

INDUSTRIAL POWER AGREEMENT

THIS AGREEMENT, made and entered into this 10 day of September, 1986, by and between Shelby Rural Electric Cooperative Corporation, a Kentucky corporation with its principal offices at Post Office Box 309, Shelbyville, Kentucky 40065, hereinafter referred to as the "Cooperative", and Alusuisse Flexible Packaging, Inc., a Missouri corporation with its principal offices at 11960 Westline Industrial Drive, St. Louis, Missouri 63146, hereinafter referred to as "Customer".

W I T N E S S E T H:

WHEREAS, Cooperative is a rural electric cooperative providing retail electric service in Shelby 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, EKPC has been advised of and has consented to the provisions of this Agreement, and

WHEREAS, Cooperative has entered into a contract with EKPC to provide wholesale power and energy to serve this contract, 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 Shelbyville plant (hereinafter referred to as its "plant").

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DEC 24 1986

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

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 13; 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 ~~five (5)~~^{three (3) yrs.} years 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, Cooperative shall, commencing with the date of initial availability on or after September 15, 1986, but in no event later than October 15, 1986, make available to Customer, and the Customer shall take and purchase from Cooperative, all of Customer's requirements for firm power and energy for the operation of Customer's said plant. The "contract demand" under this contract shall be 1500 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 tariffs of the Cooperative, Schedule C1 as finally approved by the Kentucky Public Service Commission (the "P.S.C.") and as modified from

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

DEC 24 1986

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

BY: B. Jones

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 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 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, PUBLIC SERVICE COMMISSION OF KENTUCKY other abnormal system conditions, but Cooperative or EKPC, as EFFECTIVE

DEC 24 1986

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

BY: *[Signature]*

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.

4. Primary Service. If service is furnished at primary distribution voltage, a discount of five percent (5%) shall apply to the demand and energy charges. Cooperative will continue to meter on the service transformers' secondary, but will correct the metered amounts to include line and transformer losses as if primary metering were present.

To be eligible for the Primary Service Discount, customer will purchase all equipment from the overhead primary source at the Cooperative's current book value. This purchase may be elected by the customer at any time. Upon notification, Cooperative will within sixty (60) days arrange for primary metering billing and develop a current book value for the equipment involved. The discount will be effective the first complete billing period following receipt of payment for the equipment.

5. 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)

DEC 24 1986

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

BY: B. Jones

prevent Cooperative from serving other purchasers satisfactorily.

Cooperative may, at any time during the term of this Agreement, notify Customer of any such 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 (but only to the extent appropriate).

Any interruption of service which may become necessary by reason of this Section shall not relieve Customer from its obligation to pay 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 and upon the termination of this Agreement or any extension thereof the owner thereof shall have the right, but not the obligation, to enter upon the premises of the other and may within a reasonable time remove all or any portion of such equipment, apparatus, devices or facilities.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

DEC 24 1986

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

BY: Bojms

7. Rates and Charges. Customer shall pay Cooperative monthly for power and energy made available under this contract in accordance with the rates, charges, and provisions of Cooperative's currently submitted standard tariff applicable to consumers of the same class as Customer, Schedule C1 as finally approved by the Kentucky P.S.C. and as modified, replaced, or as adjusted from time to time and approved by the Kentucky P.S.C. Said tariff Schedule C1 as submitted, is attached hereto and hereby made a part hereof.
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 applicable provisions of said Schedule C1. If Customer shall fail to pay any such bill, as provided in said Schedule C1, 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 bill. All amounts unpaid when due shall be subject to a 5% 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

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
DEC 24 1986

PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)
BY: B. J. [Signature]

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 not participate in the Cooperative's capital credits or in any capital credited to Cooperative by EKPC existing prior to the date of this contract but shall participate in such capital credits accruing from and after such date 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:

Mr. Tom Barker
Shelby RECC
P. O. Box 309
Shelbyville, KY 40065.

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

Mr. K. L. Hulliger
Alusuisse Flexible Packaging
11960 Westline Industrial Drive
St. Louis, Missouri 63146.

Each party shall have the right to change the name of 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.

11. Successors in Interest. The terms and conditions of this Agreement shall inure to and be binding upon the parties,

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

DEC 24 1986

-7-

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

BY: Barnes

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 Electrification Administration and/or any supplemental lenders 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. 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 governmental authorities which are not reasonably within the control of the party claiming relief.

Notwithstanding the above provisions, no event of force majeure, except as provided hereinbelow, shall relieve Customer of its obligation to pay the minimum monthly charge provided herein. In the event that Cooperative shall declare an event of force majeure which results in an interruption of

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
DEC 24 1986

PURSUANT TO 907 KAR 5:011,
SECTION 9 (1)
BY: B. Jones

all electric service to Customer for a continuous period exceeding 24 hours, hereinafter called an "extended interruption", said minimum monthly charge shall be reduced on a pro rata basis for the total number of hours of the extended interruption as compared to the total number of hours in the month the extended interruption occurs. Should such an extended interruption continue into a subsequent month, the minimum monthly charge for that month shall be adjusted as provided above only if the extended interruption continues for more than 24 hours into the subsequent month. Events of force majeure declared by Cooperative which do not exceed 24 continuous hours in duration during a given month shall not be a basis for any adjustment of the minimum monthly charge for that month.

13. 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 Cooperative 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.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

DEC 24 1986

PURSUANT TO 1907 KAR 5:011,
SECTION 9 (1)

BY: Bynes

ATTEST:

SHELBY RURAL ELECTRIC COOPERATIVE CORPORATION

Ray C. Smith
Secretary

By Joe Butler
Chairman

ATTEST:

ALUSUISSE FLEXIBLE PACKAGING, INC.

Phylma J. McLee
Secretary to General Manager

By William J. Steffen
General Manager

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

DEC 24 1986

PURSUANT TO 607 KAR 5:011,
SECTION 5 (1)

BY: Bojrus

Shelby Rural Electric Cooperative Corporation

Original SHEET NO. 35

Shelbyville, Kentucky
Name of Issuing Corporation

CANCELLING P.S.C. NO.

SHEET NO.

CLASSIFICATION OF SERVICE

LARGE INDUSTRIAL RATE SCHEDULE C1

RATE PER UNIT

AVAILABILITY

Applicable to contracts with demands of 1,000 to 4,999 KW with a monthly energy usage equal to or greater than 425 hours per KW of billing demand. These contracts will be two "two-party" contracts with the first one being between the Seller and the Cooperative association and the second one being between the Seller and the ultimate consumer.

MONTHLY RATE

- Consumer Charge - \$535.00
- Demand Charge - \$5.39 per KW of billing demand
- Energy Charge - \$.03368 per kWh

PROPOSED RATE

BILLING DEMAND

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

- (a) The contract demand
- (b) The ultimate consumer's peak demand during the current month or preceding eleven months. The peak demand shall be 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 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.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
DECEMBER 1986
PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)
BY: B. J. [Signature]

DATE OF ISSUE July 1, 1986 DATE EFFECTIVE October 1, 1986
 ISSUED BY Thomas [Signature] TITLE President and General Manager
 Name of Officer

Issued by authority of an Order of the Public Service Commission of Kentucky in
 Case No. _____ dated _____

Shelby Rural Electric Cooperative Corporation
Shelbyville, Kentucky
Name of Issuing Corporation

P.S.C. NO. 5
Original SHEET NO. 36
CANCELLING P.S.C. NO.
SHEET NO.

CLASSIFICATION OF SERVICE

LARGE INDUSTRIAL RATE SCHEDULE C1

RATE PER UNIT

MINIMUM MONTHLY CHARGE

The minimum monthly charge shall not be less than the sum of (a) and (b) 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.

PROPOSED RATE

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 his maximum demand is less than 0.90 (90%), the demand for billing purposes shall be the demand as indicated or recorded, multiplied by 0.90 (90%) and divided by the power factor.

FUEL ADJUSTMENT CLAUSE

This rate 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. The Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

SPECIAL PROVISIONS

1. Delivery Point - 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 electric equipment on the load side of the delivery point shall be owned and maintained by the consumer.

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

BY: *[Signature]*

DATE OF ISSUE July 1, 1986 DATE EFFECTIVE October 1, 1986

SUED BY *Thomas Barker* TITLE President and General Manager
Name of Officer

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. _____ dated _____.