



G A S S E R V I C E C O N T R A C T

THE ACME NEWPORT STEEL COMPANY

NEWPORT PLANT

NEWPORT, KENTUCKY

THIS AGREEMENT, made and entered into this 10th day of March, 1958, by THE UNION LIGHT, HEAT AND POWER COMPANY, a corporation organized and existing under the laws of the Commonwealth of Kentucky, hereinafter called "Company", and THE ACME NEWPORT STEEL COMPANY, a corporation organized and existing under the laws of the State of Illinois, hereinafter called "Customer", WITNESSETH:

WHEREAS: Customer desires to use gas in its plant at Newport, Kentucky; and Company is willing to supply such gas; and

WHEREAS: Customer, represents to Company that it anticipates it will make use of gas in its operations at the Newport Plant to the extent of approximately 500 MCF per day and 200,000 MCF per year subject to business fluctuations;

NOW THEREFORE, Customer agrees to purchase and Company agrees to supply Customer's gas requirements under the following terms and conditions.

#### APPLICABILITY AND CHARACTER OF SERVICE

This Agreement shall apply to all natural gas supplied by Company for Customer's use at its Newport, Kentucky Plant.

Gas supplied under this Agreement may be curtailed either (1) when emergency conditions endanger gas service to Company's domestic customers, (2) when required by order of regulatory authorities having jurisdiction, or (3) when Company determines the supply of gas is insufficient to serve Customer in excess of his Contract Demand as defined in the following section without increasing Company's Billing Demand under the Tariff of its supplier.

CONTRACT DEMAND, BASE USE AND EXCESS USE

The Contract Demand is the daily use of gas to which Customer agrees to reduce his taking upon request of Company in accordance with (3) above, and which Company agrees to deliver in any event except in case of emergency or Commission restriction described in (1) and (2) above.

The Contract Demand initially is 75 MCF. When curtailment is requested by Company, Customer agrees to reduce the rate of its winter off peak consumption to a minimum of fifty (50%) per cent within six (6) hours following notification and to curtail the balance of the winter off peak consumption within fourteen (14) hours of the original notification. Should Customer fail to curtail its off peak load and should it exceed Contract Demand during periods of gas curtailment as outlined in three (3) above, the Contract Demand may be increased at the option of Company by the amount of the overage and the higher Contract Demand shall remain in effect until exceeded or until changed by mutual consent on November 1 of any year.

Customer's Base Use is that gas used during the billing month which is equal to thirty (30) times the Contract Demand.

Customer's Excess Use is that gas used during the billing month which is in excess of the Base Use. Customer may use gas in excess of the Base Use during the winter period November 1 to March 31 inclusive provided such excess usage will be discontinued as outlined above and the total gas usage limited to the Contract Demand upon request of Company. No such limitation will apply during the period April 1 and October 31 except as described in (1) and (2) above.

The combined Contract Demands of the Wilder and Newport plants shall be considered as a unit during periods of curtailment.

RATE

The following three part rate applies:

- (a) Base Rate - The rate applicable to Customer's Base Use is Company's standard rate for gas service in force and effect and contained in the schedule "G-1" on file with the Public Service Commission, a copy of the rate schedule in effect December 31, 1957 being attached hereto and made a part hereof.

If, during the life of this contract, the public regulatory body having jurisdiction shall authorize changes in the filed rate as attached to this Agreement, Company hereby agrees to continue to furnish service and Customer hereby agrees to pay for such base gas service at such revised rates.

- (b) Winter Off-Peak Rate - The winter off-peak rate applicable to Customer's Excess Use in any billing month, during the winter period from November 1 to March 31, inclusive, is:

\$0.45 per MCF minus or plus 1/4 cent per MCF for each 1/4 cent per MCF by which the commodity portion of the average cost of the natural gas purchased by Company in the preceding month is

less or more than the commodity portion of the average cost of such gas calculated at supplier's rates in effect January 1, 1950.

(c) Summer Off-Peak Rate - The summer off-peak rate applicable to gas used in any billing month during the summer period from April 1 to October 31, inclusive in excess of the Base Use is:

\$0.35 per MCF, minus or plus 1/4 cent per MCF for each 1/4 cent per MCF by which the commodity portion of the average cost of the natural gas purchased by Company in the preceding month is less or more than the commodity portion of the average cost of such gas calculated at supplier's rates in effect January 1, 1950.

Minimum Monthly Bill - The minimum monthly bill will be an amount equal to 25% of the billing for Customer's Base Use gas, but not less than \$1,500. The minimum bill will be waived in any month in which Company requests Customer to curtail the Contract Demand.

This Agreement is made in all respects subject to the terms and provisions of The Public Service Commission Act of the Commonwealth of Kentucky and acts amendatory thereto, to the jurisdiction and authority of The Public Service Commission of the Commonwealth of Kentucky and any other regulatory body having jurisdiction and to the general service rules and regulations of Company currently in effect from time to time. Nothing herein contained shall be construed as divesting or attempting to divest

said Commission of any of its rights, jurisdiction, powers or authority conferred upon said Commission by law.

#### QUALITY OF GAS

The gas to be delivered hereunder shall be natural gas of the quality and characteristics as received by Company from the natural gas transmission companies from which it receives its supply for delivery to its customers in this territory subject to addition of such odorants as Company may deem necessary for the protection of its customers and provided, however, that during periods of peak demand or emergencies said natural gas may be augmented and mixed with "High Heating Value" manufactured gas and/or "Liquefied Petroleum" gas, as produced in Company's plant or plants.

#### MEASUREMENT

The unit of measurement for all gas delivered hereunder shall be that quantity of gas which will occupy one cubic foot at an absolute pressure of 14.73 pounds per square inch (30" Hg) and at a temperature base of 520 degrees absolute (60° F.). In all computations in which atmospheric pressure is a factor, the atmospheric pressure shall be assumed to be 14.4 pounds per square inch.

Where the installation of a recording thermometer is provided the arithmetic average of the temperature of the gas flowing through the meters, as recorded, shall be used in computing gas volumes.

In computing gas volumes, adjustment factors for the deviation from Boyle's Law shall be calculated from standard tables.

### MEASURING EQUIPMENT

Point of Delivery - The point of delivery of the gas to be served shall be at the outlet of the metering and measuring devices in Customer's present metering locations or the outlet of such other metering and regulating stations as may be mutually agreed upon. Metering and measuring devices measuring the gas shall be Company owned and installed in the above mentioned metering and regulating station or adjacent thereto.

Access to Meters - Both Company and Customer shall have the right of access to meters and measuring equipment at any time.

Meter Tests - All meter tests shall be in accordance with rules issued by the Public Service Commission of the Commonwealth of Kentucky.

Failure of Measuring Equipment - In the event any measuring equipment is out of service, and the volume delivered cannot be determined by meter readings, deliveries through such equipment shall be estimated from such data as may be available including Customer's records.

### DELIVERY PRESSURE

The gas supplied hereunder shall be furnished at the various points of delivery at the pressures now being furnished and agreed upon. It is mutually understood that in time of emergency and/or high demand the delivery pressures may fall below those agreed upon.

### BILLING AND PAYMENT

Company shall render a bill to Customer each month as close to the end of the calendar month as possible showing the total amount of gas delivered during said month and amount due.

Payment shall be made within fourteen (14) days after rendition of above bill. If any bill is not paid within fourteen (14) days following the date of rendition, five per cent (5%) will be added to the charges; provided further, should said bill remain unpaid for a period of thirty (30) days after notice from Company, Company may at its option and without liability therefore suspend service to Customer after having given notice in writing of its intention so to do, but such suspension of supply of gas for such cause shall not discharge or acquit Customer from its obligation or any obligation under this Agreement, nor shall such suspension exclude the right of Company or Customer from any remedy which it may have at law or in equity to enforce any of the provisions of this Agreement.

#### TERM OF SERVICE AGREEMENT

This Agreement shall be for a period of two (2) years beginning January 1, 1958, and shall be self-renewing from year to year thereafter for one-year periods unless terminated by either party by the giving of written notice to the other at least thirty (30) days prior to the expiration of the Agreement or at least thirty (30) days prior to the expiration of any renewal period.

#### FORCE MAJEURE

Neither Company nor Customer shall be liable in damages to the other for any act, omission or circumstance occasioned by or in consequence of any acts of God; strikes, lockouts, acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, arrests and restraints of rulers and peoples, civil disturbances, explosions, breakage or accident to machinery or lines of pipe, the binding order of any court or governmental authority which has been



resisted in good faith by all reasonable legal means, and any other cause, whether of the kind herein enumerated or otherwise, not within the control of the party claiming suspension and which by the exercise of due diligence such party is unable to prevent or overcome. Such causes or contingencies affecting the performance under this Agreement by either Company or Customer, however, shall not relieve them or either of them of the use of due diligence to remedy the situation and remove the cause in an adequate manner with all reasonable dispatch, nor shall such causes or contingencies affecting such performance relieve Customer from his obligation to make payments of amounts then due for gas heretofore delivered, nor to relieve Company or Customer of their obligations to reimburse either party for damage caused from acts within their control.

DIVISION OF RESPONSIBILITY

Customer shall have no responsibility with respect to any gas before its delivery at the point of delivery as defined herein or on account of anything which may be done, happen or arise with respect to said gas before such delivery, and Company shall have no responsibility with respect to said gas after its delivery to Customer or on account of anything which may be done, happen or arise with respect to said gas after such delivery.

IN WITNESS WHEREOF the Parties hereto have executed this

Agreement by their duly authorized representatives this 6<sup>th</sup> day of March, 1958.

"Company"

"Customer"

THE UNION LIGHT, HEAT AND POWER CO.

THE ACME NEWPORT STEEL COMPANY

Date Executed 3/6/58

Date Executed 3/5/58

APPROVED
SALES DEPT.
LEGAL FORM

**RATE G-1**

**AVAILABILITY**

Available in communities indicated on Sheet 2 of this schedule where distribution mains are adjacent to the premises to be served.

**APPLICABILITY**

Applicable to gas service required for any purpose by an individual customer on one premises when supplied at one point of delivery.

**NET MONTHLY BILL**

Computed in accordance with the following charges:

First 1,400 cubic feet, or less	\$1.50
Next 1,600 cubic feet,	at 7.8¢ per 100 cubic feet
Next 7,000 cubic feet,	at 7.6¢ per 100 cubic feet
Next 40,000 cubic feet,	at 7.2¢ per 100 cubic feet
Next 50,000 cubic feet,	at 6.7¢ per 100 cubic feet
Additional cubic feet,	at 6.4¢ per 100 cubic feet

Minimum. \$1.50 per meter.

Minus or plus .25¢ per thousand cubic feet for each .25¢ per thousand cubic feet change in the average rate to the Company for gas purchased determined by the application of supplier's currently effective tariff rate and supplier's tariff rate filed with the Federal Power Commission to become effective February 14, 1957 to (1) Company's most recent billing demand and (2) the average monthly volume of gas purchased by company from its supplier during the most recent twelve months.

When bills are rendered for more than one whole month the number of cubic feet in each block of the rate and the minimum charge shall be multiplied by the number of months in the billing period.

**PAYMENT**

The Net Monthly Bill is payable within fourteen (14) days from date. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5% (not less than 10¢) is due and payable.

**TERM OF SERVICE**

One year, terminable thereafter on ten days' written notice by either Customer or Company.

**SERVICE REGULATIONS**

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Public Service Commission of Kentucky, and to Company's Service Regulations currently effective, as filed with the Public Service Commission of Kentucky, as provided by law.