



**EAST KENTUCKY POWER COOPERATIVE
FUEL DEPARTMENT**

PURCHASE ORDER
NO. 51585

This number must appear on all
invoices, shipping documents,
and correspondence.

To: Alliance Coal, LLC (“Alliance” or “Seller”) 1717 South Boulder Avenue, Suite 400 Tulsa, OK 74119		Purchaser: East Kentucky Power Cooperative, Inc. (“EKPC” or “Buyer”) Inquiries to: Attention: Wes Kidd P. O. Box 707 Winchester, Kentucky 40392-0707	
Vendor No. 8158 Must Appear On All Correspondence		Phone #: 918-295-7618 (Kelly Cahill) Permit #: U200805	
Deliver To: East Kentucky Power Cooperative, Inc. Spurlock Power Station Route 8 Maysville, Kentucky 41056 (the “Station”)		MSHA #: 46-08864 Severance Tax #: 2216-2249 Mine Name/Type: Tunnel Ridge, LLC/Underground County/State: Ohio/WV Producer/Broker: Producer	
Purchase Order Date September 1, 2020	Terms See Below and Attached Terms and Conditions	F. O. B. Barge	Delivery Ingram Barge Company

This purchase order (the “Purchase Order”) binds Seller to sell and ship the following coal to Spurlock Power Station Unit Nos. 1 and 2 Scrubber, Charleston Bottoms, Kentucky, under the following terms and conditions. Furthermore, coal accepted by Buyer on this Purchase Order shall apply to and satisfy tonnage commitments for Contract No. 540 between Seller and Buyer dated as of the 6th day of November, 2017 (the “Existing Agreement”). The terms and conditions of the Existing Agreement apply unless expressly contradicted herein.

Term: Deliveries shall commence on September 1, 2020, and continue through December 31, 2020, SUBJECT HOWEVER, to the rights of EKPC set forth herein.

Termination: EKPC shall have the right to terminate this purchase order at any time for its convenience during the Term without recourse by the Seller. Any quantity unfulfilled by this Purchase Order will remain as a commitment for contract No. 540 as referenced above.

Quantity: Up to 40,000 tons (2,000 pounds per ton), at a rate of up to 10,000 tons per month. Failure to deliver approximate tonnage called for above, not counting rejected tonnage, shall permit Buyer to recover either (1) cover damages or (2) the difference between the price called for herein and market price, at Buyer’s discretion. Buyer shall have no obligation to purchase more than the tonnage called for above.

Size: Per the Existing Agreement.

Source: Seller’s Tunnel Ridge Mine Pittsburg 8 Seam coal located near Triadelphia in Ohio County, West Virginia.

Not Subject to Kentucky Sales or Use Tax.

"The Equal Employment Opportunity Clause at 41 CFR 60-1.4 (a) and the Affirmative Action Clauses at 41 CFR 60-250.5 and 60-741.5 are hereby incorporated by reference and made a part of this purchase order as though fully set forth herein."

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Quality: Coal sold hereunder shall meet the following specifications on an “as received” basis which such specifications are the rejection limits unless expressly stated otherwise herein:

Quality Specifications	Guaranteed Monthly Weighted Average	Rejection Limits (per barge)
Btu/lb.	Minimum 12,600	<11,000
Ash	Maximum 9.25%	>15%
Moisture	Maximum 6.25%	>12.5%
Sulfur Dioxide	Maximum 5.20 #SO2	>7.00 #SO2
Percent Sulfur = $\frac{\# \text{SO}_2 \times \text{Btu/lb.}}{20,000}$		

Grindability shall be a minimum of forty-five (45) on the Hardgrove Scale.

Minimum Ash Softening Temperature in (Reducing Atmosphere) shall be as follows:

Initial Deformation-----	2050°F
Softening (H=W)-----	2150°F
Softening (H=1/2W)-----	2300°F
Fluid-----	2450°F

The Chlorine content of all said coal shall not exceed 0.15%.

The Nitrogen content of all said coal shall not exceed 1.80%

Delivery: All shipments shall be loaded in Ingram Barge Company ("Ingram") barges at Tunnel Ridge Dock on the Ohio River at Milepost 82.3 (the “Delivery Point”). Title to, and risk of loss, for coal delivered hereunder shall remain with Seller until accepted by Buyer’s carrier at the Delivery Point. Buyer is not obligated to pay for any coal not delivered to the Delivery Point.

Each barge shall be loaded to a minimum of 1,550 tons and released to Ingram for direct shipment to Spurlock Power Station no later than 48 hours after the empty barge is placed at the dock. Any charges incurred by Buyer as a result of lightweight barges or loading delays will be deducted from the billing price of the coal.

Weighing and Testing:

The weight shall be determined and computed by the certified scales at the Delivery Point. SELLER shall cause the scales to be recalibrated by a qualified, independent scale vendor no less often than quarterly at SELLER’s expense. If said scales are not available temporarily, then until such time as the scales are available, the quantity of coal delivered shall be determined on the basis of barge drafts.

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Acceptance: The required acceptance of coal received by Buyer is subject to the coal's conformity with the requirements herein and with Seller's compliance with the terms of this Purchase Order. Buyer reserves the right, in its sole discretion, to reject (1) any barge of coal that does not meet the rejection limits described in the section labeled "Quality" above, (2) any portion on a bargeload basis if, upon visual inspection, it is apparent that a barge contains debris or any foreign materials not normally contained in a coal shipment, or (3) any barge that contains "hot" coal or any coal that may cause problems in unloading and handling, including, but not limited to any barge that does not meet the requirements hereof described in the Section labeled "Size" above. Upon rejection pursuant to any of the above, Seller shall immediately remove such shipment from Buyer's premises at Seller's expense.

Sampling and Analysis: All of said coal shall be on an "as received" basis, and it shall be computed and determined on a weighted monthly average of the analyses for pricing adjustments, but on a per barge basis to determine rejection rights. Sampling, preparation, and analysis shall be done by MilTech Analytical Services, Inc at SELLER's expense. All analysis for purposes of rejection shall be on a per barge basis.

Price: The Seller has guaranteed a heat content of 12,600 Btu/lb.; therefore, the price of all said coal, f.o.b. barge, shall be One Hundred Eighty-One and Ninety-Four Hundredths Cents (170.52 cents) per million Btu for September 2020. The price for the remaining months throughout the Term of this purchase order, which includes the quality and transportation adjustments required due to Seller's request to supply coal from an alternative source and load at an alternative dock, shall be determined based on the current adjusted base price of the Existing Agreement for the applicable month.

Coal received and utilized, instead of rejected as per Buyer's right, which does not meet the specifications set forth above in the section labeled "Quality," will be paid for by Buyer SUBJECT to the price adjustments set forth below:

Price Adjustments:

Ash Content: The following price adjustments will be deducted from the billing price for coal that exceeds the Guaranteed Monthly Weighted Average ash specification of this Purchase Order. The price adjustments will be Forty Cents Cents (\$.40) per ton per one percent (1%) between the specification and fifteen percent (15%), and an additional Eighty Cents (\$.80) per ton per one percent (1%) over fifteen percent (15%).

Sulfur Content: For each one-tenth percent (0.1%) sulfur content that exceeds the Guaranteed Monthly Weighted Average sulfur dioxide #SO₂ specification of this purchase order, Thirty Cents (\$.30) per ton will be deducted from the billing price. A pro rata adjustment shall be made for any fractional portion of such one tenth (0.1%) excess in sulfur content.

Heat Content: All coal delivered by Seller shall be adjusted on a cents per million Btu basis based upon the monthly weighted average actual Btu/lb content of coal delivered. If the Btu content is below 11,000

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Btu/lb., an additional Twenty-Five Cents (\$.25) per ton per 100 Btu/lb. will be deducted from the billing price. A pro rata adjustment shall be made for any variance representing a fractional portion of 100 Btu/lb. in heat content.

The above mentioned price adjustments for coal not meeting the guaranteed specifications, but which is received and utilized by Buyer, shall in no way limit or restrict Buyer's right to reject any and all coal that does not meet the reject specifications set forth under "Quality" above, as determined by the daily individual analysis for all bargeload deliveries for such day. The receipt and use of such non-conforming coal in no way limits or restricts Buyer's right to reject future nonconforming shipments.

Payment: EKPC will make payment in full by the 23rd of the month following the calendar month of deliveries. If date on which a payment is due is a weekend day, holiday, or other day banks are closed for business, then such payment shall be due on the next day on which banks are open for business.

Payment to be wired to: Alliance Coal, LLC
Fifth Third Bank
Cincinnati, OH
ABA# [REDACTED]
Account# [REDACTED]

Additional Terms and Conditions: The terms and conditions set forth in the Existing Agreement between the parties are incorporated herein by reference, are an integral part of this Purchase Order and are binding provisions hereof. In the event of a conflict between the terms of the Existing Agreement and the terms of this Purchase Order, the terms of this Purchase Order shall prevail.

East Kentucky Power Cooperative, Inc.

By: Mark Horn
Mark Horn
Manager, Fuel & Emissions

Alliance Coal, LLC "SELLER"

Accepted By: _____
Duly Authorized Signatory

Title: _____