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SERVICE AGREEMENT

PUBLIC SERVICE
COMMISSION

FOR

INTERRUPTIBLE SERVICE RIDER

THIS AGREEMENT made and entered into as of the 29th day of December, 1993, by and between THE UNION LIGHT, HEAT & POWER COMPANY, hereinafter called "Company", a corporation organized and existing under the laws of the Commonwealth of Kentucky, and THE DAVID J. JOSEPH COMPANY, hereinafter called "Customer", a corporation organized and existing under the laws of the Commonwealth of Kentucky,

W I T N E S S E T H

WHEREAS, the Customer operates a shredding facility at 1220 Licking Pike, Newport, Kentucky and the Company supplies electrical energy to said facilities; and

WHEREAS, the Kentucky Public Service Commission has authorized Rider IS, Interruptible Service Rider, as part of Company's Electric Tariff Schedule; and

WHEREAS, application of Rider IS requires a written service agreement with Company, which service agreement shall specify among other rules and regulations the level of interruptible power load and firm power load; and

WHEREAS, Customer applies for said Rider IS by entering into this Service Agreement.

NOW THEREFORE, Customer and Company agree that in addition to the provisions, terms and conditions set forth in Rider IS, Interruptible Service Rider, Original Sheet No. 74 of the Company's Tariff P.S.C. Ky. No. 4 (copy attached) as amended from time to time by authority of the Kentucky Public Service Commission, the following terms and conditions apply to electric service under Rider IS:

1. The level of interruptible power load for use in calculating the demand credit shall be 3,000 kilowatts.
2. The maximum annual hours of interruption shall be 450 hours.
3. The level of firm power load shall be 300 kilowatts.

PUBLIC SERVICE COMMISSION
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PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)

BY: Cheryl Hallee
PUBLIC SERVICE COMMISSION MANAGER

4. Notification of interruption by the Company to the Customer and communications and reference thereto, shall be made by and to the individuals as may be designated by the respective parties from time to time.

5. After notification has been made by the Company, the Customer shall, at and for the length of time specified by the Company, reduce its electric load to the level of firm power load. Company will endeavor to give the Customer notice of one (1) hour prior to the starting time of such interruption; however, the minimum advance notice by Company shall not be less than fifteen (15) minutes. The Customer assumes and releases the Company from any and all claims, demands, or causes of action and all expenses associated therewith, attributable in any manner to such service interruptions.

6. The Customer shall be required upon request by the Company to provide the Company with an annual maximum total of Four Hundred and Fifty (450) hours of interruption. During any twenty-four (24) hour period, the maximum length of duration of interruption shall not exceed fourteen (14) hours. There shall be no interruption between the hours of 10:00 P.M. of one day to 8:00 A.M. of the following day, nor on Saturdays, Sundays and recognized legal holidays. Except that the foregoing limitation on interruption shall not be applicable for interruption that is pursuant to a rule or regulation of the Company or a government agency or its directors.

7. The Company shall consider effectuation of interruption of the Customer's load during the period of interruption if the metered load during such period is equal or less than the Customer's level of firm power load. The level of interruptible and firm power loads shall be reviewed by the Company from time to time at the Company's initiation or at the request of the Customer and may be modified by the Company based on the load levels and the time of use thereof over the previous twelve (12) month period.

8. After confirmation that new 4000 HP Shredder is on line this Agreement will become effective in the billing period following the in-service date of the shredder.

9. This Agreement is made in all respects subject to the jurisdiction and authority of the Kentucky Public Service Commission and to the Service Regulations of the PUBLIC SERVICE COMMISSION 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, power, or authority conferred upon said Commission by law.

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PURSUANT TO 807 KAR 5:011.
SECTION 9 (1)

BY: *Shirley Deller*
PUBLIC SERVICE COMMISSION MANAGER

IN WITNESS WHEREOF, The Union Light, Heat & Power Company has caused its corporate name to be hereunto subscribed this 29th day of December, 1993.

ATTEST:

THE UNION LIGHT, HEAT & POWER COMPANY

Ann Marie Rabe

By W. M. Burnice
its Vice President

IN WITNESS WHEREOF, THE DAVID J. JOSEPH COMPANY has caused its corporate name to be hereunto subscribed this 23 day of December, 1993.

ATTEST:

THE DAVID J. JOSEPH COMPANY

Janette

By Benjamin M. Steuber

PUBLIC SERVICE COMMISSION
OF KENTUCKY
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MAR 7 1994

PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)

BY: Clara Heller
PUBLIC SERVICE COMMISSION MANAGER

BILL NO. IS

RIDER IS

INTERRUPTIBLE SERVICE RIDER

APPLICABILITY

Applicable to customers receiving service under the provisions of either Rate DS, Service at Distribution Voltage, or Rate TS, Service at Transmission Voltage. In addition, the customer is required to: (1) have had an actual demand of not less than one thousand (1,000) kilowatts in each of the twelve (12) months preceding application for this rider; (2) demonstrate to the Company's satisfaction that a minimum electric load of one thousand (1,000) kilowatts is available for interruption at the discretion and direction of the Company; (3) enter into a written Service Agreement with the Company which Service Agreement shall specify, among other rules and regulations, the amount of interruptible power load and firm power load, and the maximum annual hours of interruption; and, (4) demonstrate to the Company's satisfaction that the interruptible power load can be interrupted and interrupted immediately when directed by the Company for fourteen (14) consecutive hours during any twenty-four (24) hour period.

NET MONTHLY BILL

Computed in accordance with the provisions of either Rate DS or Rate TS except there shall be an interruptible demand credit computed in accordance with one of the following provisions:

<u>Maximum Annual Hours of Interruption</u>	<u>Demand Credit per kilowatt of Interruptible Load</u>
225	\$0.81
300	1.07
375	1.32
450	1.62
525	1.87
600	2.13
675	2.38

Failure by the customer to comply with each interruption order of the Company shall be considered as use of unauthorized power which shall be billed at the rate of \$5.00 per kilowatt based upon the highest fifteen (15) minute demand created during the period for which the customer was notified to reduce the level of power load.

In addition, the "Net Monthly Bill" shall be computed in accordance with the provisions of the applicable tariff, either Rate DS or Rate TS, exclusive of the interruptible demand credit. Determination of compliance of the customer shall be made solely by the Company based upon the recordings of installed metering devices.

TERMS AND CONDITIONS

The interruptible power load will be determined by the Company based upon the customer's current and historic operations reflected in the customer's recorded usage during potential periods of interruption.

The interruptible demand credit may be discontinued by the Company, upon thirty (30) days written notice to the customer in the event that the customer fails to effectuate the interruption of power during an interruptible period for two (2) consecutive billing periods.

The term of service for the Interruptible Service Rider shall be for a minimum period of one (1) year and shall continue in effect thereafter until terminated by the Company or the customer upon ninety (90) days written notice.

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

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

Issued by authority of an Order of the Kentucky Public Service Commission dated October 3, 1985 in Case No. 9299.

Issued: October 4, 1985

MAR 7 1984
Effective: September 30, 1985

Issued by W. H. Dickhoner, President

PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)

BY: Shirley L. ...
PUBLIC SERVICE COMMISSION MANAGER