

## INDUSTRIAL POWER AGREEMENT

**THIS AGREEMENT**, made and entered into this 10<sup>th</sup> of **September**, 2002, by and between **SHELBY ENERGY COOPERATIVE, INCORPORATED**, a Kentucky corporation with its principal offices at 620 Old Finchville Road, Shelbyville, Kentucky 40065, hereinafter referred to as the "Cooperative", and Arvin-Sango, Incorporated, an Indiana corporation with its principal offices at 2905 Wilson Avenue, Madison, Indiana 47250, hereinafter referred to as the "Customer".

### WITNESSETH:

**WHEREAS**, Cooperative is an electric cooperative providing retail electric service in Henry 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 Campbellsburg Assembly Plant (hereinafter referred to as its "plant").

**NOW, THEREFORE**, in consideration of the mutual covenants, terms and conditions herein, the parties agree as follows:

1. **Term.** This agreement shall become effective as of September 10, 2002, 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 90 days 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 Cooperative, all of Customer's requirements for power and energy for the operation of Customer's said plant under the rate Schedule 2, Schedule B1, or Schedule C1.

Initial service to Customer shall be under Cooperative's rate Schedule 2. The minimum monthly contract demand during the period in which Customer is served under rate Schedule 2 shall initially be 100 kW and will increase periodically up to 500 kW, as specified in Exhibit 1, which is attached hereto and made a part hereof.

During periods when Customer is served under Cooperative's rate Schedule B1 only, minimum monthly contract shall initially be 500 kW, but may be increased by Customer, up to a contract demand of 1500 kW, upon a one month advance notice to Cooperative. Customer may thereafter reduce said contract demand upon three months advance notice to Cooperative, except that contract demand under Schedule B1 shall not be reduced below 500 kW.

During periods when Customer is served under Cooperative's rate Schedule C1, the minimum monthly contract demand shall be 500 kW and shall not be subject to adjustment by Customer.

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, Schedules 2, B1 or C1, as approved by the Kentucky Public Service Commission (the "PSC") 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 277/480Y. Regulation of voltage shall be within such limits as

prescribed by the applicable rules and regulations of the PSC. 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 the 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.

4. **Electric Disturbances.** Customer shall not use the energy delivered under this Agreement in such a manner as to cause electric disturbances which ~~may~~<sup>MAY</sup> 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, 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, with

reasonable noticed exercised in the case of emergencies, 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 of 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 <sup>TIME</sup> of such termination, provided the owner shall perform whatever restoration which is required for damage caused by said removal.
7. **Rate 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 2, B1 or C1, as approved by the PSC and as modified, replaced, or adjusted from time to time and approved by the PSC.

Customer shall be served under Cooperative's rate Schedule 2 effective September 16, 2002. After the initial six months on Schedule 2, Customer may elect at any time to move to Cooperative's rate Schedules B1 or C1, if Customer is qualified for such rates, upon three months advance written notice to Cooperative. After at least one year on any chosen rate, Customer may elect to move to either of the other available rates, so long as Customer remains qualified for the rate, gives the Cooperative at least three months advance written notice of the intent to change rates, and remains on that chosen rate for at least one year.

8. **Payment of Bills.** Payment for electric power and energy furnished hereunder shall be due and payable at the office of the Cooperative monthly in accordance with the applicable provisions of said Schedules 2, B1 or C1. If Customer shall fail to pay any such bill as provided in Schedules, 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 applicable rate schedule attached hereto. All amounts unpaid when due shall be subject to a charge for late payment, as provided in the attached rate Schedules as applicable.

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 provided, however, that 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:

Mr. Dudley Bottom, Jr.  
President and CEO  
Shelby Energy Cooperative, Inc.  
620 Old Finchville Road  
Shelbyville, KY 40065

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

Mr. Greg Smith  
Plant Manager  
Arvin Sango, Inc.  
2905 Wilson Avenue  
Madison, IN 47250

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, 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 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 government 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 herein below, shall relieve Customer of the obligation to pay the minimum monthly charge provided herein or any applicable rate schedule(s) attached hereto. In the event that Cooperative shall declare an event force majeure which results in an interruption of all electric service to Customer for a continuous period exceeding 24 hours, hereinafter called an "extended interruption", the minimum monthly energy charge under rate Schedule B1 or C1, if applicable, shall be reduced on a pro rata basis for the total number of hours in the month the extended interruption occurs. Should such an extended interruption continue into a subsequent month, the minimum energy 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 the Cooperative that 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.** This Agreement is subject to any necessary approvals of EKPC, the Rural Utilities Service, any other lenders to the Cooperative and the PSC.

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 supplemental lenders to the Cooperative, and the PSC.

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 written.

ATTEST:

SHELBY ENERGY COOPERATIVE  
INCORPORATED

Regw B. Taylor Jr

By Dudley Bitter Jr

ATTEST:

ARVIN SANGO INCORPORATED

W. Baldey 9/23/02

By Greg Smith 9-23-02

**SHELBY ENERGY**  
COOPERATIVE

**EXHIBIT 1**

**Arvin Sango, Inc. Campbellsburg Plant**

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<b>Date:</b>	<b>Minimum Demand (KW)</b>	<b>Contract Minimum Charge</b>
September 2002	100	\$450.00
October 2002	200	900.00
November 2002	300	1,350.00
December 2002	400	1,800.00
January 2003	500	2,250.00



Form for filing Rate Schedules

FOR All Territory Served  
Community, Town or City  
 P.S.C. No. 5  
2nd Revised SHEET NO. 17  
 CANCELLING P.S.C. NO. 5  
1st Revised SHEET NO. 17

Shelby Energy Cooperative, Inc.  
 Shelbyville, Kentucky

Name of Issuing Corporation

CLASSIFICATION OF SERVICE

LARGE INDUSTRIAL RATE - SCHEDULE B1

RATE  
 PER UNIT

AVAILABILITY:

Applicable to contracts with demands of 500 to 4,999 KW with a monthly energy usage equal to or greater than 400 hours per KW of contract demand.

MONTHLY RATE:

Consumer Charge \$535.00  
 Demand Charge per KW of Contract Demand \$5.39  
 Demand Charge per KW for Billing Demand in Excess of Contract Demand  
 Energy Charge per kWh \$0.02843

PUBLIC SERVICE COMMISSION  
 OF KENTUCKY  
 \$7082  
 \$02843

(R)

MAY 01 1999

BILLING DEMAND:

The billing demand (kilowatt demand) shall be the contract demand plus any excess demand. Excess demand occurs when the consumer's peak demand during the current month exceeds the contract 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:

PURSUANT TO 007 KAR 5.011  
 \$444  
 \$444

Months	Hours Applicable for Demand Billing - EST
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.

DATE OF ISSUE: March 29, 1999  
 ISSUED BY: Dudley Bolton, Jr.  
 Name of Officer

EFFECTIVE DATE: May 1, 1999  
 President & CEO  
 Title

Shelbyville, KY 40065  
 Address

Issued by authority of an Order of the Public Service Commission of Kentucky in  
 Case No. 98-581 Dated March 22, 1999

FOR ALL TERRITORY SERVICE  
 Community, Town or City  
 P.S.C. No. 5  
 Original SHEET NO. 18  
 CANCELLING P.S.C. NO. \_\_\_\_\_  
 SHEET NO. \_\_\_\_\_

**Shelby Energy Cooperative, Inc.**  
 Shelbyville, Kentucky

Name of Issuing Corporation

**CLASSIFICATION OF SERVICE**

PUBLIC SERVICE COMMISSION  
 OF KENTUCKY

LARGE INDUSTRIAL RATE SCHEDULE B1

EFFECTIVE RATE  
 PER UNIT

JUN 04 1997

MINIMUM MONTHLY CHARGE:

The minimum monthly charge shall not be less than the sum of (a) through (d) below:

- (a) Consumer Charge.
- (b) The product of the contract demand multiplied by the contract demand charge, plus the product of the demand in excess of the contract demand multiplied by the in excess of contract demand charge.
- (c) The product of the contract demand multiplied by 400 hours and the energy charge per kWh.
- (d) Contract provisions that reflect special facilities requirements.

PURSUANT TO 807 KAR 5.011.  
 SECTION 9(1)  
 BY: Stephan Bell  
 SECRETARY OF THE COMMISSION

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 billing demand is less than 0.90 (90%), the demand for the 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.

DATE OF ISSUE: June 11, 1997  
 ISSUED BY: Dudley Bottom, Jr.  
 Name of Officer

EFFECTIVE DATE: June 4, 1997  
President & General Manager  
 Title  
Shelbyville, KY 40065  
 Address

Issued by authority of an Order of the Public Service Commission of Kentucky in  
 Case No. \_\_\_\_\_ Dated \_\_\_\_\_

FOR THE PUBLIC SERVICE COMMISSION  
Community, Town or City  
P.S.C. No. 5  
Original SHEET NO. 19  
CANCELLING P.S.C. NO.  
SHEET NO.

Shelby Energy Cooperative, Inc.  
Shelbyville, Kentucky

Name of Issuing Corporation

CLASSIFICATION OF SERVICE

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE  
RATE  
PER UNIT  
JUN 04 1997

LARGE INDUSTRIAL RATE SCHEDULE B1

IN ACCORDANCE WITH  
KRS 202.010  
SUBJECT TO 807 KAR 50.01  
SECTION 9 (1)  
Herndon Bell  
SECRETARY OF THE COMMISSION

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.

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 electric equipment (except metering equipment) on the load side of the delivery point shall be owned and maintained by the consumer.

TERMS OF PAYMENT:

The above rates are net; the gross rates are 5% higher. In the event the current monthly bill is not paid by the due date as shown on the bill, the gross rate shall apply.

TEMPORARY SERVICE:

Consumers requiring temporary service under this rate schedule may be required to pay all costs of connecting and disconnecting incidental to the supplying and removing of service. In addition to this, a deposit will be required to cover estimated consumption of electricity. Both fees will be paid in advance.

DATE OF ISSUE: June 11, 1997

EFFECTIVE DATE: June 4, 1997

ISSUED BY: Dudley Botton, Jr.  
Name of Officer

President & General Manager  
Title

Shelbyville, KY 40065  
Address

Issued by authority of an Order of the Public Service Commission of Kentucky in  
Case No. \_\_\_\_\_ Dated \_\_\_\_\_