

**INDUSTRIAL POWER AGREEMENT  
AMENDMENT NO. 1**

**THIS AMENDMENT**, made and entered into this 1st day of September, 1999, by and between **SHELBY ENERGY COOPERATIVE, INC.**, a Kentucky corporation with its principal offices at 620 Old Finchville Road, Shelbyville, Kentucky 400651714, hereinafter referred to as the "Cooperative", and **KATAYAMA AMERICAN COMPANY, INC.**, a Kentucky corporation with its principal offices at 6901 Midland Industrial Drive, Shelbyville, Kentucky 40065, hereinafter referred to as "Customer."

**WITNESSETH:**

**WHEREAS**, Cooperative is an electric energy cooperative providing retail electric service in Shelby County, Kentucky, and

**WHEREAS**, Cooperative is a member of East Kentucky Power Cooperative, Inc. (hereinafter referred to as "EKPC"), and purchases all of its wholesale electric power and energy from EKPC, and

**WHEREAS**, Cooperative and Customer are parties to an Industrial Power Agreement dated July 23, 1998 (the "Agreement") and wish to amend said Agreement as provided herein,

**NOW, THEREFORE**, in consideration of the mutual covenants, terms and conditions contained herein, the parties agree as follows:

1. This Amendment shall become effective as of September 1, 1999, subject to the provisions of Section 14 of the Agreement. The term of the Agreement is hereby extended for an additional 5 year(s) after such effective date of the Amendment, and shall continue thereafter unless terminated by either party by

OFFICE OF THE SECRETARY OF THE COMMISSION  
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PUBLIC SERVICE COMMISSION  
600 N. 3RD ST., ROOM 111  
FRANKFORT, KY 40601  
SECRETARY OF THE COMMISSION



providing notice of such termination at least 90 days prior to the desired termination date.

2. Section 2 of the Agreement is hereby amended by replacing the section with the following new Section 2:

2. Availability of Power. Subject to the other provisions of this Agreement, Cooperative shall make available to Customer, and the Customer shall take and purchase from Cooperative, all of Customer's requirements for power and energy for the operation of Customer's said plant. The "contract demand" under this Agreement for rate Schedule B1 shall be 1.550 kW, subject to adjustment by Customer as provided hereinbelow.

During periods when Customer is served under rate Schedule B1 only, contract demand may be increased, up to a maximum of 4000 kW upon one month advance notice to Cooperative. Customer shall then have the right to decrease said contract demand upon three months advance notice to Cooperative. Contract demand under Schedule B1 shall not be decreased below a minimum of 1550 kW.

During periods when Customer is served under rate Schedule 2, the "contract demand" shall be 1550 kW and this contract demand shall not be adjusted during such periods.

The power and energy made available to Customer hereunder shall be delivered, taken, and paid for in accordance with the terms hereof and the tariff of the Cooperative, Schedule B1 or Schedule 2, as approved by

the Kentucky Public Service Commission (the "P.S.C.") and as modified from time to time by appropriate authority, a copy of which is attached hereto and hereby made a part hereof. In the event of any conflict between the provisions of this Agreement and said tariff, the latter shall control.

3. The second paragraph of Section 7 of the Agreement is hereby amended by replacing the paragraph with the following new paragraph:

3. Customer shall continue to be served under Cooperative's rate Schedule B 1 effective September 1, 1999, and shall remain on said rate for at least one year. After this period, Customer may choose to move to Cooperative's rate Schedule 2 or to remain on Schedule B1, and may subsequently change from either rate schedule to another, so long as Customer is still qualified for the chosen rate, gives Cooperative at least three (3) months advance written notice of its intent to move to the other rate schedule, and remains on the chosen rate schedule for at least one year.

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BY THE ORDER OF THE COMMISSION

4. All other terms and conditions of the Agreement that are not affected by the Amendment shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have caused this Amendment No. 1 to be executed in six original counterparts, by their respective officers, thereunto duly authorized, as of the day and year first above written.

ATTEST:

SHELBY ENERGY COOPERATIVE, INC.

Stacy Crenshaw  
Expires 3-25-2003

By: Reginald G. Taylor Jr.

ATTEST:

KATAYAMA AMERICAN COMPANY, INC.

Jarraw Cox

By: [Signature]

PUBLIC UTILITY COMMISSION  
OF KENTUCKY  
OFFICE

OCT 01 1999

(ipa-katayama-am #1)

PURSUANT TO KY KAR 3011,  
SECTION 3 (1)  
BY: Stephen D. Bell  
SECRETARY OF THE COMMISSION