

AGREEMENT FOR RETAIL ELECTRIC SERVICE

THIS AGREEMENT made and entered into this 6th day of April, 1999 by and between Meade County Rural Electric Cooperative Corporation (hereinafter called the "Seller"), and Liter's Quarry, Inc. with principal offices located, Louisville, Kentucky, 40241 location and mailing address of 5918 Haunz Lane, (hereinafter called the "Customer").

WITNESSETH:

That for and in consideration of the premises and the mutual covenants herein contained, the parties do hereby contract and agree as follows:

1. GENERAL OBLIGATIONS

- 1.01 Seller shall make available, sell and deliver to the Customer, and Customer shall take and pay for all of the electric power and energy, up to a maximum of 999 kW, as specified herein and required by Customer in the operation of its facilities described upon Exhibit A hereto, at the rates and upon the terms and conditions specified herein and upon Exhibit B hereto.
- 1.02 Customer shall become a member of Seller, shall pay the membership fee, and shall be bound by such rules and regulations as may from time to time be adopted by Seller.

2. SERVICE CHARACTERISTICS

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2.01 Service hereunder shall be alternating current, three-phase; four-wire, sixty

SECRETARY OF THE COMMISSION

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SECTION 9 (1)
BY: SPECIAL OF THE COMMISSION

PUBLIC SERVICE COMMISSION OF KENTUCKY

hertz, 480 volt.

2.02 The delivery of the electric power and energy supplied hereunder shall be at points specified on Exhibit A.

3. FACILITIES AND SERVICES PROVIDED BY SELLER

Seller shall install the facilities listed on Exhibit A which consist of electric facilities and equipment located on Customer's property, and electric facilities and equipment located on Seller's existing distribution system, all of which are necessary to provide the required power and energy requested by Customer, and to enable Customer to receive and use electric power and energy purchased hereunder at 480 volts. Cost of these facilities shall be recovered by the Seller from the Customer in accordance with the provisions of Sections 12.04 and 15.04 of this Agreement.

4. FACILITIES AND SERVICES PROVIDED BY CUSTOMER

Customer shall furnish and install, at no cost to the Seller, all other facilities required for it to receive electric power and energy from the Seller at 480 volts. This also includes the installation and construction of facilities to implement underground primary services and equipment as described in Meade County RECC underground utility specifications.

5. OPERATION AND MAINTENANCE OF FACILITIES

PUBLIC SERVICE COMMISSION

Seller shall operate and maintain, or cause to be operated and maintained, all

of the transmission lines and substation facilities owned by it, its wholesale power supplier, or MAY-20-1999

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BY. STEAKING BUT
SECRETARY OF THE COMMISSION

both. Customer shall furnish, install, maintain and operate, such facilities and equipment as may be necessary to enable it to receive and use electric power and energy purchased hereunder, and as may be necessary in the opinion of Seller to afford reasonable protection to the facilities of Seller, its wholesale power supplier, or both. Plans for equipment to be installed for the protection of the facilities of Customer, Seller or its wholesale power supplier, or any combination thereof, shall be subject to Seller's approval.

6. CONSTRUCTION STANDARDS

Seller and Customer shall construct and maintain the facilities to be provided by each under this agreement in accordance with applicable provisions of the National Electric Safety Code of the American National Standards Institute, the rules and regulations of the Kentucky Public Service Commission, and other applicable laws, codes and regulations, provided, however, Seller shall have no duty to inspect Customer's facilities for conformance therewith. Nothing in this agreement shall be construed to render Seller liable for any claim, demand, cost, loss, cause of action, damage or liability of whatsoever kind or nature arising out of or resulting from the construction or operations and maintenance of Customer's electric system.

7. ELECTRIC DISTURBANCE, PHASE BALANCING, AND HARMONICS

7.01 Customer shall not use the energy delivered hereunder in such a manner as to postic STATICE COMMONICATION cause electric disturbances which may reasonably be expected to (i) cause damage or interference with Seller's system, or facilities or other property in proximity to Seller's system, or (ii) prevent

Seller from serving other Customers satisfactorily. Seller may require Customer, at Customer's expense, to make such changes in its system, as may be necessary to reasonably limit such disturbances.

7.02 Customer shall take and use the power and energy hereunder in such a manner that the load at the Point of Delivery shall not cause a current imbalance between phases greater than five percent (5%). Seller reserves the right to require Customer, at Customer's expense, to make necessary changes to correct such conditions. In addition to any other remedies that Seller may have hereunder, should Customer fail to make such changes, Seller may, in its determination of billing demand, assume the load on each phase is equal to the greatest load on any phase.

7.03 Customer shall take and use power and energy hereunder in such a manner that the current harmonic total demand distortion (TDD) and flicker shall not exceed limits as described in IEEE Standard 519. When necessary to maintain an acceptable TDD level, Customer, at its expense, will install, own, operate, and maintain required harmonic filtering equipment. The Customer, at its expense, will install, own, operate, and maintain required equipment to maintain an acceptable flicker level. Seller reserves the right to install at Customer's expense, suitable equipment to maintain TDD and flicker levels in accordance with IEEE Standard 519. To help insure acceptable flicker levels on the system, the Customer shall adhere to motor starting and operating criteria specified in Exhibit C.

7.04 Seller shall give Customer written notice of any disturbances, imbalances, or harmonic distortions, described in Section 7, that Seller determines are caused by Customer's operation of its facilities. Seller's written notice will describe the changes, requirements; COMMENSION OF WELLIGHT CONTROLLING CONTROLLING

Customer may request a meeting of representatives of both Seller and Customer to review the matters contained in Seller's written notice and to resolve any disputes that arise.

8. POWER FACTOR

Customer shall maintain a power factor at the metering point as nearly as practicable to unity. Any billing and metering adjustments regarding inadequate power factor are to follow the terms described in the rate structure described in Exhibit B.

9. METERING

Seller shall install, maintain and operate the metering equipment at the location shown on Exhibit A. The reading of each meter shall follow those rules and guidelines previously established in the rate structure as described in Exhibit B. In all other respects, meters shall be installed, operated, maintained and tested in accordance with the rules and regulations of the Kentucky Public Service Commission.

10. 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 on or in the premises of the other party shall be and remain the property of the party owning and installing same, regardless of mode or manner of annexation or attachment to real property of the other. Upon termination of the other this agreement, the owner thereof shall have the right to enter upon the premises of the other party and shall within a reasonable time remove such equipment, apparatus, devices, or facilities,

PURSUARITY OF THE COMMISSION

except that Customer shall not recover any easement or sites conveyed to Seller or its wholesale power supplier necessary to provide service to other customers served through such easements or sites. The party effecting removal under this provision shall pay any damages to the premises or property of the other party caused by such removal.

11. RIGHT OF ACCESS

Duly authorized representatives of Seller shall be permitted to enter the Customer's premises at all reasonable hours in order to carry out the provisions of this agreement.

12. RATES AND PAYMENT

12.01 Customer shall pay Seller for service hereunder at the rates set forth upon Exhibit B, attached hereto and made a part hereof, subject to such changes as may become effective from time to time by operation of law, by order of the Kentucky Public Service Commission.

12.02 Seller shall revise said Exhibit B to reflect any such changes in rates, terms or conditions contained therein, and each revision shall automatically be incorporated into this agreement. Failure of Seller to promptly revise Exhibit B shall not affect Customer's duty to pay for service in accordance with any changed rates, terms, or conditions of service rendered on or after the effective date of such change.

12.03 In the event the average monthly metered kVA exceeds 999 kVA, Seller OMMINGRANGE reserves the right to adjust the rates charged to Customer, subject to the approval of the Kentucky Public Service Commission.

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BY. STORONA BOULE CONSISSION

12.04 Customer shall pay a monthly facility charge each month of the initial term of the agreement equal to .858 % of the actual cost of all labor and material required to provide the facilities described in section 3 for a term of 180 months. The estimated cost of the labor and materials is approximately \$300,000. The facility charge shall begin and be due immediately after the construction of such facilities is complete and electrical service is available to the Customer by the Seller.

12.05 Customer shall pay all taxes, charges, or assessments now or hereafter applicable to electric service hereunder.

12.06 Bills for service furnished during the preceding monthly billing period shall be processed and mailed to Customer in accordance to those guidelines and regulations set and described in the rate structure in Exhibit B.

13. <u>CUSTOMER DEPOSIT</u>

As security for payment of its monthly billing obligations, Customer shall provide Seller a cash deposit or other sufficient guaranty in the sum of \$15,000, representing two months estimated billing and two months of the facility charge. This amount is to be adjusted by the actual construction cost and actual monthly bills after the initial six month period. The Customer is required to provide reasonable security, guaranty, or bond for costs necessary to construct and upgrade the existing facilities necessary to deliver electrical services to the Customer's premise. Additionally, the Customer may be required to provide reasonable security or guaranty for any other charges provided for in this agreement.

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14. **BILLING DEMAND**

The billing criteria regarding demand load shall follow the rules and guidelines set and described in the rate structure in Exhibit B. The minimum monthly bill to be applied shall be in addition to any amount due for facility charge and is to be calculated using the criteria set in the rate structure described in Exhibit B, using the installed KVA capacity.

15. TERM OF AGREEMENT

15.01 This agreement shall remain in full force and effect for an initial term of 15 years from the beginning of the first day service is taken under this agreement, and shall automatically renew annually thereafter for successive one-year terms upon the same terms and conditions stated herein and in any amendment hereto, until terminated by either party giving the other party at least ninety (90) days written notice prior to the effective date of such termination.

15.02 Electric service shall begin June 1, 1999, except that date shall be postponed unless and until this agreement is accepted, approved or otherwise becomes effective under Kentucky statutes or the rules of the Kentucky Public Service Commission and any state or federal agency or creditor whose approval of such agreement is required, and upon approval of Seller's wholesale electric provider.

15.03 If this agreement is terminated for any cause prior to the completion of the initial term, Customer will pay to Seller a termination charge equal to the actual cost of the facilities described in Section 12.04, multiplied by the quotient of the remaining months of the PUBLIC SERVICE COMMISSION OF MERCHANISMON O

15.04 This agreement shall not be assigned without the prior written consent of MAY 20 1999

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Seller, which consent will not be unreasonably withheld. Seller may withhold approval of a proposed assignment until, among other things, Seller has been provided with all information it may require regarding the proposed assignee, and until the proposed assignee has provided Seller with assurances of payment, if any, required by Seller.

16. FORCE MAJEURE

or uncontrollable forces to carry out its obligations, upon such party's giving written notice and reasonable full particulars of such force majeure or uncontrollable forces, in writing or by telegraph, to the other party within a reasonable time after the occurrence of the cause relied on, then the obligations, so far as and to the extent that they are affected by such force majeure or uncontrollable forces, shall be suspended during the continuance of any inability so caused, but for no longer period, and such cause shall, insofar as possible, be remedied with all reasonable dispatch.

of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, arrests and restraints of government, either federal or state, civil or military, civil disturbances, explosions, breakage or accident to machinery or transmission lines, inability of either party hereto to obtain necessary materials, supplies, or permits due to existing or future rules, regulations, orders, laws or proclamations of proclamations of governmental authorities (either federal or state), including both civil and military, which are not many 2011.

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16.03 This agreement shall not subject either party to consequential damages or damages for loss of anticipated profits.

17. REMEDIES OF THE PARTIES

Except as specifically provided for herein, nothing contained in this agreement shall be construed to limit or deprive either party of any means of enforcing any remedy, either at law or equity for the breach of any of the provisions of this agreement. Waiver at any time by either party of rights with respect to a default or any other matter arising in connection with this agreement shall not be deemed to be a waiver with respect to any subsequent default or matter.

18. NOTICES

Any notice, demand or request required or authorized under this agreement shall be served upon the other party in writing and placed in the mail, postage prepaid, or delivered to the other party at the following address:

To the Seller:

Burns Mercer, President/CEO

Meade County Rural Electric Cooperative Corporation

To the Customer:

Robert T. Liter, President

Liter's Quarry, Inc.

Each party shall have the right to change the name of the person or location to whom PUBLIC SERVICE COMMISSION or where notice shall be given or served by notifying the other party in writing of such change.

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19. REPORTS AND INFORMATION

The customer shall furnish such reports and information concerning its operations as the Seller may reasonably request from time to time.

20. <u>SUCCESSION AND APPROVAL</u>

This agreement shall be binding upon and inure to the benefit of the successors, legal representatives, and assigns of the respective parties hereto.

21. SURVIVAL

Invalidity of any portion of this agreement shall not affect the validity of the remainder thereof.

22. ENTIRE AGREEMENT AND VENUE

The terms, covenants and conditions herein contained constitute the entire agreement between the parties and shall supersede all previous communications, representations, or agreements, either oral or written, between the parties hereto with respect to the subject matter hereof, provided, however, that service to the Customer shall be subject to the provisions of Seller's articles of incorporation and bylaws and subject to the lawful orders of the Kentucky Public Service Commission. All respective rights and obligations of the parties hereto shall be governed by the laws of the Commonwealth of Kentucky.

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MAY 25 1999

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BY: SPORTERY OF THE COMMESSION

IN WITNESS WHEREOF, the parties hereto have executed this agreement, as of the date and year first herein written.

Meade County Rural Electric Cooperative Corporation

SELLER

BY·

President/CEO

Secretary

Liter's Quarry, Inc.

CUSTOMER

BY

President

Attect.

Secretary

PUBLIC SERVICE COMMISSION OF YELLIUM CORROLLEE

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STARTER OF THE COMMISSION

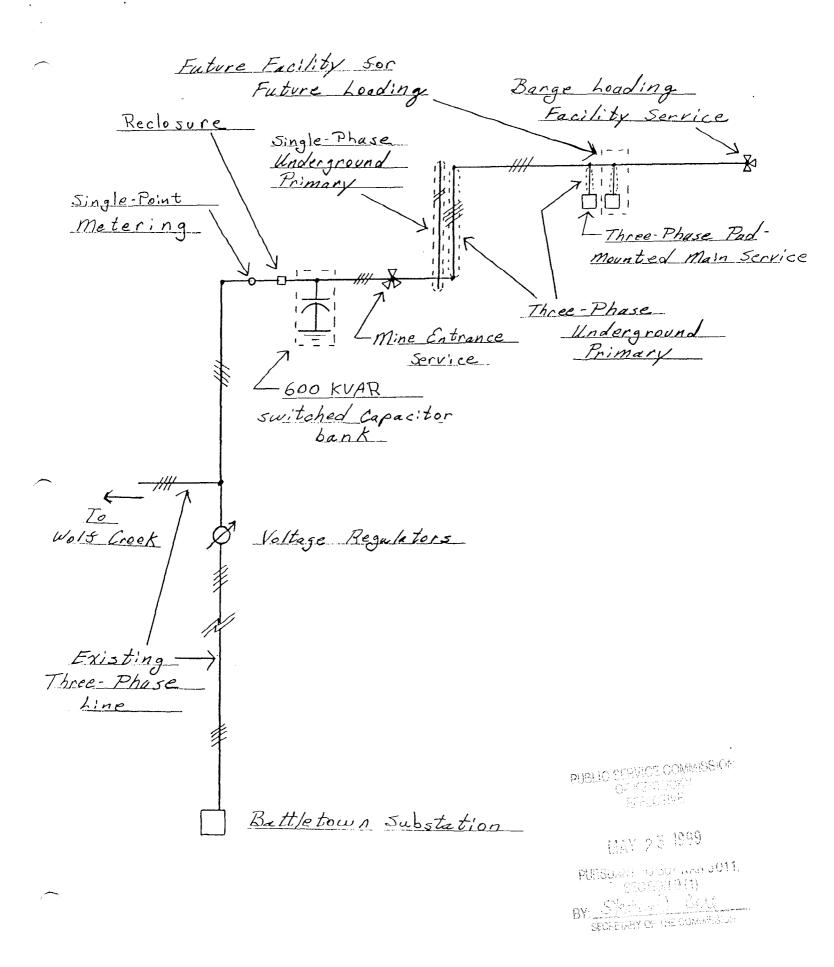
Exhibit A

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BY: STOTICAL BOLL
SECRETARY OF THE COMMISSION



Facilities Necessary to Service New Quarry at Big Bend

Upgrade existing 2.5 mi single phase to 3-phase and construct 1 mi. of new 3-phase

Construct 700 ft of 500 MCM UG Primary

Construct 700 ft of 1/0 UG Primary

Install new electronic 3-phase 560 Amp VWE reclosure

Install new switched 600 KVAR capacitor bank

Install new 3-phase regulator bank

Substation at plant 1000 KVA Pad-mounted transformer Underground equipment

Install primary single point metering

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BY: (Signal and) (See a secretary or the contestable)

Exhibit B

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MAY 20 1999

PURSUAGE DE DATAGE GOTT. SECTION 9 (1) BY: SECTION 9 (1) SECHERRY OF THE COMMISSION

		FOR	Entire Territory	y served	
			Community	, Town or City	/
				P.S.C. No.	32
			(Original)	Sheet No.	12
•			(Revised)		
MEADE C	COUNTY RURAL ELECTRIC				
COOPE	RATIVE CORPORATION		Cancelling	P.S.C. No.	31
			(Original)	Sheet No.	12
			(Revised)		
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Schedule 4	CLASSIFICATION	OF SE	RVICE		
1	50.00.00.00.00				RATE PER UNIT
Applicable:	e, 50 KVA - 999 KVA				
Entire Territor	ry Served.				
	,				
Availability of Se		1.	PUBI	IC SERVICE	COMMISSION
	consumers located on or near Seller's three-pha the established rules and regulations of Seller.		tor all types of	OF KENTU	CKY
usage, subject to	the established rules and regulations of Seller.			EFFECT	VE
Type of Service:				_	
Three-phase,	60 hertz, at Seller's standard voltages.			APR 30	1998
Rates:			Dura	N(41)= ==	
	nth per KW of billing demand plus energy charg	ge of:	run	SUANT TO 80 SECTION	KAR 5:011.
00400	1004/1 Co. 11 - Co. 100 100/1 Lorend and analysis	10101 -6	Living of BY and		Bu
.06106 per l	KWH for the first 100 KWH used per month per	KVV OI	osenand Sec	RETARY OF THE	OMMISSION
.05560 per l	KWH for the next 100 KWH used per month pe	r KW of	billing deman		o colon
.05333 per KWH for the next 100 KWH used per month per KW of billing demand					
.00000 pci i	Tree to the field that I does per month pe		zamg doman	_	
.05194 per l	KWH for all remaining KWH used per month.				

State, Federal and local tax will be added to above rate where applicable.

Determination of Billing Demand:

The billing demand shall be the maximum kilowatt demand established by the consumer for any period (fifteen consecutive minutes) during the month for which the bill is rendered, as indicated or recorded by a demand meter and adjusted for power factor as follows:

Power Factor Adjustment:

The consumer shall at all times take and use power in such manner that its average power factor shall be as near one hundred percent (100%) as is consistent with good engineering practice, but in no case shall the power factor be lower than ninety percent (90%) lagging. The Distributor reserves the right to measure the power factor at any time. Should such measurements indicate that the power factor at the time of his maximum demand is less than one percent (90%), the demand for billing purposes shall be the demand as indicated or recorded by the demand meter multiplied by ninety percent (90%) and divided by the percent

DATE OF ISSUE	May 20, 1998		
	Month	Day	MAY DO YOU
DATE EFFECTIVE	April 30, 1998		
()	Month	Day	PURSUARE TO SUY MAR SOTT.
ISSUED BY Som	~ ?. »/m	President/CEO	P. O. Box 489, Brandenburg, KY 40108
	Name of Officer	Tide	Address
ISSUED BY AUTHOR	RITY OF P.S.C.		SECRETARY OF THE COMMUNICATION
		0	rdor No. 97-209 Dated May 6, 1998

	FOR Entire Territory served			
		Community, Town or City		
			P.S.C. No.	33
		(Original)	Sheet No.	13
		(Revised)		
MEADE COUNTY RURAL ELECTRIC				
COOPERATIVE CORPORATION		Cancelling	P.S.C. No.	28
		(Original)	Sheet No.	13
		(Revised)		

Schedule 4 - continued CLASSIFICATION OF SERVICE	
Large Power Service, 50 KVA - 999 KVA	RATE PER UNIT
power factor. When the power factor is found to be lower than ninety percent (90%), the consumer will be required to correct its power factor to ninety percent (90%) at the consumer's expense. The demand shall be defined as ninety percent (90%) of the highest average kilovolt-amperes measured during any fifteen consecutive-minute period of the month. PUBLIC SERVICE CO Fuel Cost Adjustment: See Schedule 10 for applicable charge. EFFECTIVE	{ Y
AUG 19 19	98
Minimum Monthly Charges: The minimum monthly charge shall be the highest one of the following charges as Secretary Grape Cox (determined for the consumer in question: 1. The minimum monthly charge specified in the contract for service. 2. A charge of \$0.75 per KVA of installed transformer capacity. 3. A charge of \$25.00. Minimum Annual Charge for Seasonal Services: Consumers requiring service only during certain seasons not exceeding nine months per year may guarantee a minimum annual payment of twelve times the minimum monthly charge determined in accordance with the foregoing section in which case there shall be no minimum monthly charge.)
Due Date of Bill: Payment of consumers monthly bill will be due within ten (10) days from due date of bill.	
Delayed Payment Charge: The above rates are net, the gross rates being five percent (5%) higher on the first \$25.00 and two percent (2%) on the remainder of the bill. In the event the current monthly bill is not paid within ten (10) days from the due date of the bill, the gross rate shall apply. PUBLIC SERVICE CONTRACTOR	OMMISSION X '' /E

DATE OF ISSUE Septe	ember 15, 1998		MAY 20 1899
	Month	Day	Year Year
DATE EFFECTIVE Augu	st 19, 1998		PURSUARE PURSUA FAMIL 0:011.
7	Month	Day	Year War
ISSUED BY	JE, Wlene	President/CEO	P. O. Box 489, Brandenburg, KY 40108
—	Name of Officer	Title	SECHETARY CARRIES COMMISSION

ISSUED BY AUTHORITY OF P.S.C.

	FOR Entire Territory served			
	•	Community, Town or City		
MEADE COUNTY RURAL ELECTRIC		(Original) (Revised)	P.S.C. No. Sheet No.	<u>28</u> 14
COOPERATIVE CORPORATION		Cancelling	P.S.C. No.	20
		(Original) (Revised)	Sheet No.	16 &17

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Schedule 4 - continued	CLASSIFICATION OF SERVICE	
Large Power Service, 50 KVA - 99	99 KVA	RATE PER UNIT
Metering: Necessary metering equipments shall have the option of metering voltage.	nent will be furnished and maintained by the Cooperative, which ng service supplied hereunder at either primary or secondary	
Special Rules and Conditions: 1. Motors having a rated camust be three-phase unless wri	spacity in excess of seven and one-half horsepower (7 1/2 H.P.) itten permission has been obtained from the Seller.	
All wiring, pole lines, and considered the distribution syste consumer.	other electrical equipment beyond the metering point, shall be em of the consumer and shall be furnished and maintained by the	
Service hereunder will be energy from the Cooperative at billed separately from the other	e fumished at one location. If the consumer desires to purchase two or more locations, each such location shall be metered and under the above rates.	
	l under the above rate, the lighting load shall not exceed ten power load. All equipment necessary to provide lighting shall be d by the consumer.	
5. All motors in excess of te starters.	en horsepower (10 H.P.) rating shall have reduced voltage	
	ERRECTA GU MANER A DUBITIC SERVICE CO	MMISSIGN (V :
	PUBLIC SERVI	CE COMMIS NTUCKY
DATE OF ISSUE October 11, 199		CTIVE 11.

Month Day DATE EFFECTIVE November 11, 1995 P. O. Box 489, Brandenburg, KY, 40108 PURSUANTATO 807 KAR 5.011, SECTION 9 (1) Day ISSUED BY President/CEO Name of Officer Titie

ISSUED BY AUTHORITY OF P.S.C.

Order No.

Exhibit C

PUBLIC SERVICE COMMISSION CHARACTURE

MAY 05 1999

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Motor Starting Limits

Motor size	Start current limits
Up to 150 Hp	6.0 KVA/Hp
150 Hp to 300 Hp	5.0 KVA/Hp
300 Hp and Over	3.2 KVA/Hp

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE

MAY 23 1999

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BY: SOME SOME COMMISSION