

RECEIVED
MAY 24 1996

BUY-THROUGH PROVISION

Made a part of the Agreement dated December 3, 1993 between Kentucky Power Company and Kentucky Electric Steel, Inc.

During the months of June, July, August and September, 1996, the Customer may, at its option, request the Company to attempt to minimize the frequency and duration of interruption under the provisions of Tariff I.R.P. hereunder by purchasing power from other sources during periods of interruption. When the Company is successful in making such purchases, the Customer agrees to pay, in lieu of the Energy Charge as specified in Tariff I.R.P., the product of the actual cost per KWH incurred by the Company for such purchases, plus \$0.0040 per KWH, and the actual buy-through energy used by the Customer.

The cost of such buy-through power shall be based on the average cost per KWH of all power purchased under this provision for Capacity Deficiency B interruptible service with said cost to be communicated to the Customer during any period that the Customer is purchasing buy-through power under the terms of this provision. In the event that multiple categories of interruptible customers are purchasing buy-through power subject to the conditions of this provision, the lowest cost buy-through power will be billed to the most firm category of interruptible service receiving such power.

If, for any reason during such period when the Customer is purchasing buy-through power, the Customer is notified that buy-through power purchased from outside sources is no longer available, the terms of this provision will cease to apply and the Customer must comply with all other Tariff I.R.P. provisions regarding interruption.

The Company reserves the right to interrupt the sale of buy-through power to the Customer if, in the sole judgment of the Company, operating conditions on the AEP System warrant such an interruption.

Only those representatives of the Customer who have been designated and identified by the Customer in writing as having the requisite authority to purchase buy-through power may authorize the purchase of buy-through power by the Customer. The initial designees are as follows:

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- Designee 1: Stu Taylor Plant Manager 929-1255
Name Title Phone Number
- Designee 2: Jack Schrader Ind. Engr. Manager 929-1253
Name Title Phone Number
- Designee 3: Dave Hylton Engineering Manager 929-1253
Name Title Phone Number

BY: Jordan C. Neal
FOR THE PUBLIC SERVICE COMMISSION

Alternate # for all Designees is 929-1222.

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In the event that the designated representatives of the Customer do not notify the Company of the Customer's intent to purchase buy-through by 10 minutes prior to the hour for which buy-through has been offered by the Company, the Customer shall interrupt in accordance with and subject to all provisions of Tariff I.R.P.

Monthly Billing Energy pursuant to Tariff I.R.P. shall exclude energy purchased under this buy-through provision.

Monthly Billing Demand in KW pursuant to Tariff I.R.P. shall exclude demands recorded during periods of buy-through purchases.

This provision shall terminate at midnight on September 30, 1996.

The Company and the Customer recognize that this Agreement is subject to the jurisdiction of the Public Service Commission of Kentucky. This Agreement is expressly conditioned upon Commission approval without change or condition.

KENTUCKY POWER COMPANY

By *Enol H. Wagner*

Its Assistant Secretary

KENTUCKY ELECTRIC STEEL, INC.

By *Charles C. Harbath*

Its President

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

JUN 23 1996

PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)

BY: *Jordan C. Neil*
FOR THE PUBLIC SERVICE COMMISSION