

SECOND AMENDMENT TO THE
INDUSTRIAL POWER AGREEMENT WITH INTERRUPTIBLE SERVICE
DATED APRIL 30, 2013

This Amendment, dated this 27th day of July, 2017, is entered into by and between East Kentucky Power Cooperative, Inc. ("EKPC"), Owen Electric Cooperative, Inc. ("OEC"), and Nucor Steel Gallatin, LLC f/k/a Gallatin Steel Company ("Nucor") (collectively, the "Parties"), with respect to the provision of electric service to Nucor pursuant to the Industrial Power Agreement with Interruptible Service entered into by and between the Parties dated April 30, 2013, as amended (the "Agreement").

WHEREAS, subsequent to the execution of the Agreement, "Nucor Steel Gallatin, LLC" succeeded "Gallatin Steel Company" as a party to the Agreement;

WHEREAS, Nucor has advised EKPC and OEC that it intends to expand its plant located in or near Ghent, Kentucky, by adding a galvanizing line and related improvements ("Galvanizing Line") to its operations;

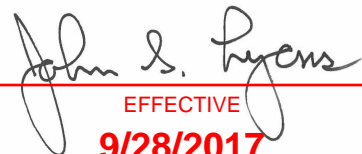
WHEREAS, Nucor has advised EKPC and OEC that, as a result of its intended expansion, Nucor's workforce at its Ghent plant will increase by approximately seventy-five (75) positions and its electric power needs will increase by approximately 40 MW;

WHEREAS, in light of Nucor's intended expansion, the Parties have agreed that certain revisions to the Agreement are prudent and necessary;

NOW, THEREFORE, upon consideration of the mutual covenants and undertakings set forth herein, the Parties agree as follows:

1. The Agreement requires modification, revision and amendment to reflect the fact that "Gallatin Steel Company" has been succeeded by "Nucor Steel Gallatin, LLC". Therefore, all references in the Agreement to "Gallatin Steel Company, LLC"

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9/28/2017

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

Steel," or "Gallatin" shall be deleted and replaced with "Nucor Steel Gallatin, LLC" or "Nucor," as appropriate.

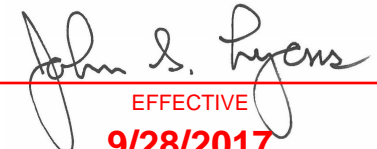
2. The Agreement requires modification, revision and amendment to reflect the addition of the Galvanizing Line and the agreement of the Parties as to how the addition of the Galvanizing Line will be addressed under the Agreement. Specifically:

a. Plant Description. The Parties agree that, upon addition of the Galvanizing Line, the description of Nucor's Ghent plant contained in Section 1 of the Agreement is no longer fully accurate. Therefore,

- i. Section 1 of the Agreement shall be deleted in its entirety and replaced with the following:

1. Plant Description. The Nucor Plant has been operating since 1995 and is a thin-slab steel mill owned and operated by Nucor in Gallatin County near Ghent, Kentucky. The plant is configured on the basis of a single D.C. power supply for twin shell electric arc furnaces which feed a thin slab caster to a six stand rolling mill on a continuous basis. The electrical load primarily consists of the direct current to the electric arc melting furnaces fed by two transformers each nominally rated at 75 MVA; ladle metallurgy stations nominally rated at 25 MVA and 3 x 5500 KW and 3 x 7000 KW rolling mill motors, along with slag and arc-furnace dust processing equipment, small motor loads and other ancillary facilities. Additionally, a ~40 MW Pickle Galvanizing Line (Galvanizing Line) is planned to come online in 2019.

- b. Maximum On-Peak Contractual Demand. The Parties agree that Nucor's maximum on-peak contractual demand under the Agreement shall be increased from 180 MW to 220 MW. Therefore,

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9/28/2017
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

- i. References in the Agreement to “180 MW” in Section 3(b), Section 4, Section 17(a), Section 19, and Exhibit A shall be deleted and replaced with “220 MW”.

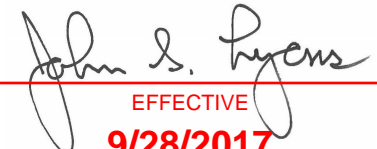
- c. Metering of Galvanizing Line. The Parties agree that the Galvanizing Line shall be separately metered and a separate measurement shall be taken and recorded of Nucor’s power usage with respect to the Galvanizing Line for the sole purpose of calculating the appropriate Discount to Bill referenced in subparagraph e., below. Therefore,
 - i. In Section 27 of the Agreement, the first sentence shall be deleted in its entirety and replaced with “Five meters (M1, M2, M3, M4, and M5) will measure the Nucor power usage.” Additionally, a new bullet point shall be added to the end of Section 27 that reads “M5 shall meter the Galvanizing Line load exclusively. M5 will be located on the 34.5 kV side of Nucor’s 345/34.5 kV transformer.”

- d. Treatment of Galvanizing Line Load. The Parties agree that the additional load associated with the Galvanizing Line (approximately 40 MW) shall be treated and considered subject to Ninety (90) Minute Interruptible Demand Service as described in Section 4, subsection b., of the Agreement.

- e. Discount to Bill. The Parties agree that Nucor shall receive certain temporary discounts to its monthly bill as a consequence of the expansion of its Ghent Plant by adding the Galvanizing Line. Therefore,
 - i. Following Section 26, subsection a., of the Agreement, a new subsection to subsection a. shall be inserted as follows:

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9/28/2017
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

(i). During the five (5) year period commencing in the month following the month when Nucor's Galvanizing Line reaches a fifty percent (50%) capacity factor (calculated based on the ratio of actual coil production divided by potential coil production) (the "Bill Discount Period"), Nucor's monthly bill shall be discounted consistent with the following:

(1) during the first twelve (12) months of the Bill Discount Period, Nucor shall be credited an amount equal to the Galvanizing Line energy usage (as metered and measured by M5) times \$[REDACTED]/kWh;

(2) during the second twelve (12) months of the Bill Discount Period, Nucor shall be credited an amount equal to the Galvanizing Line energy usage (as metered and measured by M5) times \$[REDACTED]/kWh;

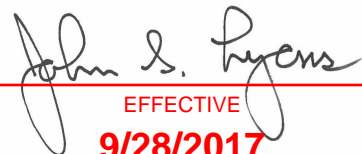
(3) during the third twelve (12) months of the Bill Discount Period, Nucor shall be credited an amount equal to the Galvanizing Line energy usage (as metered and measured by M5) times \$[REDACTED]/kWh;

(4) during the fourth twelve (12) months of the Bill Discount Period, Nucor shall be credited an amount equal to the Galvanizing Line energy usage (as metered and measured by M5) times \$[REDACTED]/kWh;

(5) during the fifth twelve (12) months of the Bill Discount Period, Nucor shall be credited an amount equal to the Galvanizing Line energy usage (as metered and measured by M5) times \$[REDACTED]/kWh.

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9/28/2017

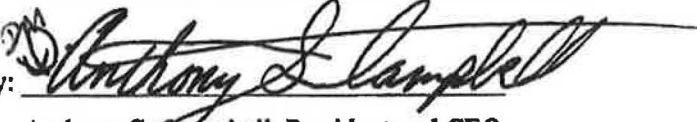
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

3. The terms of this Amendment shall become effective if, and only if, each of the following conditions precedent is satisfied: (i) the Kentucky Public Service Commission approves said terms pursuant to Kentucky Revised Statutes, Chapter 278; (ii) all necessary approvals are obtained from the Rural Utilities Services and the National Rural Utilities Cooperative Finance Corporation; (iii) all necessary approvals are obtained from Louisville Gas and Electric Company and Kentucky Utilities Company ("LGE/KU") to add the ~40 MW Galvanizing Line load to the current Network Integration Transmission Service ("NITS") Agreement between LGE/KU and EKPC; (iv) all necessary approvals are obtained from the Federal Energy Regulatory Commission with respect to the amendment of the LGE/KU – EKPC NITS Agreement; and (v) all necessary approvals are obtained from PJM Interconnection, LLC, to carve out an exception to its current thirty-minute (30 minute) interruptible notice requirement for the ~40 MW Galvanizing Line load and in its place allow a ninety-minute (90 minute) interruptible notice requirement. The parties covenant to use their best efforts to forthwith seek and support such approvals by filing such papers, presenting such testimony, and taking such other action as may be necessary or appropriate to secure the same.
4. Except as described herein, the Agreement and subsequent amendments thereto previously approved by the Kentucky Public Service Commission shall remain in full force and effect.


IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives the day and year first above.

KENTUCKY PUBLIC SERVICE COMMISSION
John Lyons ACTING EXECUTIVE DIRECTOR

EFFECTIVE 9/28/2017
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EAST KENTUCKY POWER COOPERATIVE, INC.

By: 
Anthony S. Campbell, President and CEO

OWEN ELECTRIC COOPERATIVE, INC.

By: 
Mark A. Stallons, President and CEO

NUCOR GALLATIN STEEL, LLC f/k/a GALLATIN STEEL COMPANY

By: 
Randy Spicer, Controller

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