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PUBLIC SERVICE
COMMISSION

Service Agreement

Between

The Continental Can Company, Inc.

and

The Union Light, Heat and Power Company

This Agreement, entered into this 11th day of November, 1987, between The Continental Can Company, Inc., 7959 Vulcan Drive, Elsmere, Kentucky (Continental) and The Union Light, Heat and Power Company (ULH&P).

W I T N E S S E T H:

WHEREAS, Continental intends to build a plastic bottle manufacturing plant at 7959 Vulcan Drive, Elsmere, Kentucky;
and

WHEREAS, ULH&P desires to supply the electrical energy to satisfy Continental's load requirements; and

WHEREAS, Continental and ULH&P agree that a modification to ULH&P's tariff for the billing of such electrical energy was instrumental in Continental's selection of a plant site in Elsmere, Kentucky, which, in turn, will increase the employment level in the area;

THEREFORE, in consideration of providing service for the new plant and said tariff modification, the parties specifically agree as follows:

Standard Tariff Modification

ULH&P will bill the load attributable to Continental's new facility, based on a modification as provided herein, of

Rate DT, Time-Of-Day Rate For Service at Distribution Voltage, Third Revised Sheet No. 41 of Ky.P.S.C. No. 4, or any revision thereof on file with the Kentucky Public Service Commission (KyPSC). A copy of the currently effective tariff is attached as Attachment I.

Load Attributable to the Plastic Bottle Plant

The load attributable to the Plastic Bottle Plant will be defined as the metered monthly demand, measured in kilowatts (kW) and the monthly energy measured in kilowatt hours (kWh) on the new 480Y/277 volt, three phase, four wire service installed for supplying that facility.

Billing of Load Due to the Plastic Bottle Plant

Beginning with the November 1987 billing period, ULH&P agrees to modify Rate DT to reduce the calculated On Peak monthly demand charge by the following:

<u>Year</u>	<u>Reduction</u>
1	50%
2	40%
3	30%
4	20%
5	10%

Term of the Agreement

This billing modification will have the term of 60 billing periods and will terminate with the October 1992 billing period. Thereafter, the entire electric load will be billed in accordance with the then prevailing provisions of Rate DT as approved by, and on file with the KyPSC.

Jurisdiction and Service Regulations

This Agreement shall not become effective until it is approved by the KyPSC and, subsequent to such approval, the supplying and billing for service and all conditions applying thereto are subject to the continuing jurisdiction of the KyPSC as well as to ULH&P's Service Regulations.

CONTINENTAL PET TECHNOLOGIES, INC.

By: Walter D Masnyk
Title: Plant Manager
Date: Nov 16, 1987

THE UNION LIGHT, HEAT AND POWER COMPANY

By: R. G. Graham
Title: Vice President
Date: Nov 17, 1987

BILL NOS.

<u>Summer</u>	<u>Winter</u>
LA-NA	LE-NE
LG-NG	LH-NH
LO-NO	LN-NN
LS-NS	LT-NT

RATE DT

TIME-OF-DAY RATE FOR SERVICE AT DISTRIBUTION VOLTAGE

APPLICABILITY

Applicable to electric service for customers receiving service after December 2, 1985 with an average monthly demand of 500 kilowatts or greater where the Company specifies service at a nominal distribution system voltage of 34,500 volts or lower, and the Company determines that facilities of adequate capacity are available and adjacent to the premises to be served. Electric service must be supplied at one point of delivery and is not applicable for resale service.

When both single and three phase secondary voltage services are required by a customer, the monthly kilowatt-hour usage and kilowatt demands shall be the respective arithmetical sums of both services.

TYPE OF SERVICE

Alternating current 60 Hz, single phase or three phase at Company's standard distribution voltage of 34,500 volts or lower.

NET MONTHLY BILL

Computed in accordance with the following charges (kilowatt of demand is abbreviated as kW and kilowatt-hours are abbreviated as kWh):

	<u>Summer</u>	<u>Winter</u>
Customer Charge per month		
Single Phase Service	\$ 5.00	\$ 5.00
Single and/or Three Phase Service	10.00	10.00
Primary Voltage Service (12.5 or 34.5 kV)	100.00	100.00
Demand Charge		
On Peak kW	\$ 9.00 per kW	\$ 7.64 per kW
Off Peak kW	\$ 1.00 per kW	\$ 1.00 per kW
Energy Charge		
All kWh	3.108¢ per kWh	3.108¢ per kWh

The minimum charge shall be the Customer Charge, as stated above, for single or three phase secondary voltage service and \$1,500 for primary voltage service customers.

For purposes of administration of the above charges, the summer period is defined as that period represented by the Company's billing for the four (4) revenue months of June through September. The winter period is defined as that period represented by the Company's billing for the eight (8) revenue months of January through May and October through December.

RATING PERIODS

The rating periods applicable to the demand charge shall be as follows:

- a) On Peak Period
 Summer - 11 a.m. to 8 p.m. Monday through Friday, excluding holidays.
 Winter - 9 a.m. to 2 p.m. and 5 p.m. to 9 p.m., Monday through Friday, excluding holidays.
- b) Off Peak Period - All hours Monday through Friday not included above plus all day Saturday and Sunday, as well as New Year's Day, President's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans Day, Thanksgiving Day and Christmas Day on the day nationally designated to be celebrated as such.

Issued by authority of an Order of the Kentucky Public Service Commission, dated June 11, 1987 in Case No. 9782.

Issued: June 22, 1987

Effective: July 2, 1987

Issued by J. H. Randolph, President

FUEL COST ADJUSTMENT

All kilowatt-hours shall be subject to an adjustment per kilowatt hour determined in accordance with the "FUEL COST ADJUSTMENT" set forth on Sheet No. 80 of this tariff.

METERING

The company may meter at secondary or primary voltage as circumstances warrant. If the Company elects to meter at primary voltage, kilowatt hours registered on the Company's meter will be reduced one and one-half percent (1.5%) for billing purposes.

If the customer furnishes primary voltage transformers and appurtenances, in accordance with the Company's specified design and maintenance criteria, the Demand Charge, as stated above, shall be reduced as follows:

First 1,000 kW of On Peak billing demand at \$0.50 per kW.
Additional kW of On Peak billing demand at \$0.35 per kW.

DEMAND

The On Peak billing demand shall be the kilowatts derived from the Company's demand meter for the fifteen minute period of greatest use in the on peak rating period adjusted for power factor as provided herein. The Off Peak billing demand shall be the kilowatts derived from the Company's demand meter for the fifteen minute period of greatest use in the off peak rating period adjusted for power factor minus the On Peak billing demand. In no case shall the Off Peak billing demand be less than zero.

POWER FACTOR ADJUSTMENT

The power factor to be maintained shall be not less than 90% lagging. If the Company determines the customer's power factor to be less than 90%, the on peak and off peak billing demands will be the number of kilowatts equal to the respective on peak and off peak kilovolt amperes multiplied by 0.90.

The power factor, as determined by continuous measurement, will be derived from the intervals in which the maximum on peak and off peak kW demands are established.

LATE PAYMENT CHARGE

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5%, is due and payable.

TERMS AND CONDITIONS

The initial term of contract shall be for a period of three (3) years for secondary voltage service and five (5) years for primary voltage service terminable thereafter by a minimum notice of either the customer or the Company as follows:

- (1) For secondary voltage service customers, as prescribed by the Company's Service Regulations.
- (2) For primary voltage service customers with a most recent twelve month average demand of less than 10,000 kVA or greater than 10,000 kVA, written notice of thirty (30) days or twelve (12) months respectively, after receipt of the written notice.

The Company is not obligated to extend, expand or rearrange its transmission system if it determines that existing distribution and/or transmission facilities are of adequate capacity to serve the customer's load.

If the Company offers to provide the necessary facilities for transmission service, in accordance with its Service Regulations, an annual facilities charge, applicable to such additional facilities, is established at twenty (20) percent of actual cost. The annual facilities charge shall be billed in twelve monthly installments to be added to the demand charge.

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Effective: July 2, 1987

Issued by J. H. Randolph, President

The Union Light, Heat and Power Company
107 Brent Spence Square
Covington, Kentucky 41011

KY. P.S.C. NO. 4

Third Revised Sheet No. 41
Cancelling and Superseding
Second Revised Sheet No. 41
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TERMS AND CONDITIONS (Cont'd.)

For purposes of the administration of this rate, the Company will determine the customer's average monthly demand based upon the twelve months ending December of each year after the applicable term of service has been fulfilled by the customer. If the customer's demand is less than 500 kilowatts and the Company expects the customer's demand to remain below 500 kilowatts, then the Company will notify the customer prior to May of the succeeding year that the provisions of Rate DS, Service at Distribution Voltage shall be applicable initiating with the June revenue month billing and shall continue until the term of service of that rate is fulfilled. In the case where a customer's average demand is estimated by the Company to be significantly greater than 500 kilowatts, the Company may, at its discretion, waive the twelve month demand history requirement in the determination of the applicability of this rate.

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

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