

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

JAN 01 1995

PURSUANT TO 807 KAR 5.011,
SECTION 9(1)

BY: Jordan C. Neel
FOR THE PUBLIC SERVICE COMMISSION

AMENDMENT TO
FULL REQUIREMENTS INTERRUPTIBLE
NATURAL GAS TRANSPORTATION CONTRACT
BETWEEN
BMCA INSULATION PRODUCTS, INC.
AND
THE UNION LIGHT, HEAT AND POWER COMPANY

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RATES & RESEARCH DIV.

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THIS IS AN AMENDMENT to the Full Requirements Interruptible Natural Gas Transportation Contract dated July 1, 1991, by and between THE UNION LIGHT, HEAT AND POWER COMPANY, a corporation organized and existing under the laws of the Commonwealth of Kentucky, hereinafter referred to as ULH&P, and BMCA INSULATION PRODUCTS, INC., a corporation organized and existing under the laws of the State of Delaware, with offices at 7125 Industrial Road, Florence, Kentucky 41042, which received assignment of such contract from INTERNATIONAL PERMALITE, INC. on March 1, 1994 (formerly GAF Insulation Products, Inc.) hereinafter referred to as CUSTOMER.

W I T N E S S E T H

WHEREAS, CUSTOMER is an existing industrial entity receiving gas from ULH&P; and

WHEREAS, CUSTOMER intends substantial upgrading of its Florence, Kentucky facility in order to enhance its position as a roofing insulation supplier, the result of which will necessitate increased natural gas usage in its industrial processes; and

WHEREAS, ULH&P and CUSTOMER have, after extensive negotiations, agreed upon a new schedule of transportation charges reflecting such planned increased natural gas usage, and agreed

upon an additional term of years to be added to such existing contract and other modifications and desire to reduce such agreement to writing.

NOW, THEREFORE, ULH&P and CUSTOMER agree to amend their July 1, 1991 Full Requirements Interruptible Natural Gas Transportation Contract as of January 1, 1995 as follows:

1. Paragraph B. of Article VII, Billing, is hereby amended in its entirety to read as follows:

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B. Transportation Gas - For billing of CUSTOMER's monthly Transportation Gas provided under this Agreement, CUSTOMER shall pay ULH&P a charge hereunder in accordance with the following rate schedule:

- First 30,000 MCF delivered per month @ \$0.741 per MCF
- Next 22,500 MCF delivered per month @ \$0.582 per MCF
- Next 15,000 MCF delivered per month @ \$0.450 per MCF
- Additional MCF delivered per month @ \$0.350 per MCF

In addition, ULH&P will deliver CUSTOMER's arranged-for gas, less shrinkage which is equal to ULH&P's system average unaccounted for percentage.

The above stated rates shall remain in effect unchanged for a three (3) year period beginning January 1, 1995 and ending December 31, 1997. Effective January 1, 1998, the above rates may be increased at the sole discretion of ULH&P by the same percentage increase in total rates as authorized by the Kentucky Public

Service Commission as a result of any general gas rate increase granted by the Commission during the term of this Amendment for the applicable industrial transportation rate.

2. Article VII, Minimum Bill, is amended as follows:

The minimum monthly volume of ten thousand Mcf (10,000 Mcf) is increased to fifteen thousand Mcf (15,000 Mcf). The annual minimum volume of five hundred thousand Mcf (500,000 Mcf) is increased to six hundred thousand Mcf (600,000 Mcf).

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and the following sentence to the end of this article:

In the event CUSTOMER shuts down all or part of its operations covered by the term of this Agreement,

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CUSTOMER shall pay the monthly minimum bill charge for the next eleven (11) months following such shut down.

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3. Article XVII, Term, of said Agreement is hereby amended in its entirety to read as follows:

This Agreement shall be for a period of nine (9) years effective July 1, 1991, and shall continue in full force and effect until July 1, 2000, unless extended by the written mutual agreement of both the parties hereto. This Agreement will also terminate if subsequent orders by any appropriate regulatory agency or the termination of any other agreements which pertain hereto would eliminate the availability and/or deliverability of

natural gas purchased or transported pursuant to this Agreement. The parties agree to open discussions on July 1, 1999 for the sole purpose to negotiate a subsequent agreement.

Except as herein specifically amended, the July 1, 1991 Full Requirements Interruptible Natural Gas Contract is hereby expressly ratified and confirmed.

IN WITNESS WHEREOF, the parties have hereunto affixed their signatures by officers or agents duly authorized in the premises as of the 8th day of September, 1994.

WITNESS:

THE UNION LIGHT, HEAT AND POWER COMPANY

Dean A. Spurgeon
Transportation Rep.

By: J. H. Seinson
Vice President,
Gas Operations

WITNESS:

BMCA INSULATION PRODUCTS, INC.

David P. Boehm

By: W. S. Lightner, Purch. Mgr.

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