

May 13, 1958

Metropolitan Sewer District
411 1/2 West Jefferson Street
Louisville 2, Kentucky

Gentlemen:

The purpose of this letter is to state the terms under which we will undertake to supply the natural gas requirements of your sewage treatment plant located between the Ohio River and South Western Parkway in the City of Louisville.

Your plant is designed to use gas for the treatment process known as sludge digestion and also for space heating in the plant buildings. It is contemplated that when the plant is in operation these requirements will be met by the plant's own sludge-gas production. It is our understanding, however, that at certain times you will be permitted to pump sewage directly into the river without treatment, depending upon the level of the river. During such times you do not propose to operate the plant.

The aggregate rated input capacity of your space heating and sludge heating equipment is 7,050,000 Btu per hour.

We understand that after a period of shutdown you will require natural gas to prime your digestion tanks until they are again producing sufficient sludge-gas for your operations. If a zero or five-degree day happens to coincide with a day on which natural gas is being used for sludge heating, your natural gas requirement could run as much as 7,000 cubic feet per hour. Otherwise your maximum heating requirement when the plant is not in operation will be 4,050,000 Btu, or approximately 4,000 cubic feet of natural gas per hour.

You are unable to predict in advance the time or duration of the periods when the river stage will make operation of the plant unnecessary or impossible. It is our hope that experience will demonstrate that your maximum natural gas heating requirement will not coincide with our own system peak load, but we have no assurance that such will be the case.

Our rules and rate schedules require that all space heating load in excess of 1,000,000 Btu per hour of rated input capacity be served under Dual-Fuel Off-Peak Gas Space Heating Rate G-8 with appropriate alternate fuel standby. Inasmuch as you have not provided

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and cannot provide without substantial additional cost equipment designed to burn oil or other alternate fuel, you have asked us to supply your natural gas requirements on a firm basis under General Gas Rate G-1. Subject to the specific approval of the Public Service Commission of Kentucky, we are willing to recognize the public service nature of your sewage treatment plant with its contribution to community welfare and betterment and, for a trial period of two years, to offer to supply your natural gas requirements under Rate G-1 in accordance with the following terms and conditions:

1. During the months of November, December, January and February you will take all reasonable steps to hold your usage of natural gas to the minimum. These steps shall include the following:
 - a. Maximum utilization of sludge-gas.
 - b. Maintenance of the lowest possible temperature in your plant buildings consistent with operating conditions.
 - c. Further reduction of temperature in plant buildings during those periods when our Rate G-8 customers are directed to suspend gas usage.
 - d. Scheduling of your plant operations to avoid the use of natural gas whenever feasible and practicable.
2. This service will be supplied under our General Gas Rate G-1 and shall be subject to our General Rules and Regulations Governing the Supply of Gas Service as filed with the Public Service Commission of Kentucky
3. It is recognized that a certain amount of experience with plant operation will be required before the nature and extent of your natural gas requirements can be ascertained. Accordingly, our agreement to supply natural gas under the terms stated herein shall extend only until June 30, 1960, at which time we shall review the results of two years of operation. The Company can then determine whether continuation of gas service is feasible, and if so the terms and conditions of further service.

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This proposal is being submitted to you in two copies. If acceptable, please so indicate by signing in the space provided below and return one copy for our contract file.

Yours very truly,

LOUISVILLE GAS AND ELECTRIC COMPANY

By 13/ E. F. JAENISCH
General Sales Manager

Accepted as of the date first above written.

METROPOLITAN SEWER DISTRICT

By 13/ M. H. CARTER
SEC. - TREAS.

OK
M.F.
B.H