

SPECIAL INTERRUPTIBLE GAS TRANSPORTATION AGREEMENT

This Interruptible Gas Transportation Agreement entered into this 1ST day of NOVEMBER, 1992 between Columbia Gas of Kentucky, Inc. (Columbia), a Kentucky corporation with a mailing address of P.O. Box 117 Columbus, OH 43216-0117 and ~~Armco Steel~~ Company, L.P. (Armco), a Delaware limited partnership corporation with a mailing address of P.O. Box 191, Ashland, KY, 41105-0191.

Whereas, Columbia is a natural gas utility authorized to provide natural gas sales and transportation service pursuant to tariffs approved by the Kentucky Public Service Commission (PSC); and

Whereas, Columbia has applied to the PSC for authority to acquire certain facilities of the Inland Gas Company and to provide service to current customers of the Inland Gas Company served from those facilities; and

Whereas, Armco is a steel manufacturer with a steel manufacturing plant and coke plant located in the Ashland, Kentucky area, and whereas both plant facilities utilize natural gas; and

Whereas, Armco currently receives interruptible gas transportation service at its Ashland steel manufacturing facility from the Inland Gas Company through the facilities which Columbia has sought to acquire; and

Whereas, Armco wishes to have Columbia provide interruptible gas transportation service to the aforementioned plant facilities under terms and conditions which differ from those contained in Columbia's gas transportation tariffs;

NOW THEREFORE, in consideration of the mutual promises contained herein, Columbia and Armco agree to the following terms and conditions:

1. Conditions Precedent. This Agreement shall be subject to the following conditions precedent: (1) Columbia's receipt of a certificate of convenience and necessity from the PSC authorizing Columbia to provide natural gas sales and transportation service in Boyd and Carter Counties; and (2) PSC approval of the terms and conditions of this Agreement.

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BY: George D. Miller  
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2. Deliveries. For purposes of this Agreement, the unit of volumetric measurement shall be a standard cubic foot of gas at a pressure of 14.73 pounds per square inch absolute. The term "Mcf" as used herein shall mean one thousand (1,000) standard cubic feet of gas.

Subject to limitations in the pipeline capacity of Columbia's distribution system and to Columbia's service obligations to its other customers, Columbia will accept deliveries of Armco's gas at the point(s) of receipt listed in Section 22 hereof, for redelivery in Mcf to Armco's facilities, also listed in Section 22.

The volume levels specified in Section 22 shall represent the actual expected requirements of Armco's facilities for gas delivered pursuant to this agreement and may be exceeded only with the prior consent of Columbia, which shall not be unreasonably withheld. If in any billing month the volume of gas redelivered to Armco by Columbia exceeds the volume of gas delivered by or on behalf of Armco to Columbia at the delivery points specified in Section 22, hereof, without the prior consent of Columbia, such excess gas shall be considered tariff sales by Columbia to Armco and shall be billed to Armco at the rate specified in Columbia's Rate Schedule IS-Interruptible Service.

Armco will attempt to have the volumes delivered to Columbia at the point(s) of receipt listed in Section 22 match the volumes being redelivered to Armco's facilities. Although Armco will not be required to separately schedule on Columbia's distribution system the redelivery of volumes of gas to Armco's two plant facilities, Armco agrees to schedule all interstate pipeline deliveries for its Coke Plant through the 8th Street Station. Volumes of gas intended for redelivery to the Steel Plant can be scheduled for delivery to the Westwood and/or Mavity Stations.

It is agreed that of all volumes of gas delivered by Columbia to Armco at its facilities during each monthly billing period, the first gas through the meter shall be volumes of retail sales gas, if any, purchased by Armco. The last gas through the meter shall be volumes of gas delivered pursuant to this agreement.

Due to the variety of meter reading dates possible at Armco's facilities, the meter reading dates at the point(s) of receipt used to determine Armco's delivered volumes to Columbia may not match the meter reading cycle at Armco's facilities where the gas is being redelivered by Columbia. However, Columbia's accounting system used for crediting Armco's gas to Armco's account will be applied on a consistent basis, and will be used by Columbia in determining deliveries, volume bank levels and deficiencies in deliveries.

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3. Heat Content Adjustment. When Columbia receives Armco's gas from an interstate pipeline on a dekatherm (one million btu) basis, Columbia will make a heat content adjustment in accordance with the procedures set forth below in order to deliver to Armco volumes of gas, in Mcf, equal in heat content to the gas delivered to Columbia for the account of Armco. The average monthly heating value of gas measured and calculated by the pipeline which delivers Armco's gas to Columbia will be used each billing month to establish the heating value of the gas delivered by Columbia to Armco. However, if locally produced gas or gas from pipelines other than the delivering pipeline is introduced into Columbia's pipeline serving Armco's facilities, so as to raise a question as to the applicability of the heating value determined by the delivering pipeline, either Columbia or Armco may request that gas samples be taken to determine the heating value of the gas received by Armco at its facilities. The following provisions will apply in the event either party elects to have gas samples taken:

(a) The party requesting the sample(s) will pay all costs connected with obtaining the sample(s) and having the sample(s) analyzed.

(b) The gas sample(s) shall be obtained at or in the vicinity of Armco's facilities during normal operating hours of the facilities.

(c) The gas sample(s) will be analyzed at a Columbia testing facility or at a testing facility approved by Columbia.

(d) If the analysis is done by an outside testing facility, the testing facility will forward the results directly to Columbia and Armco, using a format provided by Columbia for recording the results of the analysis. If Columbia performs the analysis, the Columbia testing facility will forward the results directly to Armco.

(e) Multiple samples taken during any billing month will be averaged to obtain a Btu value; that Btu value will be applied only for that particular billing month. No retroactive adjustments based on Btu readings obtained in a current billing month will be made to billings for any prior month.

(f) The average Btu value obtained from sample(s) during any billing month shall be used to determine the volumes delivered by Columbia to Armco only if such Btu value is more than 103% or less than 97% of the saturated (wet) Btu value provided by the delivering pipeline for that month, otherwise the delivering pipeline's Btu value will be used.

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4. Measurement at Point(s) of Receipt with an Interstate Pipeline. When Columbia receives Arco's gas at point(s) of receipt with an interstate pipeline, all measurement shall be performed in accordance with the terms of Columbia's agreement with that interstate pipeline and shall be conclusive for purposes of this Agreement.

5. Quality of Gas Delivered to Columbia. Gas delivered by or on behalf of Arco to Columbia shall conform to interstate pipeline gas quality standards.

6. Delivery Charges. For all Arco's gas delivered by Columbia to Arco's facilities pursuant to this Agreement, Arco will pay to Columbia a per Mcf delivery charge of twenty-eight cents (28¢). This rate is inclusive of all costs for the interruptible transportation of gas and of any allowance for lost or unaccounted for gas.

If furnishing service to Arco pursuant to this agreement requires Columbia to use transportation service provided by another Company, any cost incurred by, or billed to, Columbia with regard thereto, shall be billed to Arco by Columbia and paid by Arco. Such costs include, but are not limited to, transportation or delivery charges, gas volumes retained for company use and unaccounted-for gas, filing fees, and penalties incurred as a result of gas volume imbalances or other factors set forth in the applicable rate schedule of such other transporting company. Arco shall also reimburse Columbia for any filing fees paid by Columbia to an entity other than those considered above when necessary to commence or continue gas transportation service to Arco. Columbia will receive Arco's approval before taking any action that results in either the initiation of said transportation service or the incurrence of the filing fees set forth in this paragraph.

7. Payment. Columbia shall bill and Arco shall pay all charges on a Net 30 day basis, i.e., payment in full shall be made 30 days following the date on which Columbia issues a bill to Arco. Late penalty charges and other terms of payment not inconsistent with this agreement as set forth in the general terms and conditions of Columbia's tariff applicable to Rate Schedule IS, as that Rate Schedule may from time to time be amended, are incorporated herein by reference and shall be applicable to service rendered hereunder. At each redelivery point identified in Section 22, hereof, Arco shall be subject to the customer service charge set forth in Rate Schedule IS, as amended from time to time. This charge is currently \$135.79 per redelivery point.

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BY: Charles H. [Signature]  
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8. Columbia's Delivery Obligation; Armco's Obligation to Reduce Consumption. Armco's Authorized Daily Volume on any day consists of the sum of Armco's transported volumes (as determined herein) for which Armco has contracted, plus any additional volumes that Columbia, in its sole discretion, authorizes Armco to use on that day. Delivery of Armco's Authorized Daily Volume is firm, with no planned interruption, except as provided in Section 9 hereof. Upon notice to Armco, Columbia may require Armco to reduce consumption to Armco's Authorized Daily Volume whenever Columbia, in its discretion, deems it necessary to do so.

For purposes of this Section, the portion of Armco's Authorized Daily Volume attributable to transported gas delivered to Columbia shall consist of two parts. The first part shall consist of volumes delivered at receipt points where the upstream transporter, producer, or other delivering entity does not report deliveries to Columbia on a daily basis. The portion of Armco's Authorized Daily Volume attributable to this part shall be determined by dividing the volume of gas delivered to Armco in the most recent month for which information is available by the number of days in that month.

The second part shall consist of volumes delivered by upstream transporters which report Armco's deliveries to Columbia on a daily basis. If the upstream transporter's reporting system is acceptable to Columbia, Columbia may, at its option, utilize such system to determine Armco's deliveries on any day. If Columbia elects not to utilize such reporting system, it shall determine Armco's deliveries using the best information available, as determined by Columbia.

9. Interruption. Notwithstanding the provisions of Section 8 hereof, all deliveries by Columbia to Armco, including Armco's Authorized Daily Volumes, are subject to partial or complete interruption during force majeure situations, (herein defined to mean acts of God, strikes, lockouts or other labor disturbances, acts of a public enemy, war, blockages, insurrections, riots, epidemics, fire, storms, floods, washouts, civil disturbances, explosion, breakage or accidents to machinery or pipelines, freezing of wells or pipelines, partial or entire failure of such wells, or any other cause not otherwise provided for herein, whether of the kind herein enumerated or otherwise), not reasonably within the control of Columbia. All deliveries are also subject to complete or partial interruption whenever service to residential and other high priority customers is threatened.

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BY: Charles H. Miller  
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10. Volume Bank Columbia has established a system to account for Armco's volumes received by Columbia but not delivered to Armco at its facilities during the same monthly billing cycle. Such undelivered volumes shall be called a volume bank and Armco shall be permitted to receive such banked volumes at a later date.

The total volume bank of Armco shall not at any time exceed a "bank tolerance" of five percent (5%) of the annual transportation volume listed in Section 22. If at any time Armco's volume bank exceeds the bank tolerance, Columbia may require Armco to immediately reduce or stop deliveries until its volume bank of gas is equal to or less than the bank tolerance.

In the event Armco's volume bank at the start of any November billing period, as reported to Armco with its October transportation invoice, exceeds the bank tolerance, Armco agrees to pay Columbia fifty cents (\$.50) per Mcf or any increase in the current commodity rate of Columbia's pipeline supplier, whichever is greater, for all banked volumes in excess of the bank tolerance. Columbia may, at its option, offer to purchase that portion of Armco's volume bank that exceeds the bank tolerance, at a price solely determined by Columbia. If such an offer is made and accepted, Armco shall be credited any payments already made with respect to any such volumes sold to Columbia.

Annually, Columbia will review the operation of all volume banks on its system to determine the effect of said banks on the cost of gas to non-transportation class customers. Thereafter, Columbia may take such further action as it deems appropriate to correct any adverse effect it believes may have been experienced by non-transportation class customers, including, but not limited to, levying a surcharge on all transportation customers (including Armco) calculated to offset said adverse effect.

In the event this agreement is terminated, Columbia will deliver to Armco volumes of Armco's gas which Columbia is holding pursuant to this Volume Bank Section during the three monthly billing cycles following the date of termination. However, should Armco fail to take delivery of its entire Volume Bank within such three-month period, Columbia may, at its option, retain and purchase the undelivered banked volumes. In addition, if Armco owes Columbia any outstanding gas transportation charges, or other charges which are due, Columbia may, at its option, offset said unpaid charges by retaining, as necessary, banked volumes that would have otherwise been delivered to Armco upon termination of this agreement. The value assigned to such retained bank volumes which are purchased or retained will be the cost of Columbia's least expensive gas supply at the time the gas was delivered to Columbia.

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BY: Charles H. Miller  
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At Columbia's request, Armco will use its best efforts to notify Columbia of a planned or expected significant change in its volume bank level before that change occurs.

The availability of banking under this Section is contingent upon the policies, practices, and procedures of Columbia's interstate pipeline suppliers. Columbia reserves the right to modify the banking system, to the extent it is reasonably necessary to do so, if the policies, practices, or procedures of one or more of such interstate pipeline suppliers make it impractical for Columbia to continue the banking system established herein.

11. Deliveries in Excess of Authorized Volumes During Interruption or Curtailment. In the event actual gas deliveries to Armco are in excess of the amount authorized by Columbia on any day on which interruption or curtailment of Armco's transported gas is required and requested by Columbia, all such unauthorized volumes delivered to Armco shall be considered tariff or contract gas volumes and Armco shall pay Columbia, in addition to the cost of such tariff or contract gas, such liquidated damages per Mcf as are set forth in the Columbia's Rate Schedule IS - Interruptible Service for all deliveries in excess of the authorized volumes specified by Columbia.

Armco shall reimburse Columbia for any additional costs or penalties incurred by Columbia as a result of Armco's use of the tariff sales rate gas to make up a Deficiency in Deliveries to Columbia.

12. Addition and Replacement of Facilities Where it is necessary, and if Armco agrees that it should be done, Columbia will construct additions, replacements or betterment of its distribution system or its facilities located at Armco's facility or at the point(s) of receipt in order to accommodate the volumes of gas to be delivered by Columbia pursuant to this Agreement. Columbia shall install such additions, replacements or betterment and bill Armco for the cost thereof. Such bill shall be accompanied by supporting data, in such detail as Armco may reasonably require. Subject to the foregoing, Armco specifically agrees to bear the full cost of the expense for such modifications of Columbia's distribution facilities and of any measurement or regulation facilities, including the placement and construction thereof, installed by Columbia or Columbia's agent which are required to accomplish either the receipt of Armco's volumes to Columbia or the delivery of Armco's volumes to the delivery point(s). Such facilities shall, however, remain the property of Columbia.

13. Warranty of Title. Armco warrants that it will have good title to all natural gas delivered to Columbia for redelivery to Armco's facilities, that such gas will be free and clear of all liens, encumbrances and claims whatsoever, and that it will

BY: Howard Miller  
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indemnify Columbia and save it harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses arising from or out of adverse claims of any and all persons to said gas.

14. Assignment. Except for assignment to a wholly-owned subsidiary, a parent or an affiliate of the parties, this Agreement shall not be subject to assignment without the written consent of the other party.

15. Successors and Assigns. This Agreement shall be binding on and inure to the benefit of the parties hereto and their respective successors and assigns.

16. Notices. Any notices, except those relating to billing or interruption, required or permitted to be given hereunder shall be effective only if delivered personally to an officer or authorized representative of the party being notified, or if mailed by registered or certified mail to the address provided below:

If to Columbia:

Columbia Gas of Kentucky, Inc.  
200 Civic Center Drive  
Post Office Box 117  
Columbus, Ohio 43216

Attention: Director Gas Transportation Marketing

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If to Armco:

Armco Steel Company, L.P.  
Purchasing & Transportation  
621 Curtis St.  
Middletown, OH 45043

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Attn: R. J. Lehman

BY: [Signature]  
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Interruption notices may be given by Columbia to Armco by telephone, telegraph or data facsimile transmission.

17. Term. The term of this Agreement shall be from the date Columbia first delivers volumes of gas to Armco at its facilities pursuant to this agreement until the last day of Armco's October 1995 billing cycle. During the term of this Agreement, Columbia will be the exclusive provider of natural gas sales or transportation service to both Armco plant locations identified in Section 22, hereof.

18. Regulatory Approvals. This Agreement shall be expressly contingent upon the receipt of such regulatory approvals or authorizations as may be required and, in the event such approvals or authorizations terminate or are withdrawn, then this Agreement shall terminate.



19. Incorporation of Tariff Provision. This Agreement expressly incorporates, by this reference, all of the terms and conditions governing Columbia's transportation service included in Columbia's approved tariff, as well as any general terms and conditions of that tariff applicable to, and consistent with, Columbia's Rate Schedule IS - Interruptible Service.

20. Governing Law. This Agreement shall be governed by the laws of the Commonwealth of Kentucky, including compliance with regulatory requirements.

21. Cancellation of Prior Agreements. This Agreement replaces and supersedes as of the effective date hereof, the Gas Transportation Agreement between Armco and the Inland Gas Company, dated July 24, 1989, as amended, and assigned to Columbia on October 1, 1992.

22. Contract Data.

Point(s) of Receipt into Columbia

Description of Delivery Points with Interstate Pipeline(s)

1) Tennessee Gas Pipeline Company, Mavity Station, Boyd County.  
This is a valid receipt point for volumes to be redelivered to Armco's Steel Plant (described below).

	Meter No.	Line No.	Seller	Market Code*
1)	_____	_____	_____	_____
2)	_____	_____	_____	_____

2) Columbia Gas Transmission Corp., Westwood Station, Ashland.  
This is a valid receipt point for volumes to be redelivered to Armco's Steel Plant facility (described below).

	Meter No.	Line No.	Seller	Market Code*
1)	_____	_____	_____	_____
2)	_____	_____	_____	_____

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BY: *Charles H. Bell*  
PUBLIC SERVICE COMMISSION MANAGER

3) Columbia Gas Transmission Corp., 8th Street Station No. 803773, Ashland.

This is a valid receipt point for volumes to be redelivered to Armco's Coke Plant facility (described below).

	Meter No.	Line No.	Seller	Market Code*
1)	_____	_____	_____	_____
2)	_____	_____	_____	_____

\*Market Code "A" means that the point(s) of receipt is serving the market area in which Customer's facilities are located, Market Code "B" means that the point of receipt is not serving the market area in which Customer's facilities are located.

**Facility and Volume Detail: Points of Redelivery**

<u>Customer Facility</u>	<u>Delivery Service Rate Schedule (GS-FI-IS-IUS)</u>	<u>Maximum Daily Transportation Volume (Mcf)</u>	<u>Annual Transportation Volume (Mcf)</u>
1) Armco Steel Plant (main meter)	IS	5,000	1,460,000
2) Coke Plant Main Meter	IS	<del>3,000</del> 1,000 <i>max RAZ</i>	<del>912,500</del> 365,000 <i>max EJT</i>
<b>TOTAL:</b>		<del>8,000</del> 6,000 <i>max EJT</i>	<del>2,372,500</del> 1,825,000 <i>max EJT</i>

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date hereinabove first mentioned.

COLUMBIA GAS OF KENTUCKY, INC.

By: Mark Wood

Its: Director of Gas Transmission  
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ARMCO STEEL COMPANY, L.P.

By: Donald A. Rasmussen JAN 1 1993

Its: Director of Purchases  
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BY: Charles L. ...  
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