

WHOLESALE
INDUSTRIAL POWER AGREEMENT

THIS AGREEMENT, made and entered into this 22nd day of May, 1986, by and between EAST KENTUCKY POWER COOPERATIVE, INC., a Kentucky corporation with its principal offices at Post Office Box 707, Winchester, Kentucky 40391, hereinafter referred to as "EKPC", and SHELBY RURAL ELECTRIC COOPERATIVE CORPORATION, a Kentucky corporation with its principal offices at P. O. Box 309, Shelbyville, Kentucky 40065, hereinafter referred to as "Cooperative".

W I T N E S S E T H:

WHEREAS, Cooperative is a rural electric cooperative providing retail electric service in its certified service territory in the Commonwealth of Kentucky, and

WHEREAS, Cooperative is a member of EKPC and buys all of its wholesale electric power and energy from EKPC, pursuant to the terms of a Wholesale Power Contract between the parties dated January 12, 1977, as amended, and

WHEREAS, Cooperative wishes to provide retail electric service to Alusuisse Flexible Packaging, hereinafter referred to as "Customer", for Customer's manufacturing facility at Shelbyville, Kentucky, and anticipates entering a contract to cover such service, and

WHEREAS, EKPC has an optional wholesale tariff available for members wishing to serve industrial loads requiring between 1,000 KW and 9,999 KW of electrical demand, and

WHEREAS, Cooperative wishes to utilize such optional

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tariff in serving Customer,

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 the date first above written, subject to the provisions of Section 14; provided, however, that all provisions hereof relating to the payment for power and energy shall become effective on the date of initial availability of power, provided said date is on or after September 15, 1986. This Agreement shall continue in effect for a term of one (1) year from said date of this Agreement and shall continue thereafter unless terminated by either party by providing written notice of such termination at least one (1) year prior to the desired termination date.
2. Availability of Power. Subject to the other provisions of this contract EKPC shall, commencing with the date of initial availability on or after September 15, 1986 make available to Cooperative, and the Cooperative shall take and purchase from EKPC, all of Customer's requirements for firm power and energy for the operation of Customer's said plant. The "contract demand" under the terms of this contract shall be 1500 KW.

The power and energy made available to Cooperative hereunder shall be delivered, taken, and paid for in accordance with the terms hereof and the tariffs of EKPC, Schedule C as finally approved by the Kentucky Public Service Commission (the "P.S.C.") and as modified from time to time by

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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 contract 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 277/480YV. Regulation of voltage shall be within such limits as prescribed by the applicable rules and regulations of the Kentucky Public Service Commission. Maintenance by 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 contract. 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. None of such electric power and energy delivered to Customer shall be resold to third parties.

Cooperative's contract with Customer shall provide that 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

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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 must be capable of satisfactory coordination with any protective equipment installed by EKPC and Cooperative.

4. Electric Disturbances. Cooperative's contract with Customer shall provide that Customer shall not use the energy delivered under said contract in such manner as to cause electric disturbances which may be reasonably expected to 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. Said contract shall also provide that, if Customer does not correct or suppress any disturbances after notice and reasonable time to correct the problem, then Cooperative may suspend or discontinue service to the extent appropriate, and that any interruption of service which may become necessary by reason of said requirements shall not relieve Customer from its obligation to pay Cooperative the monthly charge as specified in said contract.

5. Right of Removal. Cooperative's contract with Customer shall provide that any and all equipment, apparatus, devices or facilities placed or installed, or caused to be placed or installed, by either of the parties thereto or by EKPC on or in the premises of the other party shall be and remain the

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not in any way affect the obligations of Cooperative to pay the minimum bill. All amounts unpaid when due shall be subject to a 5% charge for late payment and First Security Bank/Lexington prime rate plus 1% simple interest from due date until paid.

8. Conditions. The effectiveness of this contract is conditional upon the execution of an Industrial Power Agreement between Cooperative and Customer with terms and conditions acceptable to EKPC. EKPC shall have no obligation to furnish power, pursuant to Section 2, hereinbefore, at any time prior to the execution of said Agreement. In the event that Cooperative and Customer do not execute such an Agreement within 180 days of the date of this contract, this contract may be terminated, without further liability or obligation hereunder, at the sole option of EKPC.
9. Notices. Any written notice, demand or request required or authorized under this Agreement shall be deemed properly given to or served on EKPC if mailed to:

Donald Norris, President & General Mgr.
East Kentucky Power Cooperative
P. O. Box 707
Winchester, KY 40391.

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

Thomas Barker, Jr., President & General Mgr.
Shelby Rural Electric Cooperative Corp.
P. O. Box 309
Shelbyville, KY 40065.

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Each party shall have the right to change the name of

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the person or location to whom or 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 either party may assign the Agreement to the Rural Electrification Administration and/or any supplemental lenders to either party 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 notice 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; storms; floods; civil disturbances; explosions; failures of machinery or equipment; or actions of federal, state or local governmental authorities which are not reasonably within the control of the party claiming relief. Notwithstanding the above, default by Customer of its obligations to Cooperative shall not be

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considered a force majeure, but shall be governed by the terms of Section 12, hereinbelow.

12. Default by Customer. In the event that Cooperative, for any reason beyond its control, becomes unable to collect its billings from Customer as provided in its Industrial Power Agreement, EKPC agrees to waive Cooperative's obligation to pay the rates and charges provided herein for service provided to Customer on the following terms and conditions: (1) Cooperative must promptly notify EKPC of Customer's failure to pay its bill to Cooperative; (2) Cooperative must formally declare Customer in default of the Industrial Power Agreement and must discontinue service to Customer without undue delay; (3) Cooperative must, within a reasonable time, vigorously pursue its legal and equitable remedies against Customer to recover such charges which are due and owing to Cooperative and shall keep EKPC fully informed of the progress of such activities; (4) to the extent that Cooperative recovers amounts from Customer relating to said service through litigation, settlement or otherwise, Cooperative must pay to EKPC all amounts due and owing to EKPC for service provided to Cooperative under the terms of this contract.

The waiver of payment provided hereinabove shall apply to Cooperative's minimum monthly payment obligation as well as any outstanding balance owed to EKPC relating to service provided to Customer up to the time of service disconnection. Upon the exhaustion of Cooperative's legal and/or equitable

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remedies against Customer, and the payment to EKPC for any outstanding charges from amounts recovered from Customer, if any, this Contract shall terminate with no further obligation or liability between the parties.

- 13. Entire Agreement. This contract and the exhibits hereto contains the entire agreement between the parties regarding the matters discussed herein. This contract is separate from, and in no way modifies or alters the terms of the Wholesale Power Contract between the parties dated January 12, 1977, as amended.
- 14. Approvals. The execution of this Agreement shall not result in a contract between the parties unless any necessary approvals of the Rural Electrification Administration, any supplemental lenders to the Cooperative and/or EKPC and the Public Service Commission of Kentucky are obtained within 180 days of such execution.

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

ATTEST:

SHELBY RURAL ELECTRIC
COOPERATIVE CORPORATION

Ray C. Smith
Secretary

By Joe Butler
Chairman

ATTEST:

EAST KENTUCKY POWER
COOPERATIVE, INC. PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

E. Gilbert
Secretary

By Ray C. Smith
Chairman

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