

INDUSTRIAL POWER AGREEMENT

THIS AGREEMENT, made and entered into this 17 day
of January, 19 89, by and between

SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION, a
Kentucky corporation with its principal offices at 925-929
North Main Street, Somerset, KY 42501, hereinafter referred
to as the "Cooperative", and Asahi Motor Wheel Company, Inc.

a Delaware corporation with its principal offices
at 300 Highway 461, P.O. Box 698, Somerset, KY 42501
hereinafter referred to as "Customer".

UTILITY SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

APR 15 1989

W I T N E S S E T H: PURSUANT TO 807 KAR 5:011,

SECTION 9 (1)

BY: [Signature]
UTILITY SERVICE COMMISSION MANAGER

WHEREAS, Cooperative is a rural electric cooperative providing retail electric service in Pulaski 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, 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 facility at 300 Highway 461, Somerset, KY 42501 (hereinafter referred to as its "plant").

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 June 1, 1989, subject to the provisions of Section 13. This Agreement shall continue in effect for a term of 3 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 yearly anniversary.
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 firm power and energy for the operation of Customer's said plant. The "contract demand" under this Agreement shall be:
 - (a) 5,255 KW for the period June 1, 1989 through September 30, 1989;
 - (b) 7,495 KW for the period October 1, 1989 through April 30, 1990;
 - (c) 9,790 KW beginning May 1, 1990.

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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, Schedule LP-2, as approved by the Kentucky Public Service Commission (the "P.S.C.") and as modified 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 7,200/12,470 GND Y. Regulation of voltage shall be within such limits as prescribed by the applicable rules and regulations of the P.S.C. 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 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. Cooperative Rules and Regulations. Customer agrees to be bound and adhere to all Rules and Regulations as all other Cooperative Customers/Members except as specifically stated in this contract.
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 systems connected with Cooperative's system, 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 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.

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

BY: Steve Miller
PUBLIC SERVICE COMMISSION MANAGER

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 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. 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 time of such termination.

7. Rates 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 LP-2, as approved by the P.S.C. and as modified, replaced, or as adjusted from time to time and approved by the P.S.C. Said tariff Schedule LP-2, is attached hereto and hereby made a part hereof.

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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 the applicable provisions of said Schedule LP-2. If Customer shall fail to pay any such bill as provided in Schedule LP-2, 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 herein. All amounts unpaid when due shall be subject to a 5% charge for late payment.

10807 KARLSON, SECTION 9.41
By: [Signature] PUBLIC SERVICE COMMISSION MANAGER

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 board of directors may defer retirement of so much of the 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:

Keith Sloan, President
South Kentucky RECC
P.O. Box 910
Somerset, KY 42501

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

Douglas V. Switzer, President
Asahi Motor Wheel Company, Inc.
P.O. Box 698
Somerset, KY 42501

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

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, or 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 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, and without that party's fault or negligence, (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; failure of machinery or equipment; interruptions in power deliveries from Cooperative's power supplier; or action 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 shall relieve Customer of the obligation to pay the minimum monthly charge provided herein.

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 P.S.C. are obtained within 180 days of such execution.
14. Third Party Beneficiary. The parties hereto recognize that EKPC will provide facilities specifically to serve this Agreement with a total cost of approximately \$400,000.00. The parties further recognize that a portion of the rates paid by Customer, and likewise paid by Cooperative under EKPC's wholesale rates, compensate EKPC for those facilities over the term of this Agreement. To the extent of its investment in such facilities, EKPC shall be a third party beneficiary to this Agreement. Customer hereby acknowledges that its obligation to pay the rates provided herein for service is, in part, an obligation to repay EKPC for such facilities and Customer agrees that EKPC, as a third party beneficiary providing consideration for this Agreement, shall have the right to bring a cause of action directly to recover its unreimbursed facilities investment in the event of a default of this Agreement by Customer.
15. Modifications. Any future revisions or modifications of this Agreement shall require the advance approval of EKPC and any necessary approvals by the Rural Electrification Administration, any Supplemental lenders to the Cooperative, and the P.S.C.

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

BY: [Signature]
PUBLIC SERVICE COMMISSION MANAGER

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 above written.

ATTEST:

D. V. Switzer By: *D. V. Switzer*
D. V. Switzer, President
Asahi Motor Wheel Company, Inc.

ATTEST:

Clifford M. Payne By: *Keith Slaw*
President and General Manager
South Kentucky R.E.C.C.

PUBLIC SERVICE COMMISSION
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APR 15 1989

PURSUANT TO 807 KAR 3.011,
SECTION 9 (1)

BY: *James H. Hill*
PUBLIC SERVICE COMMISSION MANAGER

SOUTH KENTUCKY R.E.C.C.
SOMERSET, KENTUCKY 42501

* CLASSIFICATION OF SERVICE *

LARGE POWER RATE 2 (5,000 TO 9,999 KW)

SCHEDULE LP - 2

APPLICABLE: Entire Service Area - Applicable to contracts with contract demands of 5,000 to 9,999 KW with a monthly energy usage equal to or greater than 425 hours per KW of contract demand.

TYPE OF SERVICE: Three phase 60 hertz at voltages as agreed to in the special five year Agreement for Service.

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RATES PER MONTH:

MAR 1 1989

Consumer Charge:	\$1,069.00	
Demand Charge:	\$ 5.39 per KW of billing demand	
Energy Charge:	\$.02822 per KWH for the first 425 KWH per KW of billing demand.	
	\$.02722 per KWH for all remaining KWH.	

PURSUANT TO KRS 5:011, SECTION 9(1)
PUBLIC SERVICE COMMISSION MANAGER

DETERMINATION OF BILLING DEMAND: The billing demand shall be the greater of (a) or (b) listed below:

- (a) The contract demand;
- (b) The ultimate consumer's highest demand during the current month or the preceding eleven months. The consumer'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):

- <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.

DATE OF ISSUE: January 20, 1989

DATE EFFECTIVE: March 1, 1989

ISSUED BY: Keith Sloan PRESIDENT/GEN. MANAGER

Issued by authority of an order of the Public Service Commission of Kentucky in Case No. _____ Dated _____.

SOUTH KENTUCKY R.E.C.C.
SOMERSET, KENTUCKY 42501

* CLASSIFICATION OF SERVICE *

LARGE POWER RATE 2 (5,000 TO 9,999 KW)

SCHEDULE LP - 2

MINIMUM CHARGE: The computed minimum monthly charge shall not be less than the sum of (a), (b) and (c) 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, plus
- (c) The consumer charge.

POWER FACTOR ADJUSTMENT: The consumer agrees to maintain unity power factor as nearly as practicable at each delivery point at the time of the monthly maximum demand. When the power factor is determined to be less than 90%, the monthly maximum demand at the delivery point will be adjusted by multiplying the actual monthly maximum demand by 90% and divided this product by the actual power factor at the time of the monthly maximum demand.

FUEL ADJUSTMENT CLAUSE: As shown in "APPENDIX B" following these tariffs.

CONTRACT FOR SERVICE: The consumer must give satisfactory assurance by means of a written agreement as to the character, amount and duration of the three phase requirements and complete a five year contract.

TERMS OF PAYMENT: All of the above rates are net. In the event that payments are not received on or before the due date, the total amount due will be increased by 5%.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAR 1 1989

PURSUANT TO 7 KAR 5:011,
SECTION 9(1)

BY: Thomas L. Hill
PUBLIC SERVICE COMMISSION MANAGER

DATE OF ISSUE: January 20, 1989

DATE EFFECTIVE: March 1, 1989

ISSUED BY: Keith Sloan PRESIDENT/GEN. MANAGER

Issued by authority of an order of the Public Service Commission of Kentucky in Case No. _____ Dated _____.