

**THE DAYTON POWER AND LIGHT COMPANY
ELECTRIC POWER SUPPLY AGREEMENT
WITH
AGA GAS, INC.**

THIS ELECTRIC POWER SUPPLY AGREEMENT ("Agreement") is hereby made and entered into this 1st day of April, 1996 by and between THE DAYTON POWER AND LIGHT COMPANY ("DP&L"), incorporated in the State of Ohio, and AGA GAS, INC. ("Customer"), incorporated in the State of Ohio.

WITNESSETH

WHEREAS, DP&L, a regulated public utility, is engaged in the production, transmission, and distribution of electric power and energy and sale thereof in the State of Ohio; and

WHEREAS, Customer operates a Facility engaged in manufacturing within DP&L's service territory; and

WHEREAS, Customer desires to maintain a long term supply of electric power at competitive and predictable prices; and

WHEREAS, DP&L desires to retain Customer's business and the associated benefits such business provides to the economy of West Central Ohio; and

WHEREAS, Customer desires to continue to receive electric power and energy from DP&L for use in its Facility under the terms and conditions set forth herein; and

WHEREAS, Customer desires to receive Non-Firm Electric Power Service from DP&L.

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

SECTION 1 - DEFINITIONS

- 1.1 Whenever used herein, the following terms shall have the respective meanings set forth below, unless a different meaning is plainly required by the context.
- 1.2 "Base Load" shall mean a situation in which Customer's Monthly Billing Demand is less than 13,000 kilowatts.
- 1.3 "Best Efforts" shall mean actions of DP&L that are reasonable, prudent, and consistent with good utility practice.

- 1.4 "Designated Representative" shall mean the individual(s) (primary and/or backup) designated by Customer as a single point of communication between DP&L and Customer, as identified under Section 9.2.
- 1.5 "Emergency Electrical Procedures" shall mean the approved procedures identified in DP&L's PUCO No. 16 General Service Rate Schedules.
- 1.6 "Expansion Load" shall mean a situation in which Customer's Monthly Billing Demand is greater than or equal to 14,000 kilowatts for two consecutive months.
- 1.7 "Facility" shall mean Customer's plant located in DP&L's service territory, identified under Appendix A.
- 1.8 "Firm Billing Demand" shall mean Customer's Firm Demand, identified under Appendix A.
- 1.9 "Firm Demand" shall mean the maximum level of demand that Customer is entitled to receive as Firm Electric Power Service.
- 1.10 "Firm Electric Power Service" shall mean service under the DP&L PUCO No. 16 General Service Rate Schedules applicable to Customer's Facility.
- 1.11 "Intermediate Load" shall mean a situation in which Customer's Monthly Billing Demand is greater than or equal to 13,000 kilowatts but less than 14,000 kilowatts for two consecutive months.
- 1.12 "Load Management Order" shall mean notice given by DP&L to Customer that it may not exceed its Firm Demand during the clock hours specified by DP&L due to generation-related constraints on the DP&L electric system during which Customer may elect to purchase Replacement Power.
- 1.13 "Monthly Billing Demand" shall mean that demand defined under Section 6.1.
- 1.14 "Non-Coincident Demand" shall mean the Facility's monthly maximum demand.
- 1.15 "Non-Firm Billing Demand" shall mean Monthly Billing Demand less Firm Billing Demand.
- 1.16 "Non-Firm Demand" shall mean the level of demand that Customer is entitled to receive as Non-Firm Electric Power Service.
- 1.17 "Non-Firm Electric Power Service" shall mean service under the terms and conditions set forth herein as they apply to all service other than Firm Electric Power Service.
- 1.18 "Order To Curtail" shall mean notice given by DP&L to Customer that it may not exceed its Firm Demand during the clock hours specified by DP&L due to the system constraints identified under Section 7.1 during which Customer may not purchase Replacement Power under Section 8.

any new service shall not relieve Customer from fulfilling any or all of its obligations under this Agreement.

SECTION 6 - BILLING DETERMINANTS, RATES & CHARGES

- 6.1 **Monthly Billing Demand** - The Facility's "Monthly Billing Demand" shall be the greatest thirty (30) minute integrated demand, ascertained in kilowatts by instruments suitable for the purpose. Such Monthly Billing Demand shall be the greatest of the following:
- a) Seventy-five percent (75%) of the greatest off-peak demand occurring during the billing month, either within the period between 8:00 p.m. of one day and 8:00 a.m. of the following day, or on any Saturday or Sunday, or on the following observed legal holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, or Christmas Day; or
 - b) One hundred percent (100%) of the greatest on-peak demand occurring during the billing month at any time not within the period and not on the legal holidays indicated in Section 6.1a above; or
 - c) Seventy-five percent (75%) of the greatest of such off-peak or on-peak demand as used for billing in the months of June, July, August, December, January, and February during the past eleven (11) month period prior to the current billing month.
- 6.2 **Rates and Charges** - Customer shall pay DP&L the following rates and charges for all service provided hereunder:
- a) **Customer Charges** - Customer shall pay a monthly customer charge equal to \$270.
 - b) **Demand Charges for Firm Electric Power Service** - Customer shall pay monthly demand charges for Firm Electric Power Service equal to \$12.3121 per kilowatt. Monthly demand charges for Firm Electric Power Service shall be applied to Customer's Firm Billing Demand.
 - c) **Demand Charges for Non-Firm Electric Power Service** - Customer shall pay monthly demand charges for Non-Firm Electric Power Service according the following rate schedule:

Charge (\$/kW)	Applied To:
\$8.61847	All Non-Firm Billing Demand when Customer is in a Base Load situation
\$8.24911	All Non-Firm Billing Demand when Customer is in an Intermediate Load situation
\$8.00287	All Non-Firm Billing Demand when Customer is in an Expansion Load situation

- d) Reactive Demand Charges - Customer shall pay monthly reactive demand charges on all kilovars registered during the billing month at a rate of \$0.30 per kilovar.
 - e) Energy Charges - Customer shall pay monthly energy charges on all kilowatt-hours consumed during the billing month at a rate equal to \$0.00702 per kilowatt-hour.
 - f) Electric Fuel Component ("EFC") - Customer shall pay DP&L's prevailing EFC rate on all kilowatt-hours consumed during the billing month except on those kilowatt-hours consumed as Replacement Power during a Load Management Order.
 - g) Percentage of Income Payment Plan ("PIPP") - Customer shall pay DP&L's prevailing PIPP rate on all kilowatt-hours consumed during the billing month.
 - h) "Emissions Fee Recovery Rider" - Customer shall pay DP&L's prevailing Emissions Fee Recovery Rider on file with the PUCO as such rider may exist within the Term of this Agreement. Customer will be refunded every six (6) months any emissions fee paid on any energy charges paid for kilowatt-hours associated with Replacement Power.
- 6.3 Price Guarantee - The rates and charges identified in Section 6.2a, b, c, d, and e shall remain fixed throughout the entire Term of this Agreement. Once a demand savings threshold is met, the demand savings will continue for the Term of the Agreement or until some higher demand savings threshold is met.

SECTION 7 - LOAD CURTAILMENT & MANAGEMENT

- 7.1 Order To Curtail - Upon issuance of an Order To Curtail, Customer will curtail its electric demand to the Firm Demand set forth in Appendix A consistent with DP&L's existing order of curtailment. An Order To Curtail may be issued when:
- a) DP&L's transmission system reaches the limit of its import capability; or
 - b) DP&L's transmission system reaches the limit of its transfer capability; or
 - c) Replacement Power is unavailable; or
 - d) In DP&L's sole discretion, system reliability is threatened; or
 - e) DP&L's Emergency Electrical Procedures are in effect.
- 7.2 Failure to Comply - Failure to comply with an Order To Curtail may result in the following actions by DP&L:
- a) DP&L may, for the billing month in which said failure occurs, bill Customer's Non-Firm Demand at the demand charges for Firm Electric Power Service set forth in Section 6.2b.

- b) DP&L may require Customer to refund the amount of savings earned during the prior eleven (11) billing months that this Agreement was in effect on only the portion of load that exceed Firm Demand during the Order To Curtail. Customer shall remit payment on the due date of the current bill.
- c) DP&L may increase Customer's Firm Demand by the difference between Customer's maximum demand on DP&L's electric system during the Order To Curtail and the Firm Demand specified under Appendix A. Said adjustment shall remain in effect for the remaining Term of this Agreement. Said increase shall be made in accordance with Section 14.9, as an amendment to and incorporated under Appendix A.
- d) DP&L may require Customer to pay, on all kilowatt-hours consumed during the Order To Curtail above Customer's Firm Demand, charges at a rate equal to the highest incremental cost of power generated or purchased by DP&L during the Order To Curtail, plus twenty-five percent (25%) of this highest incremental cost.
- e) DP&L may, at its sole discretion, choose to terminate this Agreement if Customer fails to comply with DP&L's Order To Curtail more than two (2) times. In this event, Customer shall receive its total energy requirements as firm under DP&L's then-effective PUCO No. 16 General Service Rate Schedules.
- f) In addition to these remedies, DP&L shall be entitled to any appropriate remedy for adverse impacts caused to its system as a result of Customer's failure to comply with an Order to Curtail.

At such time that DP&L notifies Customer of an Order To Curtail, DP&L shall specify the above action(s) that it may elect to take in the event Customer fails to comply. In no event shall DP&L implement or seek to implement any action hereunder that was not disclosed upon notification of an Order To Curtail.

- 7.3 Load Management Orders - Load Management Orders may be issued for the clock hours during which DP&L's scheduled coal-fired steam generating capacity available is not sufficient to meet the total power requirements on said generating units, including necessary operating reserve margins. Upon issuance of a Load Management Order, Customer must curtail its electric demand to the Firm Demand set forth under Appendix A or purchase Replacement Power under Section 8.
- 7.4 Notice - DP&L shall notify Customer's Designated Representative prior to an Order to Curtail as specified herein. Except during period of system emergency, DP&L shall endeavor to provide up to two (2) hours notice prior to an Order to Curtail, but not less than ten (10) minutes. Notice shall be made verbally, with written confirmation to follow via facsimile or other mutually acceptable means. Notice as it relates to Load Management Order shall be handled in accordance with Appendix B. DP&L shall not be held liable for any loss or damage caused by or resulting from its inability to provide the amount of notice set forth herein.

- 7.5 Conditions for Load Management Orders - Orders To Curtail and Load Management Orders shall not exceed one thousand (1,000) hours per year for each year that this Agreement is in effect.
- 7.6 Interruption of Service - In the event that an interruption of service occurs as a result of a system emergency, DP&L will return service as soon as system integrity is restored. Interruptions caused by system emergencies shall not be bound by limits on duration or the maximum hours of interruption set forth in Section 7.5. DP&L shall not be held liable for any loss or damage resulting from any interruption of service that may occur during the Term of this Agreement.
- 7.7 Verification Requests - Upon reasonable request, DP&L shall provide Customer with access to information, records, and other data related to the administration of Orders To Curtail and Load Management Orders.

SECTION 8 - REPLACEMENT POWER

- 8.1 Availability - Customer may purchase Replacement Power for any period during which a Load Management Order is in effect.
- 8.2 Service Option - Replacement Power shall be administered hereunder in accordance with the service options identified under Appendix B.
- 8.3 Replacement Power Cost - The total cost of Replacement Power under Options 1 and 2 of Appendix B, including applicable excise taxes but excluding administrative charges, shall not exceed an average of \$0.06000 per kilowatt-hour per semi-annual term during the first three (3) years of this Agreement. DP&L shall, at December 31, 1996 and each June 30 and December 31 thereafter during years one (1), two (2), and three (3) of this Agreement, refund to Customer any costs in excess of the price specified hereunder.
- 8.4 Service Obligation - If, during such period when Customer is purchasing Replacement Power, for any reason expressed herein, DP&L notifies Customer that Replacement Power is no longer available, the terms of Section 8 and Appendix B shall cease to apply and Customer must reduce its load to the Firm Demand as specified under this Agreement. DP&L shall not be held liable for any loss or damage caused by its inability to provide Replacement Power service hereunder.
- 8.5 Verification Requests - Upon reasonable request, DP&L shall provide Customer with access to information, records, and other data including, but not limited to, an itemization of individual rates and charges related to the administration of Replacement Power hereunder.

APPENDIX A

Facility Name and Address	Account Number	Voltage Level
AGA Gas, Inc. 3800 Day-Park Drive Dayton, OH 45414	0000413000	Transmission

Total Demand 18,000 kW

Firm Demand 0 kW

APPENDIX B

- B1. Upon signing this Agreement, Customer shall designate the option under which it shall receive Replacement Power. Customer's Designated Representative may change the option under which it receives Replacement Power each quarter, by providing DP&L with written confirmation thirty (30) days prior to the beginning of any calendar quarter. If Customer does not notify DP&L within the time frame stated hereunder, DP&L shall continue to provide Customer with Replacement Power under the previously established option.

Option 1

- B2. Strike Price Structure - To facilitate the scheduling and delivery of Replacement Power during a Load Management Order, Customer shall establish a "Strike Price Structure." Said Strike Price Structure shall be capture the maximum prices at which Customer agrees to purchase Replacement Power during a Load Management Order under various circumstances. Upon signing this Agreement, Customer shall notify DP&L of its Strike Price Structure. Changes to the Strike Price Structure may be made verbally by Customer's Designated Representative with written confirmation to follow via facsimile or other mutually acceptable means.
- B3. Notice - If, during a Load Management Order, the cost of Replacement Power is expected to exceed any level of the Customer's Strike Price Structure, DP&L shall verbally notify Customer's Designated Representative. To help mitigate Customer's risk, DP&L shall endeavor to provide up to two (2) hours' notice prior to the hour during which the price is expected to exceed any level of the Customer's Strike Price Structure, but not less than ten (10) minutes. Customer must request Replacement Power no later than one (1) hour after DP&L provides notice, or such shorter time agreed to by both Parties as conditions warrant. Requests for Replacement power shall be made verbally by Customer's Designated Representative, with written confirmation to follow via facsimile or other mutually acceptable means.
- B4. Price - The price per kilowatt-hour of Replacement Power shall be the average hourly highest incremental cost of all power purchased or generated by DP&L during each hour a Load Management Order is in effect, plus a \$0.002 per kilowatt-hour administration charge, plus applicable excise taxes.
- B5. Best Efforts - DP&L shall use its Best Efforts to obtain the lowest cost Replacement Power to meet Customer's non-firm load requirements but does not guarantee the availability or delivery of Replacement Power.

Option 2

- B6. Price Quote - Prior to the beginning of each calendar quarter, DP&L shall quote a price for Replacement Power to Customer based on anticipated market conditions. Customer may, by written correspondence, chose to pre-schedule Replacement Power at this quoted price for

all periods during which a Load Management Order is in effect for the coming quarter without notice prior to said Load Management Order.

- B7. Price - The price of Replacement Power shall be the quarterly price quoted by DP&L on a per kilowatt-hour basis, plus a \$0.002 per kilowatt-hour administration charge, plus applicable excise taxes.

Option 3

- B8. If and when circumstances arise that cause DP&L to make additional Replacement Power options available to customers, whether under individual service arrangements or DP&L's PUCO No. 16 General Service Rate Schedules, DP&L shall make such options available to Customer. The Parties shall specify the terms and conditions of Replacement Power service by amending Appendix B in accordance with Section 14.10 of this Agreement. Customer's decision to purchase service utilizing any Replacement Power option not available upon signing this Agreement shall not affect Customer's rates and charges under Section 6.

- 7.5 Conditions for Load Management Orders - Orders To Curtail and Load Management Orders shall not exceed one thousand (1,000) hours per year for each year that this Agreement is in effect.
- 7.6 Interruption of Service - In the event that an interruption of service occurs as a result of a system emergency, DP&L will return service as soon as system integrity is restored. Interruptions caused by system emergencies shall not be bound by limits on duration or the maximum hours of interruption set forth in Section 7.5. DP&L shall not be held liable for any loss or damage resulting from any interruption of service that may occur during the Term of this Agreement.
- 7.7 Verification Requests - Upon reasonable request, DP&L shall provide Customer with access to information, records, and other data related to the administration of Orders To Curtail and Load Management Orders.

SECTION 8 - REPLACEMENT POWER

- 8.1 Availability - Customer may purchase Replacement Power for any period during which a Load Management Order is in effect.
- 8.2 Service Option - Replacement Power shall be administered hereunder in accordance with the service options identified under Appendix B.
- 8.3 Replacement Power Cost - The total cost of Replacement Power under Options 1 and 2 of Appendix B, including applicable excise taxes but excluding administrative charges, shall not exceed an average of \$0.06000 per kilowatt-hour per semi-annual term during the first three (3) years of this Agreement. DP&L shall, at June 30, 1996 and each June 30 and December 31 thereafter during years one (1), two (2), and three (3) of this Agreement, refund to Customer any costs in excess of the price specified hereunder.
- 8.4 Service Obligation - If, during such period when Customer is purchasing Replacement Power, for any reason expressed herein, DP&L notifies Customer that Replacement Power is no longer available, the terms of Section 8 and Appendix B shall cease to apply and Customer must reduce its load to the Firm Demand as specified under this Agreement. DP&L shall not be held liable for any loss or damage caused by its inability to provide Replacement Power service hereunder.
- 8.5 Verification Requests - Upon reasonable request, DP&L shall provide Customer with access to information, records, and other data including, but not limited to, an itemization of individual rates and charges related to the administration of Replacement Power hereunder.