric Cooperative Corporation  
P.O. Box 298  
Glasgow, Kentucky 42141

Any such notice, demand, or request shall be deemed properly given to or served on the Customer if mailed to:

Mr. Bob Rabuck, President and General Manager  
Aerovox Mallory  
101 Mallory Drive  
Glasgow, Kentucky 42141

Each party shall have the right to change the name of the person to whom, or the location where the notices are to be given or served by notifying the other party, in writing, of such change.

10. Successors in Interest. The terms and conditions of this Agreement shall inure to and be binding upon the parties, together with their respective successors in interest. Neither party may assign this Agreement to any other party without the express written consent of the other party, except that the Cooperative may assign the Agreement to the Rural Electrification Administration and/or any supplemental lenders without such consent.
11. Force Majeure. The obligations of either party to this Agreement shall be suspended during the continuance of

any occurrence, beyond the affected party's control, (a "force majeure"), which wholly or partially prevents the affected party from fulfilling such obligations, provided that the affected party gives reasonable notice, such as by public radio announcement, to the other party of the reasons for its inability to perform within a reasonable time from such occurrence. As used in this Section, the term "force majeure" shall include, but is not limited to: acts of God; strikes; wars; acts of a public enemy; riots; civil disturbances; acts of terrorism or vandalism; brownouts; blackouts; storms; floods; and other circumstances brought about by adverse weather conditions; explosions; failures of machinery or equipment; interruptions in power deliveries from the Cooperative's power supplier; or actions of federal, state or local governmental authorities and such other circumstances which are not reasonably within the control of the party claiming relief.

Notwithstanding the above provisions, no event of "force majeure" shall relieve the Customer of the obligation to pay the minimum monthly charge provided herein and the Cooperative shall exercise its best efforts under the circumstances to restore service following any interruption. These efforts may include the use of alternate distribution facilities to serve the Customer.

12. Approvals. The execution of this Agreement shall not result in a contract between the parties unless any



necessary approvals of the Rural Electrification Administration and the KPSC are obtained within one hundred eighty (180) days of such execution.

13. Modifications. Any future revision or modification of this Agreement shall require the advance approval of EKPC, and any necessary approvals of the Rural Electrification Administration and the KPSC.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed, in six original counterparts, by their respective officers, thereunto duly authorized, as of the day and year first above written.

FARMERS RURAL ELECTRIC  
COOPERATIVE CORPORATION

By: \_\_\_\_\_

*J. B. Galloway*  
General Manager

ELECTROLYTICS, INC.  
d. b. a. AEROVOX MALLORY

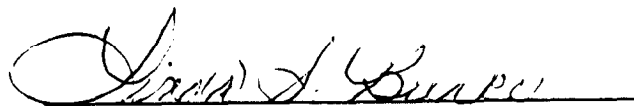
By: \_\_\_\_\_

*J. H. Galloway*  
President and  
General Manager

STATE OF KENTUCKY

County of Barren

ACKNOWLEDGED to before me by J. B. Galloway, General Manager of Farmers Rural Electric Cooperative Corporation, this the 9th day of September, 1987.




Notary Public - Ky at Large

My Commission expires 6-10-91

STATE OF KENTUCKY

County of Barren

ACKNOWLEDGED to before me by Bob Rabuck, President and General Manager of Electrolytics, Inc. (d.b.a. Aerovox Mallory), this the 9th day of September, 1987.



Notary Public - Ky at Large

My Commission expires 2-31-89

Form for filing Rate Schedules

For All Counties Served  
Community, Town or City

P.S.C. No. 9

Original SHEET NO. 6Q

FARMERS RURAL ELECTRIC COOP. CORP.  
Name of Issuing Corporation

CANCELLING P.S.C. NO. \_\_\_\_\_

\_\_\_\_\_ SHEET NO. \_\_\_\_\_

CLASSIFICATION OF SERVICE

SCHEDULE E - LARGE INDUSTRIAL RATE

RATE  
PER UNIT

APPLICABLE: In all territory served by the Seller.

AVAILABILITY: Available to all consumers who are or shall be members of the Seller where the monthly contract demand is 1,000 to 4,999 KW with a monthly energy usage equal to or greater than 425 hours per KW of billing demand, all subject to the established rules and regulations of the Seller.

MONTHLY RATE:

Consumer Charge . . . \$535.00 Per Month

Demand Charge . . . \$ 5.39 per KW of Billing Demand

Energy Charge . . . \$ .03222 per KWH

DETERMINATION OF BILLING DEMAND: The monthly billing demand shall be the greater of (a) or (b) listed below:

- (a) The contract demand,
- (b) The consumer's highest demand during the current month or preceding eleven months coincident with the load center's peak demand. The load center's peak demand is the highest average rate at which energy is used during any fifteen-minute interval in the below listed hours for each month and adjusted for power factor as provided herein:

<u>MONTHS</u>	<u>HOURS APPLICABLE FOR DEMAND BILLING - EST</u>
October through April	7:00 AM to 12:00 Noon 5:00 PM to 10:00 PM
May through September	10:00 AM to 10:00 PM

Form for filing Rate Schedules

For All Counties Served  
Community, Town or City

P.S.C. No. 9

Original SHEET NO. 6R

FARMERS RURAL ELECTRIC COOP. CORP.  
Name of Issuing Corporation

CANCELLING P.S.C. NO. \_\_\_\_\_  
SHEET NO. \_\_\_\_\_

CLASSIFICATION OF SERVICE

SCHEDULE E - LARGE INDUSTRIAL RATE

RATE  
PER UNIT

MINIMUM MONTHLY CHARGE: The minimum monthly charge shall not be less than the sum of (a), (b), and (c) below:

- (a) The product of the billing demand multiplied by the demand charge, plus
- (b) The product of the billing demand multiplied by 425 hours and the energy charge per KWH, plus
- (c) The consumer charge

POWER FACTOR ADJUSTMENT: The consumer agrees to maintain unity power factor as nearly as practicable. Power factor may be measured at any time. Should such measurements indicate that the power factor at the time of monthly maximum demand is less than 90%, the demand will be adjusted by multiplying the actual monthly maximum demand by 90% and dividing this product by the actual power factor at the time of the monthly maximum demand.

FUEL ADJUSTMENT CLAUSE: All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per KWH equal to the fuel adjustment amount per KWH as billed by the wholesale power supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve-month moving average of such losses. This Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

DATE OF ISSUE

June 5, 1987

DATE EFFECTIVE

May 1, 1987

Form for filing Rate Schedules

For All Counties Served  
Community, Town or City

P.S.C. No. 9

Original SHEET NO. 6S

FARMERS RURAL ELECTRIC COOP. CORP.  
Name of Issuing Corporation

CANCELLING P.S.C. NO. \_\_\_\_\_

\_\_\_\_\_ SHEET NO. \_\_\_\_\_

CLASSIFICATION OF SERVICE

SCHEDULE E - LARGE INDUSTRIAL RATE

RATE  
PER UNIT

SPECIAL PROVISIONS:

1. If service is furnished at secondary voltage, the delivery point shall be the metering point unless otherwise specified in the contract for service. All wiring, pole lines, and other equipment on the load side of the delivery point shall be owned and maintained by the consumer.
2. If service is furnished at Seller's primary line voltage, the delivery point shall be the point of attachment of Seller's primary line to consumer's transformer structure unless otherwise specified in the contract for service. All wiring, pole lines, and other equipment, except metering equipment, on the load side of the delivery point shall be owned and maintained by the consumer.

TERMS OF PAYMENT: The above rates are net, the gross being 2% higher. In the event the current monthly bill is not paid by the 15th of the month, the gross charges shall apply.