

The Union Light, Heat and Power Company

107 Brent Spence Square

COVINGTON, KENTUCKY 41011

October 18, 1977

Grefco, Inc.
7125 Industrial Road
Florence, Kentucky 41042

Subject: "Emergency Gas" Purchase Agreement - Summer 1977
Special Gas Service Contract Customers

Gentlemen:

You have expressed interest in purchasing a volume of "Emergency Gas" and we have completed negotiations to purchase this gas for you.

Due to the constantly changing gas supply situation, this gas is only available on a temporary basis. You requested 59,000 Mcf for the balance of the summer months ending with your October, 1977 use period. The cost of this gas is \$2.60 per Mcf on a "take or pay" basis and will appear on your bill as a separate item. You will be billed first for the "Emergency Gas", then for your firm and off-peak gas quantities. If you exceed the sum of your use limitation as adjusted and the "Emergency Gas", you will be billed a \$10.00 per Mcf penalty in accordance with your contract.

Our projected gas curtailment is based on the most recent gas supply information from our supplier but is subject to change. When we purchase "Emergency Gas" for you, we are contractually obligated on a "take or pay" basis. If we purchase an emergency gas supply for you pursuant to this agreement, you will be obligated to pay for such supplies regardless of any subsequent change in curtailment. However if there is a change in gas curtailments, we will attempt to satisfy requests for redistribution of the surplus emergency gas volumes on a best effort basis.

If you desire to purchase the "Emergency Gas" under the provisions described above, which is only a supplemental agreement to your Special Gas Service Contract, effective May 1, 1974, please sign the original copy and return within 10 days. If you need additional information, please contact your Gas Representative.

Very truly yours,

M. W. Miller

M. W. Miller, Manager
Gas Commercial Department

ACCEPTED

BY: 

TITLE: OPERATIONS MGR

DATE: 10/24/77 Account No. 18-3000

MWM:CSK:wjb

*This agreement supercedes previous agreement for 56,500 MCF dated September 21, 1977.