

FILED

JUL 24 1975

PUBLIC SERVICE  
COMMISSION

A G R E E M E N T

DATED: June 12, 1975

BETWEEN

GREEN RIVER ELECTRIC CORPORATION

OWENSBORO, KENTUCKY

AND

NATIONAL ALUMINUM CORPORATION

AGREEMENT FOR ELECTRIC SERVICE

This Agreement made and entered into this 1st day of August, 1975, by and between GREEN RIVER ELECTRIC CORPORATION, a Kentucky Corporation, of Owensboro, Kentucky, hereinafter referred to as "Company", and NATIONAL ALUMINUM CORPORATION, hereinafter referred to as "Customer".

WHEREAS, the Company presently provides electric service to and within Hancock County, Kentucky, (hereinafter referred to as the "Company's Service Area"), and

WHEREAS, a contract for electric service first entered into on the 1st day of August, 1969, will terminate on July 31, 1975, and

WHEREAS, Customer desires to continue purchase from Company and Company desires to sell and deliver, subject to the terms of this Agreement, all electric power and energy to be used by Customer in Customer's aluminum rolling mill.

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, the parties hereto agree as follows:

1. Capacity Available. The Company will supply, and the Customer will take and pay for, all the electric power and energy required for the aluminum rolling mill in Hancock County, Kentucky, up to a maximum of 10,000 kilowatts, in accordance with the terms and provisions of this Agreement and of the General Rules and Regulations of the Public Service Commission of Kentucky which may be applicable and effective from time to time.

2. Power Supply Characteristics. The electric power and energy deliveries shall be in the form of three phase alternating current (60 Hertz) at 13,800 volts.

3. Point of Delivery. The point of delivery for the power and energy to be supplied shall be at the point of connection of Customer's 13,800 volt bus with Company's stepdown transformers located in a substation at the aluminum rolling mill.

4. Facilities to be Provided by Customer. The Customer has provided and will continue to provide without cost to the Company:

(a) All easements for rights-of-way upon Customer's property, at such locations and of such dimensions as mutually agreed upon, for transmission lines operating at 12,470 volts and higher;

(b) Substation site, at such location and of such dimensions as mutually agreed upon, with the fee simple title thereto, graded to Company's requirements;

(c) All required 13,800 volts substation equipment including buses to connect to Company's transformers.

(d) Facilities for Company's metering equipment.

5. Facilities to be Provided by Company. Company has furnished, or caused to be furnished, all required substation facilities for delivering capacity specified in Article 1 to Customer. Company may use the substation site, without cost, for the purpose of constructing or installing facilities to serve other customers from its substation, but such use shall not interfere with service to customer hereunder.

6. Operation and Maintenance of Facilities. The Company will maintain the equipment owned by it. The Customer will maintain its own equipment.

Customer shall furnish, install, maintain and operate such facilities and equipment as may be necessary to enable it to receive and use electric power and energy purchased hereunder, and as may be necessary to afford reasonable protection to the facilities of the Company. Plans for equipment to be installed for the protection of the facilities of the Customer or Company shall be submitted to the Company for prior approval.

7. Construction Standards. The Company shall construct and maintain its facilities in accordance with specifications at least equal to those provided by the National Electrical Safety Code of the United States Bureau of Standards. Nothing in this Agreement shall be construed to render the Company liable for any claim, demand, cost, loss, cause of the action, damage, or liability of whatsoever kind or nature arising out of or resulting from the construction or operation and maintenance of the Company's electric system.

8. Right of Access. Each party grants to the other party right of access to their respective premises to install, maintain, operate, repair, and renew any and all equipment, apparatus, and devices owned by such other party and necessary in the performance of this Agreement.

9. Right of Removal. Any and all equipment, apparatus, devices, or facilities placed or installed, or caused to be placed or installed, by either of the parties hereto on or in the premises of the other party shall be and remain the property of the party owning and installing such equipment, apparatus, devices or facilities regardless of the mode or manner of annexation or attachment to real property of the other and upon the termination of this Agreement the owner thereof shall have the right to enter upon the premises of the other and shall within a reasonable time remove such equipment, apparatus, devices or facilities, except that Customer may not recover the easements or site referred to in Paragraph 4 hereof.

10. Rate. The Customer shall pay the Company for all electric power and energy furnished hereunder at the rates and on the terms and conditions set forth in Rate Schedule A, attached hereto and made a part hereof. The Company shall furnish Customer a notice in writing setting out any proposed revisions of the rate with the effective date thereof, which shall be not less than thirty (30) nor more than forty-five (45) days after the date of the notice, and shall set forth the basis upon which the rate is proposed to be adjusted.

11. Billing Demand. Billing demand shall be the average number of kilowatts supplied during the 30-minute period of maximum use during the month, and shall be determined by meters which will record on a tape at the end of each 30-minute period, but not less than 5,000 kilowatts.

12. Power Factor. The Customer shall at all times take and use power in such manner that the power factor shall exceed 85% lag and shall be less than 95% lead as is consistent with good operating practice for the aluminum rolling mill, provided, however, that whenever the power factor is consistently determined to be less than 85% lag or 95% lead the Company may install corrective power factor equipment at Customer's expense to raise the power factor to at least 85% lag or reduce the power factor to 95% lead.

13. Term of Agreement. This Agreement shall remain in effect until December 31, 1978, and shall continue in effect from year to year thereafter until terminated by either party by giving the other party at least twelve (12) months written notice prior to the effective date of such termination. Notwithstanding any other provision herein contained, Customer may terminate this Agreement effective upon the closing of its plant and cessation of operations, provided Customer shall give Company at least twelve (12) months written notice prior to the effective date of such termination.

14. Force Majeure. In the event of either party being rendered unable, wholly or in part, by force majeure or uncontrollable forces to carry out its obligations, on such party's giving notice and reasonably full particulars or such force majeure or uncontrollable forces, in writing or by telegraph, to the other party within a reasonable time after the occurrence of the cause relied on, then the obligations, so far as and to the extent that they are affected by such force majeure or uncontrollable forces, shall be suspended during the continuance of any inability so caused, but for no longer period, and such cause shall, so far as possible, be remedied with all reasonable dispatch.

The term "Force Majeure", as used herein, shall mean an act of God, strikes, acts of public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, arrests and restraints of the Government, either Federal or State, civil or military, civil disturbances, explosions, breakage or accident to machinery or transmission lines, inability of either party hereto to obtain necessary materials, supplies or permits, due to existing or future rules, regulations, orders, laws or proclamations of governmental authorities (both Federal and State), including both civil and military, which are not reasonably within the control of the party claiming suspension.

In no event shall this Agreement subject either party to consequential damage or damages for loss of anticipated profits.

15. Metering. The Company will install, maintain and operate the metering equipment located in the stepdown substation at the aluminum rolling mill. Each meter used under this Agreement shall be read on or about the first day of each month (or such other date as may be mutually agreed upon) by a representative of the Company, and may be simultaneously read by the representative of the Customer if the Customer so elects. The Company will make such tests and inspections of the meters as may be necessary to maintain them at the highest practical commercial standard of accuracy. If periodic tests show that a meter used for billing is accurate within 1% slow or fast, no correction shall be made in the billing. If any such tests show that such meter is inaccurate by more than 1% slow or fast, correction shall be made in the billing to the proper party for the period during which the parties agree that the inaccuracy existed. The Company will make additional tests of meters at the request and expense of the Customer and in the presence of Customer's representative. In all other respects meters shall be installed, operated, maintained and tested in accordance with the Rules and Regulations of the Public Service Commission of Kentucky.

16. Remedies of Parties. Except as otherwise provided herein, nothing contained in this Agreement shall be construed to abridge, limit, or deprive either party of any means of enforcing any remedy either at law or at equity for the breach of any of the provisions herein.

Waiver at any time by either party of rights with respect to a default or any other matter arising in connection with this Agreement shall not be deemed to be a waiver with respect to any subsequent default or matter.

17. Notices. Any written notice, demand or request required or authorized under this Agreement shall be deemed properly given to or served on the Company if mailed to it: Green River Electric Corporation, P.O. Box 1389, Owensboro, Kentucky. Any such notice, demand or request shall be deemed properly given to or served on the Customer if mailed to: National Steel Corporation, 2800 Grant Building, Pittsburgh, Pennsylvania.

18. Reports and Information. Each party hereto shall furnish to the other such reports and information concerning its operations as the other party may reasonably request from time to time.

19. Company's Power Supplier. Big Rivers Electric Corporation (Big Rivers) is the wholesale power supplier for Company. All references herein to Company's point of delivery, facilities, operation and maintenance of facilities, construction standards, right of access and removal, metering, force majeure, adjustment for gross inequity, remedies, and to Customer's requirements to furnish substation site, easements for rights-of-way, and equipment for connection to Company's transformers shall be deemed to apply equally to facilities furnished by Big Rivers and to all actions performed by Big Rivers upon Company's behalf in the performance by Company of this Agreement.

20. Successors in Interest. The terms and conditions of this Agreement shall inure to and be binding upon the parties together with their respective successors and assigns. The Customer may, at its election, assign or transfer this Agreement to any subsidiary or affiliate of Customer which may become engaged in the operation of the aluminum rolling mill; and, in such event, if such assignee or transferee shall assume all obligations or responsibilities of Customer under this Agreement, then Customer shall become only secondarily liable for such obligations and responsibilities.

21. This Agreement shall not become effective until approved by the Administrator of the Rural Electrification Administration.

IN WITNESS WHEREOF, the parties hereto have caused their names to be hereunto subscribed by their representatives thereunto duly authorized by their respective Boards of Directors as of the day and year first above written.

Margaret B. Lewis  
ASSISTANT SECRETARY

N. A. Leake  
ASSISTANT SECRETARY

GREEN RIVER ELECTRIC CORPORATION  
BY: J. R. Miller  
PRESIDENT

NATIONAL ALUMINUM CORPORATION  
BY: J. E. Griffith  
VICE PRESIDENT & GENERAL MANAGER

## SCHEDULE A

Effective August 1, 1975, and continuing in effect thereafter unless changed by Company in accordance with the terms of the Agreement, Customer agrees to pay for the power and energy hereunder at the following monthly rate schedule:

First 20,000 kw of billing demand at \$1.35 per kilowatt  
Excess kilowatts of billing demand at \$0.90 per kilowatt  
Plus an energy charge of:

First 250 hours of use per kilowatt of billing demand  
at 4.50 mills per kilowatt-hour

Excess kilowatt-hours at 3.40 mills per kilowatt-hour

Payment shall be due and payable within 15 days after receipt of monthly bill.

Fuel Adjustment. The kilowatt-hour charge shall be increased or decreased at the rate of 0.106 mill per kilowatt-hour for each 1¢ (and proportionally for fractional variations of 0.1¢) the weighted average cost of fuel burned in Company's power supplier plants exceeds or is less than 15.6¢ per 1,000,000 BTU. For the purpose of facilitating the prompt mailing of bills, the fuel adjustment for any month shall be based on the average cost of fuel and the kilowatt-hours consumed by the Customer during that month, but shall appear as a credit or a debit on the succeeding monthly bill.

Taxes Adjustment (A). If there shall be imposed after August 1, 1969, by Federal, State or other Governmental authority, any tax payable by the Company or its power supplier upon the gross revenue or earnings, or upon the production, transmission or sale of electric energy, a pro rata share of such additional tax or taxes shall be added to the monthly bills payable by the Customer to the Company.

Tax Adjustment (B). There shall be added to or subtracted from the monthly demand charge the following adjustment to reflect changes in taxes imposed on Company's power supplier:



(a) In Ad Valorem Taxes:

$\$0.045 \frac{A}{0.0024}$  - \$0.045 per kilowatt of billing demand

WHERE: A equals the ratio of total ad valorem taxes imposed on power supplier for the preceding year to the average total plant investment of power supplier for such year.

(b) In Payroll Taxes Paid by Power Supplier:

$\$0.01 \frac{B}{(0.048)}$  - \$0.01 per kilowatt of billing demand

WHERE: B equals the ratio of payroll taxes imposed upon power supplier during the preceding month to the total payroll of power supplier for such month. And,

(c) In the proportionate share of any other taxes imposed on power supplier allocated equitably among all customers of power supplier. If, in Company's judgment, it is not feasible to determine the relationship of any tax imposed to service to Customer, the total of such tax imposed shall be deemed to be assignable to sales to Customer and to others in proportion to the relationship of gross revenues from classes of service affecting or being effected by such taxes.

Labor Cost Adjustment. The monthly demand charge shall be increased or decreased by 0.05¢ per kilowatt for each full cent by which the average hourly earnings of production workers on Electric Companies and Systems as reported by the U.S. Department of Labor, Bureau of Labor Statistics, exceeds or is less than \$3.22 per hour for the preceding calendar year.

Power Supplier's Rate Change Adjustment. Any increase or decrease in the rate of Company's power supplier, including adjustments, after August 1, 1975, for the power and energy delivered hereunder for the account of Customer and paid by Company shall be added to or subtracted from, Customer's monthly billing.

Minimum Bill. The monthly minimum bill shall be the Billing Demand.