

REPLACEMENT POWER AGREEMENT BETWEEN
LOUISVILLE GAS & ELECTRIC COMPANY AND
CORHART REFRACTORIES

AUG 14 1995

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

BY: Jordan C. Neal
FOR THE PUBLIC SERVICE COMMISSION

THIS AGREEMENT, dated as of the 9th day of August, 1995, is between LOUISVILLE GAS AND ELECTRIC COMPANY ("Company") and CORHART REFRACTORIES ("Customer"), collectively the "Parties".

WITNESSETH

WHEREAS, Company owns and operates an electric generating, transmission and distribution system in and about the city of Louisville and Jefferson County, Kentucky; and,

WHEREAS, Customer is a consumer of electricity sold to it by Company at its facility located at 1600 West Lee Street;

NOW, THEREFORE, in consideration of the premises and of the mutual covenants herein set forth, the Parties agree as follows:

1. Commencing September 1, 1995, Company will sell and deliver and Customer will take and purchase the electric power requirements for the operation of its facilities referenced above at the rates and under the conditions of Company's standard rate schedule LP-TOD and standard rider for Interruptible Service, however, such schedule and rider shall be amended by the terms and conditions hereinafter set forth. Customer shall be served at 68 KV under the transmission rate of rate schedule LP-TOD. Customer has designated a firm demand of 1000 kilowatts.

2. Whenever it becomes necessary to curtail or interrupt Customer's load, Company shall use its best efforts to obtain replacement power and to offer Customer replacement power for the interruptible load that would have otherwise been interrupted. The Customer's minimum interruptible load must total 5,000 kilowatts or more in order to utilize this replacement power provision. The price of replacement power shall be based on Company's out-of-pocket costs of either generating the replacement power on its system or purchasing it from another utility, plus transmission, administration and other costs at the time the customer purchases replacement power.

3. Company's electric load dispatcher will, at the time of the notice to interrupt, notify Customer's designated Representative as to the availability of replacement power and if replacement power is available, will quote a firm price for replacement power in mills per kwh. An assessment of the availability of replacement power at such greater cost will be made each hour thereafter, and a new price quotation will be given to Customer for each hour that replacement power is available. Customer will have the option of either being interrupted or purchasing power at the price quoted for that hour. The price quoted for replacement power will apply to all energy consumed for that hour above the level of firm power.

4. At any time Customer uses replacement power, the hours that replacement power is purchased will be considered a period of interruption for determining the maximum hours of interruption permitted under Company's standard rider for Interruptible Service. Under Company's standard rider for Interruptible Service, the Company is entitled to require Customer to interrupt service upon providing at least 10 minutes prior notice, with the interruption not to exceed 10 hours duration per interruption and the maximum annual interruption not to exceed 250 hours.

5. In the event Customer fails to comply with a Company request to interrupt either as to time or amount of power used, the Customer shall be billed for each such occurrence, a penalty of \$25.00 per kilowatt of demand in excess of designated firm demand at the time of such occurrence. Failure to interrupt may also result at Company's option in the termination of the contract.

6. This Agreement shall become effective on September 1, 1995. Customer cannot terminate this Agreement with less than three years' written notice unless the following conditions for termination with less than three years notice are met. First, Company must have sufficient capacity, in the Company's sole judgement, to serve the Customer's load which would have otherwise been interruptible. Second, Customer must repay all interruptible demand credits which Customer has received from Company under the standard rider for Interruptible Service since the effective date of this Agreement or three years prior to the date of termination under this paragraph 6, whichever is later.

7. Service under this Agreement shall in all relevant aspects be governed by the terms of Company's tariffs and regulations as approved by the Kentucky Public Service Commission (KPSC). It is mutually understood that the rates, terms and conditions contained in this Agreement are at all times subject to the regulatory jurisdiction of the KPSC, and may be increased, amended or otherwise changed by action of the KPSC.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representative as of the date first above written.

CORHART REFRACTORIES

BY: James L. Jennings
TITLE: Plant Manager

**LOUISVILLE GAS AND
ELECTRIC COMPANY**

BY: Alan H. [Signature]
TITLE: Manager - Non-Public Accounts
PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

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