

INDUSTRIAL GAS CONTRACT

Special Contract Rate B

THIS AGREEMENT, made and entered into this 8th day of December, 1967, by and between WESTERN KENTUCKY GAS COMPANY, a Delaware Corporation of Owensboro, Kentucky, hereinafter referred to as "SELLER", and HARVEY ALUMINUM (INCORPORATED) a California Corporation of Torrance California, and Lewisport, Kentucky, hereinafter referred to as "BUYER"

WHEREAS, the Seller owns and operates a natural gas transmission and distribution system, used in the transportation and sale of natural gas, and has available certain quantities of natural gas which Seller desires to sell and deliver to Buyer for industrial purposes, but not for resale, and Buyer desires to purchase from Seller certain quantities of natural gas for use in Buyer's plant.

NOW THEREFORE, in consideration of the mutal covenants and agreements of the parties hereto, as herein set forth, the parties hereto covenant and agree as follows:

1. Seller agrees to sell and deliver to Buyer, and Buyer agrees to receive, purchase and pay for, natural gas for the industrial fuel requirements as hereinafter specified, subject to the provisions of the Rate Schedule of a Special Contract Rate, this rate being applicable at the point of delivery in Hancock County, Kentucky.

2. RATES

(a) High Priority Service:

1. Demand Charge - \$2.18 per month for each Mcf of Daily Billing Demand

2. Commodity Charge -

First 3,500 Mcf per day 31.0 per Mcf

Next 2,500 Mcf per day 28.0 per Mcf

All Additional Mcf per day 25.0 per Mcf

(b) Interruptible Service - 31.0¢ per Mcf for all gas used in this classification.

(c) The rates as specified above shall be subject to a Purchased Gas Adjustment Clause, when exercised by Seller, as follows:

In the event Seller's supplier increases or decreases the rates payable by Seller, the above rates shall be subject to revision to any Buyer whose gas is served from such supplier by the amount of such increase or decrease, effective the date of such change from the Supplier. Any revision in the supplier's Demand Charge shall apply only to the High Priority Service rate; any revision in the supplier's Commodity Charge shall apply to both the High Priority and Interruptible service rate.

- (d) In addition to the regular monthly billing for the gas delivered, Buyer agrees to pay any applicable deficiency due under the Minimum Monthly Bill requirements, and for any applicable amount to cover any Penalty for Unauthorized Overrun as included herein and in the Rate Schedule.
- (e) Buyer also agrees to pay, in addition to the specified price for gas, any applicable production, severance, sales, use or excise tax with respect to natural gas which is imposed by any governmental agency and which the Seller has to pay or collect.

3. DELIVERY VOLUMES

- (a) The volume of gas to be sold and purchased under this contract shall be established separately for each class of service, on a daily basis, and Buyer shall specify in advance the maximum volume desired. On combination service the combined volume of gas shall first be apportioned to High Priority Service.
- (b) High Priority Service:
The volume for High Priority service shall be established on a High Priority Daily Contract Demand basis which shall be the specific volume Seller is obligated to deliver and Buyer is obligated to receive in any one day, subject to other provisions of this contract.
- (c) Interruptible Service:
The volume of Interruptible service shall be established on an Interruptible Daily Contract Demand basis which shall be the maximum daily volume Seller is obligated to deliver and which Buyer may receive, subject to other provisions of this contract.
- (d) Revision of Delivery Volumes:
The Daily Contract Demand for High Priority and Interruptible service shall be subject to revision as necessary so as to coincide with the Buyer's normal operating conditions and actual load with consideration given to any anticipated changes in Buyer's utilization, subject to Seller's contractual obligations with other customers, or its supplier, and subject to availability of the gas if an increased volume is involved.

	<u>Development Period</u>	<u>After Qualification</u>
(e) Initial Daily Contract Demand		
(i) High Priority Service	<u>3,000</u> Mcf	
(ii) Interruptible Service	<u>2,500</u> Mcf	
(iii) Total	<u>5,500</u> Mcf	<u>7,500</u> Mcf

4. DETERMINATION OF DAILY BILLING DEMAND

The billing demand shall be the amount contracted for under High Priority service.

5. QUALIFICATION

(a) This contract is applicable only to a Buyer who actually requires and uses a minimum of 7,500 Mcf per day for base load purposes, and Buyer understands and agrees that this contract is subject to cancellation by Seller if, for any reason, Buyer fails to comply with this minimum requirement.

(b) In the event of cancellation of this contract for this reason, Buyer agrees that all gas delivered thereafter shall be billed to it at the lowest available approved rate for which Buyer qualifies.

6. UTILIZATION

This contract shall apply only to the utilization, volume, and location specified as follows:

(a) Utilization: Heat treating, space heating, and other miscellaneous uses

(b) Maximum Hourly Demand 300 Mcf

(c) Initial Total Daily Contract Demand 5,500 Mcf

(d) Maximum Daily Utilization: The maximum daily utilization shall be limited by Buyer to the total Daily Contract Demand except when, on a temporary basis, a greater quantity of gas is specifically approved in advance by Seller.

(e) Maximum Delivery Pressure 300 pounds.

(f) Location Hawesville, Kentucky

7. MINIMUM MONTHLY BILL

A minimum monthly bill shall apply to each class of service as provided for in this rate schedule; charges to be computed as follows:

(a) High Priority Service:
The Minimum Monthly Bill shall be the monthly billing demand charge. In the event of a plant shutdown only due to strike or lockout, the monthly billing demand shall be reduced to the

- (a) High Priority Service: (continued)
maximum daily demand established during the month, or to 50% of the contracted high priority demand, whichever is greater, but in no case greater than the contracted high priority demand, exclusive of penalties.
- (b) Interruptible service:
The Minimum Annual Bill shall be the product of 25% of the daily contract demand times the number of Buyer's normal days of gas utilization in the year, times the rate per Mcf, less an allowance for any time that gas was not available.

The allowance shall be computed on a basis of the daily contract demand times the number of days or fraction thereof on which gas was not available.
- (c) Any billing for a deficiency under the Minimum Annual Bill for Interruptible Service shall be made as of the ending month of the contract year and shall be due and payable on or before the 20th of the following month in conjunction with the regular billing, or 20 days after termination of the contract for the last contract year.

8. PENALTY FOR UNAUTHORIZED OVERRUN

- (a) In the event Buyer fails, in part or in whole, to comply with Seller's curtailment order as to time, duration or volume of gas used, or uses a greater quantity of gas than its Daily Contract Demand, or a quantity in excess of any special temporary authorization without prior approval, whether a curtailment order is in effect or not, Buyer shall pay for the unauthorized gas so used at the rate of \$11.00 per Mcf, which rate shall be revised to reflect any increase or decrease in the Demand Charge which Seller pays its supplier.
- (b) In addition to this penalty payment for the use of unauthorized gas, the regular applicable rate shall be billed by Seller and paid for by Buyer for any and all gas used.
- (c) Also, when Buyer uses any volume of unauthorized gas as specified in Section (a) above, Buyer shall pay, in addition to the specified penalty for Demand Charges, any special penalty which Seller has to pay its supplier by reason of such unauthorized use.
- (d) The payments as specified above shall be assessed against and paid by Buyer only in the event Seller is assessed and pays increased Demand Charges and/or a special penalty to its supplier, by reason of the Buyer's unauthorized use or overrun as specified in Section (a) above, but Seller is not obligated to challenge or litigate the charges, demands or penalties assessed by its supplier.

- (e) Any payment by Buyer of the penalty for Demand Charges or of the special penalty payment shall not be deemed as giving the Buyer any right to use any gas to which it is not otherwise specifically entitled to use under this contract, nor shall any such payment serve or tend to relieve Buyer of any other obligations resulting from its using any unauthorized or excess gas at any time, or from its failure to comply fully with such or other curtailment orders which may be in effect in the future.

9. BILLING AND PAYMENT

- (a) Seller will render a statement to Buyer on or before the tenth (10th) day of each calendar month covering the gas delivered hereunder during the preceding month, and Buyer shall make payment in full on or before the twentieth (20th) day of the month in which the statement is rendered.
- (b) Any applicable Penalty for Unauthorized Overrun will be billed by Seller with the regular bill for the month in which the unauthorized overrun occurred, provided the necessary billing data is available, otherwise, it will be billed with the regular bill for the following month and Buyer shall make payment in full on or before the twentieth (20th) day of the month in which the statement is rendered.
- (c) If Buyer shall fail to pay any bill for gas delivered, for any deficiency payment under the Minimum Annual Bill or for any Penalty for Unauthorized Overrun within the time herein provided, Seller, in addition to any other remedy it may have, may, if Buyer thereafter fails to pay on written demand, at its option cancel and terminate this contract, provided that such cancellation and termination shall not affect Buyer's obligation to pay for all gas theretofore delivered and for any other obligation due under this contract.

10. CURTAILMENTS

- (a) High Priority Service:
Seller shall have the right to curtail or to discontinue the delivery of gas entirely to Buyer for any period of time when such curtailment or discontinuance is, or appears to be necessary to comply with any restriction or curtailment as may be imposed by any governmental agency having jurisdiction over Seller, or its supplier, or to comply with any restriction or curtailment as may be imposed by Seller's supplier, or for any causes due to force majeure (which includes but is not limited to acts of God, strikes, lockouts, civil commotion, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, etc.); so that Seller may maintain the operating efficiency of its system in a safe and orderly manner.

- (b) **Interruptible Service:**
In addition to the reasons listed above under High Priority Service, Seller shall have the right to curtail or to discontinue the delivery of interruptible gas entirely to the Buyer in order to avoid an increase in the Demand Charges in Seller's gas purchases from its supplier; to avoid an excessive peak load and demands upon the gas transmission and distribution system, and for any other necessary or expedient reason, at the discretion of Seller.
- (c) Seller will curtail or interrupt High Priority or Interruptible service on as equitable a basis as is practicable, using its best judgment and taking into consideration its operations and related factors and the operations and gas utilization of the Buyers affected. All curtailments or interruptions shall be in accordance with and subject to Seller's "Curtailment Order" as contained in Section 29 of its Rules & Regulations as filed with and approved by the Public Service Commission. Wherever possible, Seller will give four (4) hours notice to Buyer for 50% curtailment, and eight (8) hours notice for full curtailment.

11. **STANDBY OR AUXILIARY EQUIPMENT AND FUEL**

It shall be the responsibility of Buyer to provide and maintain at all times such adequate standby, auxiliary equipment and fuel as may be required or necessary to protect its fuel requirements and best interests, including health and employee welfare considerations, and to assure its continuous operations, with the interruptible terms and conditions of this contract being duly considered.

12. **POINT OF DELIVERY**

- (a) The point of delivery of all gas delivered hereunder shall be on the outlet side of Seller's measuring station at the point of connection between the facilities of Seller with those of Buyer, and Seller shall be in possession and control of the gas delivered hereunder and responsible for any damage or injury caused thereby until the gas shall have been delivered to Buyer at the point of delivery, after which Buyer shall be deemed to be in possession and control thereof and responsible for any injury or damage caused thereby.
- (b) Each party shall indemnify and save harmless the other party on account of any and all damages, claims or actions arising out of the operation or maintenance of the property or equipment of the indemnifying party, the point of delivery as hereinbefore specified to the point of division of responsibility between the parties.

13. **QUALITY**

- (a) The gas delivered hereunder shall be commercially free from objectionable dust or other solid, liquid or gaseous matters which might interfere with its merchantability or utilization.

- (b) The annual average total heating value of the gas delivered hereunder shall be approximately 1,000 Btu per cubic foot and shall vary only with Seller's supply.

14. MEASUREMENT

- (a) The sales unit of the gas delivered hereunder shall be 1,000 cubic feet (Mcf) measured according to Boyle's Law for the measurement of gas under pressure with deviations therefrom in accordance with standard methods.
- (b) The deviations of the gas from Boyle's Law, at pressures under which said gas is delivered hereunder, shall be determined by standard methods.
- (c) The unit of volume for the purpose of measurement shall be one cubic foot of gas at a temperature of 60 degrees Fahrenheit and at a pressure of 14.65 pounds per square inch absolute.
- (d) The average absolute atmospheric (barometric) pressure shall be assumed to be 14.4 pounds per square inch, irrespective of actual elevation or location of the point of delivery above sea level, or variations in such atmospheric pressure from time to time.
- (e) The temperature of the gas flowing through the meters shall be assumed to be 60.0 degrees Fahrenheit, provided, however, Seller may, at its option, install a recording thermometer to record the actual flowing temperature of the gas through the meter. Where such installation is provided, the arithmetic average of the temperature recorded shall be used in computing measurements.
- (f) The specific gravity of the gas delivered hereunder shall be determined by standard methods.

15. MEASURING EQUIPMENT

- (a) The Seller will install, operate and maintain the necessary regulating and metering equipment of suitable capacity and design to regulate and measure the gas deliveries as specified herein. Suitable site or location for the regulating and metering equipment is to be provided by the Buyer, and the title of this equipment shall remain in the Seller, with right to install, operate, maintain and remove same, and no charge shall be made by Buyer for use of premises so occupied. The Buyer agrees to install such additional regulating equipment as may be necessary for satisfactory operation (including Seller's measuring equipment) and utilization.

- (b) The accuracy of Seller's measuring equipment shall be verified by Seller at reasonable intervals, and whenever requested by Buyer, but Seller shall not be required to verify the accuracy of such equipment more frequently than once in any 30-day period.
- (c) Buyer shall be given reasonable advance notice and shall have the right to be present at the time of any installing, reading, cleaning, changing, repairing, inspecting, calibrating or adjusting done in connection with Seller's measuring equipment used in measuring deliveries hereunder. The records from such measuring equipment shall remain the property of the Seller, but upon Buyer's request, Seller will submit such records and charts, together with calculations therefrom, for Buyer's inspection and verification, subject to return within 10 days after receipt thereof.
- (d) If, upon test, any measuring equipment is found to be not more than 2% fast or slow, previous recordings of such equipment shall be considered correct in computing the volume of gas delivered hereunder, but such equipment shall be adjusted properly at once to record accurately. If, upon test, any measuring equipment is found to be inaccurate by an amount exceeding 2%, at a recording corresponding to the average hourly rate of flow for the period since the last preceding test, then any previous recordings shall be corrected to zero error, for any period which is known definitely or agreed upon, but in no case shall any correction be made for a period exceeding one-half (1/2) of the time elapsed since the date of the last test.

16. SUBJECT TO REGULATION

This contract shall be subject to the valid laws, orders, rules and regulations of all duly constituted authorities having jurisdiction over either or both Seller and Buyer.

17. TERM OF CONTRACT

- (a) This contract shall apply to and be binding upon the successors and assigns of both Seller and Buyer and shall remain in full force and effect for a period of five (5) years beginning on November 1 following the day on which Buyer first qualifies as to the minimum daily requirements hereunder, and thereafter until cancelled by Seller or Buyer as hereinafter provided.

Prior to qualification as set forth above, Buyer shall be billed for all gas delivered at the lowest published rate for which it qualifies.

- (b) This contract shall be automatically extended for successive one-year terms unless either party gives the other party written notice of its intent to cancel 180 days prior to the ending of the term for which the contract is then in existence, in which event the contract will terminate at the end of that term.

- (c) This contract supersedes and cancels all previous contracts and agreements between the parties hereto, with respect to the subject matter hereof, and is intended to include all the terms and conditions contemplated by the parties hereto with respect to such subject matter.

18. NOTICES

- (a) Any notice, statement or bill provided for in this contract or any notice which either party may desire to give the other party shall be in writing and shall be considered as being duly delivered when mailed, by either registered or ordinary mail, to the post office of either of the parties hereto, as the case may be, as follows:

Seller: Western Kentucky Gas Company
P. O. Box 646
Owensboro, Kentucky 42301

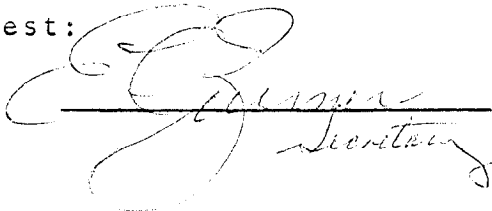
Buyer: Harvey Aluminum (Incorporated)
19200 South Western Avenue
Torrance, California

- (b) Either party may change its address under this provision by notice to the other party.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed in duplicate by their proper officers, thereunto duly authorized, and attested by their respective Secretaries or Assistant Secretaries and their respective corporate seals to be hereto affixed, as of the day and year above written.

WESTERN KENTUCKY GAS COMPANY

Attest:


Secretary


By


Vice President (SELLER)

HARVEY ALUMINUM (INCORPORATED)

Attest:

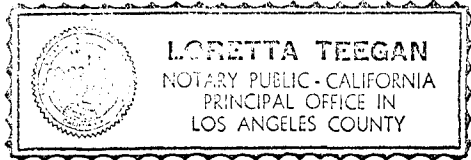
By


Executive Vice President (BUYER)

STATE OF CALIFORNIA)
) SS.
COUNTY OF LOS ANGELES)

On this 8th day of December, 1967, before me, LORETTA TEEGAN,
a Notary Public in and for said County, personally appeared HOMER M.
HARVEY, Executive Vice President of HARVEY ALUMINUM (INCORPORATED),
known to me to be the person whose name is subscribed to the within
instrument, and acknowledged that he executed same.

WITNESS my hand and official seal.



Loretta Tegan

Notary Public in and for Said County and
State

LORETTA TEEGAN
My Commission Expires October 1, 1971