

10

Confidential Release

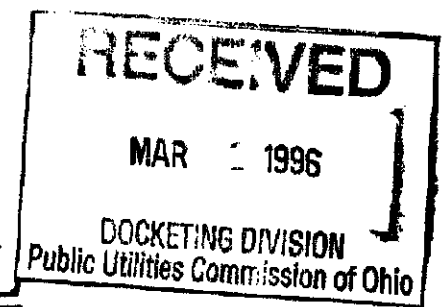
Case Number: 96-225-EL-AEC

**Date of Confidential Document:
March 1, 1996**

**Today's Date:
August 25, 2009**

Motion for protective order with confidential documents filed on behalf of applicant by A. Vinolus. (10 pgs.) (FILED UNDER SEAL)

This is to certify that the images appearing are an accurate and complete reproduction of a case file document delivered in the regular course of business.
Technician SA Date Processed AUG 25 2009

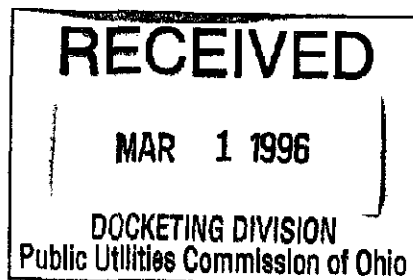


CONFIDENTIAL
TRADE SECRET INFORMATION

In the Matter of the Application of The)
Dayton Power and Light Company for)
Approval of an Electric Service Arrangement)
with Honda of America Mfg., Inc.)

Case No. 96-225EL-AEC

The material contained herein is confidential trade secret information and was filed simultaneously with The Dayton Power and Light Company's Motion For A Protective Order and in accordance with proposed Paragraph (D) of Ohio Administrative Code Rule 4901-1-24. Accordingly, this confidential material should not become part of the public record or be disclosed until otherwise ordered.



**THE DAYTON POWER AND LIGHT COMPANY
ELECTRIC POWER SUPPLY AGREEMENT
WITH
HONDA OF AMERICA, MFG., INC.**

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

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 to said Facility; and

WHEREAS, DP&L desires to promote growth in Customer's business and the associated benefits such growth 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.
- 1.2 "Base Load" shall mean Customer's monthly billed demands stated in kilovolt-amperes ("KVA") for each billing month from June 1994 through May 1995, inclusive.

hereunder shall be priced as Firm Electric Power Service by applying the rates and charges in effect under the DP&L PUCO No. 16 General Service Rate Schedules that apply to Customer. Said rates and charges shall be those that appear on file with the PUCO in each month of this Agreement prior to termination. Customer shall remit to DP&L a single payment equal to the difference between this amount and the amount actually paid by Customer while this Agreement was in effect, plus carrying costs calculated based upon a rate of ten percent (10%) per annum; or

b) All customer and demand charges owed DP&L pursuant to the administration of Sections 6.1, 6.2a), 6.2b), and 6.2c) had the Agreement not been terminated.

- 3.3 Consequences of Termination During the Extension Period - If, for any reason other than default by DP&L, Customer terminates this Agreement during the Extension Period, Customer shall prior to termination, remit to DP&L all customer and demand charges owed DP&L pursuant to the administration of Sections 6.1, 6.2a), 6.2b), and 6.2c) had the Agreement not been terminated.

SECTION 4 - ELECTRIC POWER REQUIREMENTS

- 4.1 Electric Power Required - Subject to the terms and conditions set forth herein, DP&L agrees to provide to Customer, during the Term of this Agreement, and Customer agrees to accept and pay for, all of the electric power required by the Facility identified under Appendix A except for that electric power which Customer generates by and for itself for emergency use only from backup generators.

SECTION 5 - POWER SERVICES

- 5.1 Total Demand - DP&L shall provide Customer with the Total Demand specified under Appendix A.
- 5.2 Firm Demand and Firm Electric Power Service - DP&L shall provide Customer with Firm Electric Power Service based on the Firm Demand stated in KVA specified under Appendix A. Firm Electric Power Service entitles Customer to the same rights and service priority as other DP&L customers that receive firm service under any of DP&L's PUCO No. 16 General Service Rate Schedules.
- 5.3 Non-Firm Demand and Non-Firm Electric Power Service - DP&L shall provide Customer with Non-Firm Electric Power Service for all load in excess of the Firm Demand identified herein, up to Customer's Total Demand. Non-Firm Electric Power Service entitles Customer to service on DP&L's electric system in all periods other than those periods during which load curtailment or management is required under Section 7.
- 5.4 Additional Demand - DP&L shall increase Customer's Total Demand under the following circumstances:

- a) Upon Customer's request to accommodate planned load growth. Customer may designate the allocation of additional demand between Firm Demand and Non-Firm demand subject to DP&L having adequate capacity to meet Customer's firm service request.
 - b) If, based upon a review on each anniversary of this Agreement's signing, Customer's Non-Coincident Demand during the prior twelve (12) months exceeds Customer's Total Demand, DP&L shall increase said Total Demand for the remaining Term of this Agreement. Such increase shall be equal to the difference between Customer's highest Non-Coincident Demand and the Total Demand in effect during the twelve (12) month period under review and shall be allocated between Firm Demand and Non-Firm Demand on a pro-rata basis. Said addition shall be made in accordance with Section 14.9, as an amendment to and incorporated under Appendix A. For billing purposes, additional Non-Firm Demand shall be billed at the rates for Non-Firm Expansion Billing Demand.
 - c) If Customer fails to comply with an Order To Curtail, increases in Firm Demand shall be administered pursuant to Section 7.2.
- 5.5 Return to Firm Service - DP&L shall accommodate a return to Firm Electric Power Service under this Agreement for all or a portion of Customer's demand previously supplied as Non-Firm Electric Power Service at the rates, terms and conditions set forth herein upon three (3) years' written notice of Customer's intent to return. DP&L shall accommodate a return to Firm Electric Power Service under this Agreement at said rates with less than three (3) years' notice provided the time for meeting Customer's requirement facilitates such shorter notice. In cases where Customer provides less than three (3) years' notice of its intent to return to Firm Electric Power Service and DP&L must incur costs higher than system average, DP&L shall endeavor to use its Best Efforts to accommodate the return provided that Customer agrees to pay for all incremental costs incurred by DP&L. Said return shall be made in accordance with Section 14.9, as an amendment to and incorporated under Appendix A. A return to Firm Electric Power Service prior to the end of the Term of this Agreement shall not be considered a termination hereunder and Section 3.2 shall not apply.

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 KVA by instruments suitable for the purpose. Such Monthly Billing Demand, absent a Force Majeure condition, shall be the greatest of the following:
- a) Sixty-five percent (65%) 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) Sixty-five percent (65%) 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 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 Charge - 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 \$11.4872 per KVA. 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 to the following schedule of rates:

Year	Applied to Non-Firm Base Billing Demand (\$/KVA)	Applied to Non-Firm Expansion Billing Demand (\$/KVA)
1	\$7.46668	\$5.74360
2	\$7.46668	\$5.74360
3	\$7.46668	\$6.31796
4	\$7.46668	\$6.89232
5	\$7.46668	\$7.46668

Demand charges for Non-Firm Electric Power Service during the Extension Period shall be equal to the charges stated for year five (5).

- d) Energy Charges - Customer shall pay monthly energy charges on all kilowatt-hours ("kWh") consumed during the billing month at a rate of \$0.00702 per kWh.
- e) Electric Fuel Component ("EFC") - Customer shall pay DP&L's prevailing EFC rate on all kWh consumed during the billing month except on those kWh consumed as Replacement Power during a Load Management Order.

- f) Percentage of Income Payment Plan ("PIPP") - Customer shall pay DP&L's prevailing PIPP rate on all kWh consumed during the billing month.
 - g) "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.
- 6.3 Price Guarantee - The rates and charges identified in Section 6.2a), b), c), and d) shall remain fixed throughout the entire Term of this Agreement.

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 for unauthorized service by applying the demand charges for Firm Electric Power Service set forth in Section 6.2b) to the portion of load that exceeds Firm Demand during the Order To Curtail.
 - 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 exceeds Firm Demand during the Order To Curtail. Customer shall remit payment on the due date of the current bill.
 - c) DP&L may require Customer to pay, on all kWh 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.

- d) 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. This event shall be deemed a return to firm service under Section 5.6.
 - e) In addition to these remedies, DP&L shall be entitled to any appropriate remedy for adverse impacts caused to DP&L-owned facilities as a result of Customer's failure to comply with an Order To Curtail.
- 7.3 Load Management Orders - Load Management Orders may be issued for any time period during which DP&L's scheduled coal-fired steam generating capacity available is not sufficient to meet the total firm 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. DP&L shall endeavor to provide as much notice as reasonably possible prior to an Order To Curtail, but not less than ten (10) minutes. Notice for Orders To Curtail and Load Management Orders 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 and Curtailment - Orders To Curtail and Load Management Orders shall not exceed one thousand (1,000) hours per year.
- 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 that is not attributable to the gross negligence or willful misconduct of DP&L.

SECTION 8 - REPLACEMENT POWER

- 8.1 Availability - Customer may purchase Replacement Power during any period in 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 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

APPENDIX A

BILLING PARAMETERS

Facility Address	Account Number	Voltage Level
a) Honda of America Mfg., Inc. 11000 RT-347 East Liberty, OH 43319	0000117000	Transmission
Firm Demand		0 KVA
Total Demand		37,800 KVA

APPENDIX B

REPLACEMENT POWER

- 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 purchases Replacement Power in any calendar quarter by providing DP&L with written confirmation thirty (30) days prior to the beginning of that 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 - To facilitate the scheduling and delivery of Replacement Power during a Load Management Order, Customer shall establish a "Strike Price." Said Strike Price shall be equal to the maximum price at which Customer agrees to purchase Replacement Power during a Load Management Order without notice prior to said Load Management Order. Upon signing this Agreement, Customer shall notify DP&L of its Strike Price. Changes to the Strike Price may be made verbally by Customer's Designated Representative with written confirmation to follow via facsimile or other mutually acceptable means.
- B3. Service Above Strike Price - If, during a Load Management Order, the cost of Replacement Power is expected to exceed Customer's Strike Price, DP&L shall verbally notify Customer's Designated Representative. To help mitigate Customer's risk, DP&L shall endeavor to provide as much notice as possible, but not less than ten (10) minutes' notice prior to the hour during which the price is expected to exceed Customer's Strike Price. 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. Customer may choose to manage its load requirements or pay the price stated under Section B4 during the period in which the need for Replacement Power hereunder is being evaluated by Customer. 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 kWh 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 an administrative fee of \$0.005 per kWh, 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 Electric Power Service requirements but does not guarantee the availability or delivery of Replacement Power nor the price at which such service is provided.