

INDUSTRIAL POWER AGREEMENT

THIS AGREEMENT, made and entered into this 3rd day of November, 2003, 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 **SUMITOMO ELECTRIC WIRING SYSTEMS, INC.**, a Delaware corporation with its principal offices at 1018 Ashley Street, Bowling Green, Kentucky 42103, hereinafter referred to as "Customer".

WITNESSETH:

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

WHEREAS, 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, Customer is a member of Cooperative and desires to purchase all of its retail electric power and energy needs from Cooperative, under the terms and conditions contained herein, to serve its Edmonton plant located at 687 Industrial Drive, Edmonton, Kentucky 42129 (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 as of January 1, 2004, subject to the provisions of Section 13. This Agreement shall continue in effect 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, Cooperative shall make available to Customer, and the Customer shall take and purchase from

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EFFECTIVE

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

BY Thomas W. Dore
EXECUTIVE DIRECTOR

Cooperative, all of Customer's requirements for power and energy for the operation of Customer's said plant. The "contract demand" under this Agreement shall be one thousand three hundred (1,300) kW.

The power and energy made available to Customer hereunder shall be delivered, taken, and paid for in accordance with the terms hereof and the tariff of the Cooperative, Schedule E, as approved by the Kentucky Public Service Commission (the "P.S.C.") 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 latter shall control.

3. **Conditions of Delivery.** The point of delivery for firm power and energy made available hereunder shall be the point at which Customer's facilities connect to Cooperative's facilities. The power and energy made available hereunder shall be in the form of 3-phase alternating current at a frequency of approximately 60 hertz and at a nominal voltage of 277/480 volts. Regulation of voltage shall be within such limits as prescribed by the applicable rules and regulations of the P.S.C. Maintenance by Cooperative at said point of delivery of the above-styled frequency and voltage within the above-stated limits shall constitute availability of power for purposes of this Agreement. The power and energy taken by Customer hereunder shall be measured by meters and associated metering equipment to be or caused to be installed, operated, and maintained by Cooperative or EKPC. None of such electric power and energy shall be resold to third parties.

Neither Cooperative nor EKPC shall be obligated to provide or be responsible for providing protective equipment for Customer's lines, facilities, and equipment to protect against single phasing, low voltage, short circuits or any other abnormal system conditions, but 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 Customer shall be capable of satisfactory coordination with any protective equipment installed by Cooperative or EKPC.

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4. **Electric Disturbances.** Customer shall not use the energy delivered under this Agreement in such manner as to cause electric disturbances which may be reasonably expected to (a) cause damage to or interference with Cooperative's system, systems connected with Cooperative's system, or facilities or other property in proximity to Cooperative's system, or (b) prevent Cooperative from serving other purchasers satisfactorily.

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

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

5. **Right of Access.** Duly authorized representatives of the cooperative and/or EKPC shall be permitted to enter the Customer's premises at all reasonable times in order to carry out the provisions hereof.
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.

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SECTION 9 (1)

BY Chambers L. D. D...
EXECUTIVE DIRECTOR

7. **Rates and Charges.** Customer shall pay Cooperative monthly for power and energy made available under this Agreement in accordance with the rates, charges, and provisions of Cooperative's effective standard tariff applicable to consumers of the same class as Customer, Schedule E, as approved by the P.S.C. and as modified, replaced, or adjusted from time to time and approved by the P.S.C.
8. **Payment of Bills.** Payment for electric power and energy furnished hereunder shall be due and payable at the office of Cooperative monthly in accordance with the applicable provisions of the rate Schedule in effect. If Customer shall fail to pay any such bill as provided in such Schedule, Cooperative may discontinue delivery of electric power and energy hereunder upon fifteen (15) days' written notice to Customer of its intention to do so. Such discontinuance for non-payment shall not in any way affect the obligations of customer to pay the minimum monthly charge provided in the attached rate schedule. All amounts unpaid when due shall be subject to a 2% charge for late payment.
9. **Reduction in Cost of Service.** Cooperative is a non-profit Kentucky corporation and Customer will benefit from any savings or reductions in cost of service in the same manner as any comparable customer as authorized by the Kentucky Revised Statutes, and by Cooperative's Articles of Incorporation and Bylaws as now in effect; provided, however, the Cooperative's board of directors may defer retirement of so much of the capital credited to patrons for any year which reflects capital credited to the Cooperative by EKPC until EKPC shall have retired such capital credited to the Cooperative. Customer shall participate in capital credits in accordance with the Kentucky Revised Statutes and Cooperative's Articles of Incorporation and Bylaws.
10. **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:

PUBLIC SERVICE COMMISSION
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PURSUANT TO 807 KAR 5-011
SECTION 9(1)

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BY Charles H. Dora
EXECUTIVE DIRECTOR

Jackie B. Browning, President & CEO
FARMERS RURAL ELECTRIC COOPERATIVE CORPORATION
P.O. Box 1298
Glasgow, Kentucky 42142-1298

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

Yoshikado Hosoda, Senior Vice President
SUMITOMO ELECTRIC WIRING SYSTEMS, INC.
1018 Ashley Street
Bowling Green, Kentucky 42103

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.

11. **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 Cooperative may assign the Agreement to the Rural Utilities
Service and/or any other lenders to Cooperative without such consent.
12. **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 notice to the other party of the reasons
for its inability to perform within a reasonable time from such occurrence, is diligently
seeking to cure said force majeure, and gives notice to the other party within a reasonable
time of such cure. 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; storms; floods; civil
disturbances; explosions; failures of machinery or equipment; interruptions in power
deliveries from Cooperative's power supplier; or actions of federal, state or local

REGULATORY SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

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PURSUANT TO 807 KAR 5.011
SECTION 9 (1)

BY Chambers L. Brown
EXECUTIVE DIRECTOR

governmental authorities, which are not reasonably within the control of the party claiming relief.

Notwithstanding the above provisions, no event of force majeure shall relieve Customer of the obligation to pay the minimum monthly charge provided herein in the attached rate schedules.

13. **Approvals.** This Agreement is subject to any necessary approvals of EKPC, the Rural Utilities Service, any other lenders to Cooperative and the P.S.C.
14. **Modifications.** Any future revisions or modifications of this Agreement shall require the advance approval of EKPC, and any necessary approvals by the Rural Utilities Service, any other lenders to the Cooperative, and the P.S.C.

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.

ATTEST:

**FARMERS RURAL ELECTRIC
COOPERATIVE CORPORATION**

H. Wayne Davis

By Jackie B. Browning
Jackie B. Browning, President & CEO

ATTEST:

**SUMITOMO ELECTRIC WIRING
SYSTEMS, INC.**

Holley Bridmore

By Y. Hosoda
Yoshikado Hosoda, Senior Vice President

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PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

DEC 31 2003

P.S.C. NO. 9

Farmers Rural Electric
Cooperative Corporation

9th Revised SHEET NO. 6Q

Name of Issuing Corporation

CANCELLING P.S.C. NO. 9

8th Revised SHEET NO. 6Q

CLASSIFICATION OF SERVICE														
SCHEDULE E - LARGE INDUSTRIAL RATE	RATE PER UNIT													
<p>APPLICABLE: In all territory served by the seller.</p> <p>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.</p> <p>MONTHLY RATE:</p> <table border="0"> <tr> <td>Consumer Charge:</td> <td>\$535.00 per Month</td> <td rowspan="3" style="vertical-align: middle; text-align: center;">(1)</td> </tr> <tr> <td>Demand Charge:</td> <td>5.39 per kW</td> </tr> <tr> <td>Energy Charge:</td> <td>0.03026 per kWh</td> </tr> </table> <p>DETERMINATION OF BILLING DEMAND: The monthly billing demand shall be the greater of (a) or (b) listed below:</p> <p>(a) The contract demand,</p> <p>(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:</p> <table border="0"> <tr> <td style="text-align: center;"><u>MONTHS</u></td> <td style="text-align: center;"><u>HOURS APPLICABLE FOR DEMAND BILLING</u></td> </tr> <tr> <td>October through April</td> <td>7:00 A.M. to 12:00 Noon 5:00 P.M. to 10:00 P.M.</td> </tr> <tr> <td>May through September</td> <td>10:00 A.M. to 10:00 P.M.</td> </tr> </table>		Consumer Charge:	\$535.00 per Month	(1)	Demand Charge:	5.39 per kW	Energy Charge:	0.03026 per kWh	<u>MONTHS</u>	<u>HOURS APPLICABLE FOR DEMAND BILLING</u>	October through April	7:00 A.M. to 12:00 Noon 5:00 P.M. to 10:00 P.M.	May through September	10:00 A.M. to 10:00 P.M.
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DATE OF ISSUE May 23, 2003
 ISSUED BY Jackie B. Crowning
 Name of Officer

DATE EFFECTIVE MAY 01 2003
 TITLE President & CEO

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2002-00440 dated April 23, 2003.

PURSUANT TO 807 KAR 5.011
 SECTION 9 (1)
 BY Charles L. Durr
 EXECUTIVE DIRECTOR

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
<p>MINIMUM MONTHLY CHARGE: The minimum monthly charge shall not be less than the sum of (a), (b), and (c) below:</p> <ul style="list-style-type: none"> (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 <p>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.</p> <p>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 5:011.</p>	<p style="text-align: right;">PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE MAY 01 1987 PURSUANT TO 807 KAR 5:011 SECTION 9 (1) DEC 31 2003 J. Seaghegan PURSUANT TO 807 KAR 5:011 SECTION 9 (1)</p>

DATE OF ISSUE June 5, 1987 DATE EFFECTIVE May 1, 1987
 ISSUED BY J. B. Holloway TITLE General Manager
 Issued by authority of an Order of the Public Service Commission of Ky. in Case No. _____ dated _____

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
<p>SPECIAL PROVISIONS:</p> <ol style="list-style-type: none"> 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. <p>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.</p> <p style="text-align: center;">PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE</p> <p style="text-align: center;">MAY 01 1987 PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE</p> <p style="text-align: center;">PURSUANT TO 807 KAR 5.011, SECTION 9 (1)</p> <p style="text-align: center;">BY: <u>J. J. Geoghegan</u> 1 2008</p> <p style="text-align: center;">PURSUANT TO 807 KAR 5.011 SECTION 9 (1)</p>	

DATE OF ISSUE June 5, 1987 DATE EFFECTIVE June 1, 1987
 ISSUED BY J. B. Galloway TITLE General Manager
 Name of Officer

Issued by authority of an Order of the Public Service Commission of Ky. in