

**INDUSTRIAL POWER AGREEMENT
WITH INTERRUPTIBLE SERVICE**

THIS AGREEMENT, made and entered into this 27th day of May, 2009, by and between **East Kentucky Power Cooperative, Inc.**, a Kentucky corporation with its principal offices at 4775 Lexington Road, P. O. Box 707, Winchester, Kentucky 40392 (“EKPC”), **Nolin Rural Electric Cooperative Corporation**, a Kentucky corporation with its principal offices at 411 Ring Road, Elizabethtown, Kentucky 42701 (“Nolin”), and **AGC Automotive Americas**, with its principal offices at 1 Auto Glass Drive, Elizabethtown, Kentucky 42702 (“AGC”),

WITNESSETH:

WHEREAS, Nolin is a member of EKPC and purchases all of its wholesale power and energy requirements from EKPC pursuant to a Wholesale Power Contract dated October 1, 1964, as amended and supplemented; and

WHEREAS, AGC has been and is a member of Nolin and purchases or desires to purchase retail electric power and energy needs from Nolin, under the terms and conditions contained herein, to serve its Hardin County, Kentucky plant (hereinafter referred to as its “plant”); and

WHEREAS, this Agreement supersedes all previous agreements between EKPC, Nolin, and AGC.

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

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1. **Term.** This Agreement shall become effective as of July 1, 2009, subject to the provisions of Paragraph 21. The initial term of this Agreement for electric service shall be a one-year period for service rendered beginning July 1, 2009, and shall be automatically renewed for additional one-year periods thereafter; provided, however that the Agreement may be cancelled after the initial one-year term by EKPC, Nolin or AGC upon giving 12 months advance written notice.

2. **Demand Charge and Billing from EKPC to Nolin.** EKPC will provide wholesale electric service to Nolin for AGC pursuant to the terms and conditions of EKPC's Rate Section G, with the exception of the billing demand calculation. EKPC will also provide interruptible service to Nolin for AGC pursuant to the terms and conditions of EKPC's Rate Section D, with a 60-minute notice and 200 hours of interruption annually.
 - a. For a period of two years from the first day of the month following the date of this Agreement, the billing demand will be the actual demand occurring coincident with EKPC's system peak and will be invoiced using the demand rate listed in EKPC's Rate Section G.

 - b. After the conclusion of the two-year period, the billing demand shall be the greater of the contract demand or AGC's highest demand during the current month or preceding eleven months coincident with EKPC's system peak demand as defined in EKPC's Rate Section G.

3. **Availability of Power.** Subject to the other provisions of this Agreement, Nolin shall make available to AGC, and AGC shall take and purchase from Nolin all of AGC's requirements for electric power and energy and related services for the


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operation of AGC's plant. The "contract demand" for firm service under this Agreement shall be 10,000 kW. AGC is contracting for interruptible service for all demand over 10,000 kW, with a notice period of 60 minutes with a total annual interruption of up to 200 hours. AGC may change the levels of firm and interruptible demands by giving written notice sixty (60) days prior to the date of the desired change. No more than two (2) changes in the levels of firm and interruptible demands within a twelve (12) month period are allowable. The combined levels of firm and interruptible demands will not be less than 17,000 kW. The power and energy made available to AGC hereunder shall be delivered, taken and paid for subject to the provisions of Paragraph 4 of this agreement and Nolin's Schedule 15, as approved by the Kentucky Public Service Commission ("PSC"), and as modified from time to time by appropriate authority, copies of which are attached hereto and made a part hereof. AGC shall comply with all requirements of such tariffs relating to eligibility for interruptible rates. In the event of any conflict between the provisions of this Agreement and said tariffs, the latter shall control.

4. **Demand Charge, Other Charges and Billing from Nolin to AGC.** Demand shall be measured as the average kW demand occurring at AGC's plant site during any fifteen-minute period beginning at any standard clock hour or 15, 30 or 45 minutes after any standard clock hour.


- a. For a period of two years from the first day of the month following the date of this Agreement, Billing Demand shall be the highest demand

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during on-peak hours during the current month, but no less than 17,000 kW.

- b. After the conclusion of the two-year period, the Billing Demand shall be the greater of the contract demand or AGC's highest demand during the current month or preceding eleven months coincident with EKPC's system peak demand.
- c. For purposes of the demand charge, on-peak hours are defined as follows:
 - i. October through April: everyday from 7:00 a.m. to 12:00 Noon EST and 5:00 p.m. to 10:00 p.m. EST. All other hours are off-peak.
 - ii. May through September: everyday from 10:00 a.m. to 10:00 p.m. EST. All other hours are off-peak.
- d. Demand Charge. AGC will be charged \$6.48 per kW for billing demand. 10,000 kW of Demand shall be designated as Firm Power Demand. Anything above the firm demand will be subject to the interruptible credit as defined in Nolin's Schedule 15.
- e. Energy Charge. The energy rate will be \$0.03680 per kWh.
- f. Customer Charge. A monthly customer charge of \$1,143.23 will apply.
- g. Power Factor Adjustment. AGC will be subject to a Power Factor Adjustment when the Power Factor is determined to be less than 90%. This adjustment will be based on multiplying the actual monthly billing demand by 90% and dividing this product by the actual power factor at the time of monthly maximum demand.


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- h. Fuel Adjustment Clause. AGC will be charged Nolin's fuel adjustment clause ("FAC") rate in conformity with 807 KAR 5:056.
- i. Environmental Surcharge. AGC will be charged Nolin's environmental surcharge rate in conformity with KRS 278.183 and as described in Nolin's Rate Schedule ES.
- j. Minimum Bill. The minimum bill is the sum of the components as defined below. Each minimum bill component shall be compared to the billing calculation based on actual consumption. In each case, the actual bill shall not be less than the minimum calculation described in i, ii, and iii below:
 - i. The customer charge.
 - ii. The product of the contract demand multiplied by the demand charge.
 - iii. The minimum kWh is the product of the contract demand times 425 hours times the energy rate. If the metered kWh is less than the minimum kWh, the difference in the actual and the minimum will be billed at the energy rate less Nolin's base fuel component in the energy rate.
- k. The rates described above are those in effect at the effective date of this contract and are subject to modification as described in Paragraph 3.

5. **Buy-Through Provisions**. If EKPC, as agent for Nolin, notifies AGC that the interruptible power and energy provided pursuant to this Agreement will be interrupted by EKPC, AGC shall have the right to request that EKPC obtain

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replacement power and replacement energy, if available in the marketplace, as provided hereinbelow.


At the time any notice of interruption is provided to AGC, AGC/Nolin may request that EKPC provide, solely for informational purposes, EKPC's best estimate of the duration of the interruption period, together with an estimate of the demand and energy costs to serve AGC during the interruption period.

AGC may, at its option, avoid the interruption by requesting EKPC/Nolin to supply such replacement power and replacement energy, assuming such replacement power and replacement energy are available for purchase, during the interruption period. The price to AGC for such replacement power and replacement energy will be at the lowest priced power and energy reasonably available to EKPC/Nolin for service from outside the EKPC system to AGC. AGC will pay for the cost of such power, plus the line losses for such power. If replacement power is not available, AGC will interrupt service as requested or pay the failure to interrupt rate described in Nolin's Schedule 15.

6. **Interruptible Service.** Service to AGC will be interrupted by telephone communication from EKPC's Energy Control Center. AGC will have 60 minutes to reduce its electric power load to the contract firm demand level.

Nolin has authorized EKPC's Energy Control Center to provide any notice for the interruption of service to AGC. The points of contact ("POC") for AGC to which communication of the notice of interruption is to be made are as follows:

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Primary POC	Position	<u>AGC SECURITY STATION</u>
	Address	<u>1 AUTO GLASS DRIVE</u>
		<u>ELIZABETHTOWN, KY 42701</u>
	Phone	<u>(270) 769-1221</u>
Secondary POC	Position	<u>BARRY BORDERS, MAINTENANCE MGR.</u>
	Address	<u>1 AUTO GLASS DRIVE</u>
		<u>ELIZABETHTOWN, KY 42701</u>
	Phone	<u>(270) 268-1043</u>

EKPC's POC is the system operator on duty at the time of communication. The phone number for EKPC's system operator is (859) 745-9300.

7. **Responsibilities of AGC.** It is the responsibility of AGC to be sure its phone is working and that someone is available 24 hours per day, 365 days per year to promptly answer the phones designated above. If AGC cannot be reached by the phone numbers provided in this Agreement, for whatever reason, AGC will be considered as failing to interrupt and the failure to interrupt provisions of Nolin's Schedule 15 will be invoked.
8. **Continuing Jurisdiction of the Kentucky Public Service Commission.** The rates, terms and conditions of this Agreement for electric service shall be subject to modification or change by order of the Kentucky Public Service Commission ("PSC"), during the initial one-year term and thereafter. The rates provided hereinabove shall be adjusted to reflect any PSC approved changes in applicable tariff rates, including any FAC, Environmental Surcharge or changes in the base


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rates approved for EKPC and/or Nolin on or after the effective date of this Agreement.

9. **Voltage Fluctuations.** AGC and EKPC shall cooperate to see that AGC's load is operated in accordance with prudent utility practices. AGC agrees to operate its facility to reduce voltage fluctuations or harmonic distortions in accordance with past practices during its initial period of operation. EKPC and/or Nolin will notify AGC if its operations cause voltage fluctuations or harmonic distortions that result in interference with EKPC or Nolin service to other customers, and will attempt to identify and help AGC correct such problems. Any substantial deviation from past practices that would cause additional voltage fluctuations or harmonic distortions requires approval from EKPC or Nolin. If AGC fails to install and/or to operate the necessary facilities on its premises to correct the voltage fluctuations or harmonic distortions of its load, or to prevent such voltage fluctuations or harmonic distortions from interfering with EKPC or Nolin's supply of services to other customers, EKPC and/or Nolin shall have the right to deny service to AGC. Any voltage fluctuations or harmonic distortions shall be corrected within twenty-four (24) hours after written notice from EKPC and/or Nolin to AGC stating the voltage fluctuation or harmonic distortion problems.
10. **Right of Access.** The duly authorized agents and employees of EKPC and/or Nolin shall have free access at all reasonable hours to the premises of AGC for the purpose of installing, repairing, inspecting, testing, operating, maintaining, renewing or exchanging any or all of their equipment which may be located on the premises of AGC for reading or testing meters, or for performing any other


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work incident to the performance of this Agreement. The parties agree to take reasonable steps to protect the property of each other party located on its premises, and to permit no one to inspect or tamper with the wiring and apparatus of the other party except such other party's agents or employees, or persons authorized by law. It is agreed, however, that no party assumes the duty of inspecting the wiring or apparatus of any other party and shall not be responsible therefor.

11. **Prudent Utility Practice.** Each party shall design, construct and operate its facilities in accordance with prudent electric utility practice in conformity with generally accepted standards for electric utilities in the State of Kentucky, including the National Electrical Safety Code.
12. **Maintenance of Equipment.** Each party agrees that it will at all times maintain its lines, equipment and other facilities in a safe operating condition in conformity with generally accepted standards for electric utilities in the State of Kentucky, including the National Electrical Safety Code.
13. **Billing and Payment.**
 - a. **Regular Monthly Billing.** Nolin will bill AGC each month for the cost of electric power and energy delivered to AGC during the preceding month.
 - b. **Due Date.** Payment Charges and Credits. Bills received by AGC shall be paid by bank draft. The funds will be drafted from AGC's bank on the due date specified on the monthly bill, the 5th of each month. If the 5th falls on a weekend or holiday, the funds will be drafted the following business day. If Nolin should fail to receive a payment from AGC on or

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before such due date, then payment shall be deemed late and Nolin may discontinue service to AGC upon giving AGC notice of intention to do so. Provided, however, that such discontinuances of service shall not relieve AGC of any of its obligations under this Agreement. AGC shall have the right to cure its delinquency by paying any late balance along with any applicable late charges. Otherwise service will be disconnected for non-payment on the 21st of the month and additional fees will be applied. When payment is late, AGC will pay a late charge based on the same rate that Nolin normally imposes on its commercial and industrial members. In the event of a bona fide billing dispute, AGC shall pay all such amounts to Nolin. Such amount shall be subject to refund depending on the resolution of the dispute.

- c. Should AGC have two late payments within a 12-month period, AGC agrees to provide a form and amount of bill payment security acceptable to Nolin, and payable to Nolin, for the duration of the Agreement. The amount of payment security may be changed at the request of Nolin to match any changes in load by AGC. Such payment security may be equal to, but shall not exceed one and one-half times the amount of AGC's average monthly bill. The payment security shall be promptly payable to Nolin, upon demand, due to non-payment by AGC and in accordance with the conditions set forth in sections a and b above.

14. **Meter Testing and Billing Adjustment.** EKPC/Nolin shall test and calibrate

meters, or cause them to be tested and calibrated, by comparison with accurate

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standards at intervals of twelve (12) months. EKPC/Nolin shall also make, or cause to be made, special meter tests at any time during normal business hours at AGC's request. The costs of all tests shall be borne or provided for by EKPC/Nolin, provided, however, that if any special meter test made by AGC's request shall disclose that the meters are recording accurately, AGC shall reimburse EKPC/Nolin for the cost of such test. Meters registering not more than one (1) percent above or below normal shall be deemed to be accurate. The readings of any meter which shall have been disclosed by test to be inaccurate shall be corrected for the period during which meter error is known to have existed, or if not known, for one-half the elapsed time since the last such test in accordance with the percentage of inaccuracy found by such test. If any meter shall fail to register for any period, the parties shall agree as to the amount of kW Demand and energy furnished during such period. Such estimates shall be based on AGC's operating records for the period in question, historical load records and other pertinent data and records, and Nolin shall render a bill to AGC therefor.

15. **Membership/Capital Credits**. Nolin is a non-profit Kentucky corporation and AGC will benefit from any savings or reductions in cost of service in the same manner as any comparable customer as authorized by the Kentucky Revised Statutes, and by Nolin's Articles of Incorporation and Bylaws. AGC shall participate in capital credits of Nolin in accordance with the Kentucky Revised Statutes and Nolin's Articles of Incorporation and Bylaws.

16. **Notices**. Any written notice, demand or request required or authorized under this Agreement shall be deemed properly given to or served on Nolin if mailed to

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Michael L. Miller
Nolin RECC
411 Ring Road
Elizabethtown, KY 42701-6767

Any such notice, demand or request shall be deemed properly given or served on AGC if mailed to:

Barry Borders
AGC Automotive Americas
1 Auto Glass Drive
P. O. Box 5000
Elizabethtown, KY 42702-5000

Any such notice, demand or request shall be deemed properly given or served on EKPC if mailed to:

President and Chief Executive Officer
East Kentucky Power Cooperative, Inc.
4775 Lexington Road (40391)
P. O. Box 707
Winchester, KY 40392-0707

Each party shall have the right to change the name of the person to whom, or the location where the notices are to be given or served by notifying the other party, in writing, of such change.

17. **Responsibility for Damages or Loss.** The electric power and energy supplied under this Agreement is supplied upon the express condition that after it passes

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the Point of Delivery it becomes the responsibility of AGC. Neither Nolin nor EKPC shall be liable for loss or damage to any person or property whatsoever, and AGC agrees to indemnify and hold EKPC and/or Nolin harmless for damages suffered by any individual or business entity resulting directly or indirectly from the use, misuse or presence of the said electric power and energy on AGC's premises, or elsewhere, after it passes the Point of Delivery, except where such loss or damage shall be shown to have been occasioned by the gross negligence of EKPC or Nolin, their agents or employees.

18. **Continuity of Service.** Nolin and EKPC shall use reasonable diligence required of a public utility in Kentucky to provide a constant and uninterrupted supply of electric power and energy hereunder. If the supply of electric power and energy shall fail, or become defective through acts of God, Governmental authority, action of the elements, public enemy, accident, strikes, labor trouble, required maintenance work, or any other cause beyond the reasonable control of Nolin and EKPC, it shall not be liable therefor or for damages caused thereby.

19. **Successors in Interest – Assignment.** The terms and conditions of this Agreement shall inure to and be binding upon the parties, together with their respective successors in interest. No party to this Agreement may assign its rights hereunder without the consent of the other, which shall not be unreasonably withheld; except that a party may, without the consent of the other, assign, pledge or hypothecate its rights hereunder to its trustee or mortgagee under a mortgage, indenture or trust indenture, and being so pledged or assigned, shall be subject to all the terms and provisions of such mortgage or trust indenture. Provided,


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further, that AGC may assign this Agreement to an entity recognized as financially and technically capable by both EKPC and Nolin which may hereafter acquire or operate the AGC plant in the same manner, to the same extent, and for the same purposes as originally operated by AGC. Such recognition shall not be unreasonably withheld in appropriate cases. No assignment shall relieve the assignor of its obligations hereunder without the written assent of the other parties to accept the assignees as a substitute obligor.


20. **Force Majeure**. The obligations of either party to this Agreement shall be suspended during the continuance of any occurrence, beyond the affected party's control (a "force majeure"), which wholly or partially prevents the affected party from fulfilling such obligations, provided that the affected party gives notice to the other party of the reasons for its inability to perform within a reasonable time from such occurrence, is diligently seeking to cure said force majeure, and gives notice to the other party within a reasonable time of such cure. As used in this Section, the term force majeure shall include, but is not limited to: acts of God; strikes; wars; acts of public enemy; riots; storms; floods; civil disturbances; explosions; failures of machinery or equipment; unavoidable disruptions in power deliveries from EKPC; or actions of federal, state or local governmental authorities, which are not reasonably within the control of the party claiming relief.

Notwithstanding the above provisions, no event of force majeure shall relieve AGC of the obligation to pay the minimum monthly charge provided herein or in the attached rate schedules.

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21. **Approvals.** The rates and charges for electrical service established hereunder are subject to approval by the PSC pursuant to Kentucky Revised Statutes, Chapter 278, and any necessary approvals by the Rural Utilities Service (“RUS”) and the National Rural Utilities Cooperative Finance Corporation. The parties covenant to use their best efforts to forthwith seek and support such approvals for this Agreement by filing such papers, presenting such testimony and taking such other action as may be necessary or appropriate to secure the same.
22. **Modifications.** Any future revisions or modifications of this Agreement, except as provided in Paragraph 8, hereinabove, shall require the unanimous written approval of EKPC, Nolin and AGC, and any necessary approvals by RUS, any other lenders to EKPC and Nolin, and the PSC.
23. **Miscellaneous.**
- a. **Headlines of Articles.** Headings of articles in this Agreement have been inserted for convenience only and shall in no way affect the interpretation of any term or provision hereof.
 - b. **Severability.** Except where expressly stated otherwise the duties, obligations and liabilities of the parties are intended to be several and not joint or collective.
 - c. **Governing Law.** This Agreement shall be governed by and interpreted in accordance with the laws of the State of Kentucky.
 - d. **Waivers.** Any waiver at any time by a party of its rights with respect to a default or with respect to any other matters arising in connection with this

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Agreement shall not be deemed a waiver with respect to any subsequent default or other matter.

- e. Prior Agreements. The parties hereby acknowledge that this Agreement contains the entire agreement among the parties and supersedes all prior agreements and understandings related to the subject matter hereof.
- f. Counterparts. This Agreement may be executed in any number of counterparts, each of which, when executed and delivered, shall be deemed an original.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representative the day and year first above written.

ATTEST:

Alicia J. Hiseh By Barry Borders
Title: Admin. Asst. Title: MAINTENANCE MANAGER

AGC Automotive Americas

ATTEST:

Della E. Damon, Grand By [Signature]
on behalf of the Corporate Secretary Title: PRESIDENT / CEO

East Kentucky Power Cooperative, Inc.

ATTEST:

Jerry Inodgrass By Michael L. Mills
Title: Oper.: Engineering Title: PRESIDENT & CEO
Administrative Assistant Nolin Rural Electric Cooperative Corporation

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By [Signature]
Executive Director