

DORSEY, GRAY, NORMENT & HOPGOOD

ATTORNEYS-AT-LAW

318 SECOND STREET

HENDERSON, KENTUCKY 42420

JOHN DORSEY (1920-1986)
STEPHEN D. GRAY
WILLIAM B. NORMENT, JR.
J. CHRISTOPHER HOPGOOD
S. MADISON GRAY
DAVIS L. HUNTER

TELEPHONE
(270) 826-3965
TELEFAX
(270) 826-6672
www.dkgnlaw.com

February 2, 2017

Dr. Talina Mathews
Public Service Commission
Post Office Box 615
Frankfort, Kentucky 40602

Re: Kenergy Corp. electric service to
Aleris Rolled Products, Inc.
Case 16-117

RECEIVED
FEB 6 2017
Public Service
Commission

Dear Dr. Mathews:

Retail and wholesale letter agreements regarding Kenergy, Aleris and Big Rivers were approved by the Commission last May. Enclosed are redacted versions with signature pages that may be made available on the PSC website.

Feel free to contact me if you have questions about the enclosed agreements.

Very truly yours,

DORSEY, GRAY, NORMENT & HOPGOOD

By

J. Christopher Hopgood
Counsel for Kenergy Corp.

Encls.

COPY/w/o encls.: Mr. James M. Miller
Counsel for Big Rivers Electric Corporation



201 Third Street
P.O. Box 24
Henderson, KY 42419-0024
270-827-2561
www.bigrivers.com

May 27, 2016

Mr. Jeff Hohn
Kenergy Corp.
6402 Corydon Road
P.O. Box 18
Henderson, KY 42419-0018

Re: Retail Electric Service Agreement
Aleris Rolled Products, Inc.

RECEIVED

FEB 6 2017

Public Service
Commission

Dear Jeff:

This letter agreement ("*Letter Agreement*") will evidence the concurrence of Big Rivers Electric Corporation ("*Big Rivers*") with the terms of the electric service agreement between Kenergy Corp. ("*Kenergy*") and Aleris Rolled Products, Inc. (the "*Retail Customer*") dated as of May 27, 2016, a copy of which is attached hereto as Exhibit 1 (the "*Retail Agreement*"), and the agreement between Big Rivers and Kenergy with respect thereto.

- (1) **Existing Agreement and Tariffs.** The terms and conditions of the June 11, 1962, wholesale power agreement, as amended, between Big Rivers and Kenergy and Big Rivers' filed tariffs shall continue in full force and effect except as expressly modified by this Letter Agreement.
- (2) **Additional Rights and Obligations of Big Rivers.** Big Rivers shall make available to Kenergy the electric power required during the term of the Retail Agreement to perform the power supply obligations assumed by Kenergy in the Retail Agreement, and Big Rivers shall have the benefit of Retail Customer's obligations in such agreement. Big Rivers will supply the facilities required to deliver power to the delivery point, as defined in the Retail Agreement, and to meter electrical usage by Retail Customer.
- (3) **Obligations of Kenergy.** Kenergy shall take and pay for (i) electric power and energy delivered by Big Rivers in accordance with Big Rivers' Rate Schedule LIC, with demand and energy being measured in accordance with the Retail Agreement, and (ii) facilities charges incurred by Big Rivers in connection with extending service to the Retail Customer's delivery point, subject to paragraph 4 of this Letter Agreement. Kenergy will promptly forward to Big Rivers a copy of any notices received by Kenergy from the Retail Customer under the terms of the Retail Agreement. Kenergy agrees to cooperate with Big Rivers to assure that Big Rivers receives the benefit of Retail Customer's obligations in the Retail Agreement, and to take no action that interferes with Big Rivers receiving the benefit of Retail Customer's obligations.
- (4) **Obligation of Kenergy for Minimum Billing Demand Charge and Termination Charge.** Kenergy agrees to bill Retail Customer for any minimum billing demand charges in excess of measured demand, and any termination charges due under the Retail Agreement. Kenergy agrees to pay over to Big Rivers all funds actually collected under such billings, including but not limited to any termination charges respecting the Big Rivers Facilities (as that term is defined in the Retail Agreement). The terms of this paragraph do not affect the obligation of Kenergy to pay Big Rivers in accordance with Big Rivers' tariff as and when billed for the wholesale charges for electric power and energy actually consumed by Retail Customer.

Mr. Jeff Hohn
May 27, 2016
Page Two

(5) **Division of Any Partial Payments.** Kenergy will pay to Big Rivers a pro rata share of any partial payment made to Kenergy by or on behalf of Retail Customer.

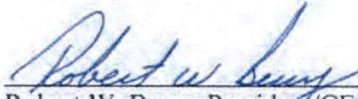
(6) **Effective Date.** This Letter Agreement will become effective upon approval or acceptance by the Public Service Commission of Kentucky, and upon receipt of any consents or approvals required under Big Rivers' agreements with its creditors. Big Rivers will provide Kenergy written notice when all those required consents and approvals have been received.

(7) **Entire Agreement and Amendment.** This Letter Agreement represents the entire agreement of the parties on the subject matter herein, and cannot be amended except in writing, duly authorized and signed by Big Rivers and Kenergy. The Retail Agreement shall not be amended without the advance written approval of Big Rivers. Big Rivers shall have the right to approve the terms and issuer(s) of the letter(s) of credit contemplated by the Retail Agreement to secure the obligations of the Retail Customer for minimum demand charges and termination charges.

If this Letter Agreement is acceptable to Kenergy, please indicate that acceptance by signing in the space provided and returning four signed counterparts to us.

Sincerely yours,

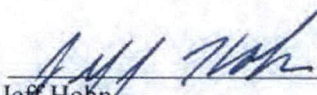
BIG RIVERS ELECTRIC CORPORATION



Robert W. Berry, President/CEO

ACCEPTED:

KENERGY CORP.



Jeff Hohn
President/CEO

Date: May 27 2016

AMENDED AND RESTATED AGREEMENT FOR RETAIL ELECTRIC SERVICE

THIS AGREEMENT FOR ELECTRIC SERVICE ("Agreement"), is made and entered into as of the 27 day of May, 2016, by and between **KENERGY CORP.**, a Kentucky electric cooperative corporation, with its principal office located at 6402 Old Corydon Road, P.O. Box 18, Henderson, Kentucky 42419-0018 ("Kenergy" or "Seller"), and **ALERIS ROLLED PRODUCTS, INC.**, doing business in the Commonwealth of Kentucky as Aleris Rolled Products Manufacturing, Inc., with a services address at 1372 State Route 1957, Lewisport, Kentucky 42351 ("Aleris RP" or "Customer"). Seller and Customer are individually referred to herein as a "Party" and collectively as the "Parties".

WHEREAS, Kenergy provides retail electric service to Aleris RP at its Lewisport aluminum mill located in Hancock County, Kentucky ("Customer's Facility"), under an Agreement for Electric Service dated May 13, 2011 ("2011 Agreement");

WHEREAS, Kenergy and Aleris RP have reached agreement concerning the terms and conditions of future retail service to Customer's Facility, including the increased level of retail service required to meet the electric energy requirements of improvements and machinery that Customer is constructing and installing at Customer's Facility ("Facility Additions"), and in reliance on said agreement Kenergy is entering into, or has entered into, a wholesale power sales agreement ("Wholesale Agreement") with Big Rivers Electric Corporation ("Big Rivers" or "Power Supplier"); and

WHEREAS, the Parties desire to set forth in writing their agreement regarding said retail electric service; and

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the Parties agree as follows:

ARTICLE I
GENERAL OBLIGATIONS

1.01 Basic Obligations of the Parties. Seller will supply, sell, and deliver to Customer, and Customer will accept and pay for, all of the electric power and energy required by Customer for the operation of Customer's Facility, up to the Maximum Contract Demand, as defined in Section 2.03 below. This service will be supplied under this Agreement, and the rules, regulations, and orders of the Public Service Commission of Kentucky ("Commission"), which may be applicable and effective from time to time. Seller and Customer agree that this Agreement contains the exclusive terms and conditions on which Seller will provide retail electric service to Customer during the term of this Agreement.

1.02 Membership. Customer has been and shall continue to be a member of Seller, and shall be bound by such rules and regulations as may be adopted from time to time by Seller consistent with the terms and conditions of this Agreement.



ARTICLE II
SERVICE CHARACTERISTICS

2.01 Delivery Point and Character of Service. The "Delivery Point" of the electric power and energy made available under this Agreement shall be the points of connection of Customer's 13,800 volt bus with Big Rivers' step-down transformers located in the substations at Customer's Facility. The electric power and energy delivered under this Agreement will be in the form of three-phase alternating current (60 hertz) at nominal 13,800 voltage level.

2.02 Service Restriction. Customer shall not use the electric power and energy furnished hereunder as an auxiliary or supplement to any other source of purchased power and shall not sell any electric power and energy purchased hereunder.

2.03 Maximum Contract Demand.

(a) The maximum demand of Customer in any month during the term of this Agreement, or any extension thereof (the "Maximum Contract Demand"), shall be:

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

(b) Customer's metered demand ("Metered Demand") shall be the highest integrated kilowatt demand occurring during a thirty-minute period at the beginning and mid-point of a clock hour in the billing month, as measured by the coincidental sum of Customer's meters.

2.04 System Disturbances; Obligation For Damages.

(a) A "System Disturbance" shall be deemed to exist if the use of power by Customer directly or indirectly results in a risk of harm to human beings or material damage to or substantial interference with the functioning of Big Rivers' generating system or transmission system, Seller's distribution system, or the plant, facility, equipment or operations of any customer of one of Big Rivers' distribution cooperatives. A System Disturbance includes, but is not limited to: (i) a level of current harmonic total demand distortion ("TDD") measured at the Delivery Point that exceeds the limits on TDD described in IEEE Standard 519, Section 10; and (ii) a use of capacity and energy in such a manner that causes a current imbalance between phases greater than five percent at the Delivery Point.

(b) In its role as Local Balancing Area Operator in the Midcontinent Independent System Operator, Inc. and reader of the meters serving Seller, Big Rivers shall have primary responsibility for determining the existence and source of System Disturbances. If Big Rivers reasonably believes that Customer is responsible for a System Disturbance, it shall provide notice to Seller and Customer, and Customer may take, but shall not be obligated to take, appropriate action at its sole expense to cure, correct or suppress such System Disturbance. If the Customer declines for any reason to take action to correct the System Disturbance, then Seller shall undertake, or cause Big Rivers to undertake, appropriate action to cure, correct or suppress such System Disturbance. Customer shall be obligated to reimburse Seller for all costs incurred by Seller or Big Rivers to cure, correct or suppress such System Disturbance, provided that such action was successful in curing, correcting or suppressing such System Disturbance, and further providing that Customer is conclusively determined to be the cause of such System Disturbance.

(c) Customer acknowledges and agrees that Seller shall have no responsibility for damage to any property, or to any equipment or devices connected to Customer's electrical system on Customer's side of the Delivery Point that results solely from acts or omissions of Customer, its employees, agents, contractors or invitees, or malfunction of any equipment or devices connected to Customer's electrical system on Customer's side of the Delivery Point.

2.05 Power Factor. Customer shall maintain a power factor at the Delivery Point as nearly as practicable to unity. Power factor during normal operation may range from unity to 90%. If Customer's power factor is less than 90% at time of maximum load, Seller reserves the right to require Customer to choose either (a) installation at Customer's expense of equipment which will maintain a power factor of 90% or higher; or (b) adjustment of the maximum monthly metered demand for billing purposes in accordance with the following formula:

$$\frac{\text{Maximum Actual Measured Kilowatts} \times 90\%}{\text{Power Factor (\%)(as adjusted)}}$$

2.06 Metering.

(a) The metering equipment necessary to register the electric demand and energy for this service shall be furnished, installed, operated, and maintained by Seller or Big Rivers on behalf of Seller, and shall be and remain the property of Seller or Big Rivers.

(b) Each meter shall be read on or about the first day of each month, or such other day as may be mutually agreed upon by a representative of Seller and Customer, and may be simultaneously read by a representative of Customer should Customer so elect.

(c) All inspections and testing of metering equipment shall be performed in accordance with applicable rules and regulations of the Commission.

2.07 Easements and Facilities Provided by Customer.

(a) Customer has provided, and shall continue to provide or cause to be provided, without cost to Seller, the following property rights, easements and facilities which are or may be necessary for Seller or its Power Supplier to supply the electric consuming facilities of Customer with retail electric service, it being acknowledged by Seller that the facilities in use by Big Rivers and Seller on the date of this Agreement are adequate for current requirements:

(i) Easements for rights-of-way upon Customer's property of such dimensions as determined by Seller, and at such locations as mutually agreed, which are necessary for the construction of facilities which Seller or its Power Supplier must furnish to provide electric service herein; provided, however, that if Customer wishes to move such facilities in the future, Seller will cooperate in identifying alternate satisfactory locations so long as any relocation is at Customer's expense;

(ii) An easement for ingress and egress for the exercise by Seller or Big Rivers of Seller's rights under this Agreement;

(iii) Adequate sites for such additions to the existing substation site, or adequate additional substation sites, at such locations and of such dimensions as mutually agreed upon with the fee simple title thereto, rough graded to Seller's or Big Rivers' requirements, as may be from time to time required by Seller or Big Rivers;

(iv) All required 13,800 volt substation equipment including buses to connect to transformers owned by Big Rivers, but not including the Customer's 13,800 volt transformer, lightning arresters and station service equipment for Big Rivers' portion of the substation;

(v) Facilities for Big Rivers' metering equipment; and

(vi) Except as provided in Section 2.08, Customer has furnished, and shall continue to furnish, operate, and maintain (or cause to be furnished, operated, and

maintained) such facilities and equipment as may be necessary to enable it to receive and use electric power and energy purchased hereunder at and from the Delivery Point.

(b) Customer further accepts responsibility for the actual cost of new transmission and substation facilities constructed or caused to be constructed by Seller to provide service for the Facilities Additions (collectively, the "Transmission Facilities Costs" for the "Expanded Transmission Facilities"), which amount is estimated to be \$9,500,000 as of the date of this Agreement. The Expanded Transmission Facilities are described in more detail on Exhibit A to this Agreement. Transmission Facilities Costs shall include costs incurred by Big Rivers prior to the Effective Date of this Agreement for which Customer has accepted financial responsibility. The actual amount of the Transmission Facilities Costs shall be paid initially by Big Rivers, and shall be included in the "Termination Charge" under this Agreement, as further described in Section 2.11. The Transmission Facilities Costs will include the total amount of the Transmission Facilities Costs incurred by Big Rivers under the Wholesale Agreement and charged to Seller. If this Agreement expires or is terminated for any reason prior to the completion of the projects contemplated in this Section 2.07(b), Transmission Facilities Costs shall include all such costs that have been incurred or that are unavoidable as of the date of expiration or termination of this Agreement. Customer's responsibility for Transmission Facilities Costs for the Expanded Transmission Facilities pursuant to this subparagraph is capped at \$10,500,000, provided that neither Seller nor Big Rivers shall be obligated to expend more than \$10,500,000 for Transmission Facilities costs and may suspend work on the Expanded Transmission Facilities unless and until Customer agrees to accept responsibility for the additional costs.

2.08 Facilities Provided by Seller. Seller, by and through Big Rivers, has furnished, and will continue to furnish, all required substation facilities for delivering the electric power and energy to Customer at the Delivery Point, except (i) Customer shall furnish or pay for those facilities as specified in Section 2.07; (ii) Customer will promptly reimburse Seller, or upon request by Seller will pay directly to Big Rivers, all of the cost Seller is charged by Big Rivers for any repair or replacement made or installed by Big Rivers at the Customer's substations in excess of \$10,000, except the cost of a transformer rewind, replacement transformation, or additional transformation and any expense that results from the negligent acts or omissions of Seller or Big Rivers; and (iii) Customer will be responsible for all of the cost Seller is charged by Big Rivers for a transformer rewind, replacement transformation, or additional transformation, including associated equipment, labor, and other usual costs ("Extraordinary Substation Expense") through a Termination Charge. The Extraordinary Substation Expense will include the total amount of an Extraordinary Substation Expense incurred by Big Rivers under the Wholesale Agreement and charged to Seller. If this Agreement expires or is terminated for any reason prior to the completion of a project commenced under this Section 2.08, Extraordinary Substation Expense shall include all such costs that have been incurred or that are unavoidable as of the date of expiration or termination of this Agreement.

2.09 Operation and Maintenance of Facilities.

(a) Seller shall construct, operate, and maintain, or cause to be constructed, operated and maintained, all facilities and equipment owned by it or its Power Supplier and

required to supply retail electric service to Customer in accordance with the terms of this Agreement.

(b) Customer shall construct, operate, and maintain, or cause to be constructed, operated, and maintained, all of the facilities and equipment owned by it in accordance with the applicable provisions of the National Electrical Safety Code and all other applicable laws, codes, and regulations; provided, however, that Seller shall have no duty to inspect such facilities for compliance therewith.

2.10 Right of Removal. Any and all equipment, apparatus, devices, or facilities placed or installed, or caused to be placed or installed, by either Party on or in the premises of the other Party shall be and remain the property of the Party owning and installing such equipment, apparatus, devices, or facilities regardless of the mode or manner of annexation or attachment to real property of the other. Upon the termination of this Agreement, the owner thereof shall have the right to enter upon the premises of the other and shall within a reasonable time remove such equipment, apparatus, devices, or facilities; provided, however, that Customer may not recover any easements or sites conveyed to Seller as referred to in Section 2.07 hereof except to the extent that Seller no longer has a need to make use of such easements or sites.

2.11 Termination Charges.

If this Agreement expires or is terminated for any reason, Customer shall pay Seller, in addition to any other obligations Customer may have to Seller upon the expiration or termination of this Agreement, a "Termination Charge," and an "EDR Termination Charge."

(a) The Termination Charge shall be the sum of :

1. Transmission Facilities Costs for which Customer is obligated under Section 2.07(b) of this Agreement reduced by \$0.90 per kilowatt of demand in excess of Base Demand (as defined in Exhibit C) that the Customer is billed and pays for under this Agreement, and that has not otherwise been applied as a credit to Extraordinary Substation Expense; and

2. Extraordinary Substation Expense for which Customer is obligated under Section 2.08 of this Agreement reduced by \$0.90 per kilowatt of demand that the Customer is billed and pays for under this Agreement after the date on which an item of Extraordinary Substation Expense is incurred, and that has not otherwise been applied as a credit to Transmission Facilities Costs.

(b) The EDR Termination Charge shall be, in any month following expiration or termination of this Agreement, the sum of the portion of the Phase I Increment, Phase II Increment, Phase III Increment and Phase IV Increment (each as defined in Exhibit C to this Agreement) that would have been includable, but was not included, in Minimum Contract Demand in that month multiplied by Big Rivers' standard LIC tariff Demand Charge in effect during that month.

ARTICLE III
PAYMENT

3.01 Rates. On and after the Effective Date (as defined in Section 11.02 below) of this Agreement, Customer shall pay Seller for service hereunder at the rates set forth in Seller's Rate Schedule 34, attached hereto as Exhibit B, and other applicable tariffs of Seller, or any successor tariff(s), subject to the Economic Development Rate ("EDR"), attached hereto as Exhibit C, all of which are incorporated herein by reference, subject to such changes as may become effective from time to time by operation of law or by order of the Commission, provided that in the case of any filing with the Commission which changes or affects the terms, conditions, or rates under this Agreement, Seller gives Customer notice in accordance with the Commission's regulations and orders so that Customer has the opportunity to participate in any proceeding at the Commission affecting the terms, conditions, or rates hereunder.

3.02 Taxes. Customer shall pay all taxes, charges, or assessments now or hereafter applicable to electric service hereunder.

3.03 Billing Demand.

(a) The monthly Billing Demand shall be the greater of the maximum metered demand at Customer's metering point during each month, measured as specified in Section 2.03(b) of this Agreement ("Metered Demand"), or the Minimum Contract Demand, as defined in Section 3.03(b). The provisions of Section 2.05 apply to the measured kilowatts.

(b) The Minimum Contract Demand of Customer for billing purposes in any billing month shall be the greater of the number of kilowatts resulting from one of the following two calculations:

1. 60% of the Maximum Contract Demand; and
2. The sum of the following (using terms defined in Exhibit C to this Agreement):

A. Base Demand;

B. During the Phase I Full-Rate Term, the portion of the Phase I Increment included in Minimum Contract Demand as calculated pursuant to paragraph number 3 of the Phase I EDR;

C. During the Phase II Full-Rate Term, the portion of the Phase II Increment included in Minimum Contract Demand as calculated pursuant to paragraph number 3 of the Phase II EDR;

D. During the Phase III Full-Rate Term, the portion of the Phase III Increment included in Minimum Contract Demand as calculated pursuant to paragraph number 3 of the Phase III EDR, and

E. During the Phase IV Full-Rate Term, the portion of the Phase IV Increment included in Minimum Contract Demand as calculated pursuant to paragraph number 3 of the Phase IV EDR

3.04 Payment of Bills.

(a) Beginning with the Effective Date (as defined in Section 11.02 below) Seller will bill Customer no later than the first Business Day after the 13th of the month for the previous month's service hereunder. Customer will pay Seller in immediately available funds by 1:00 o'clock p.m., central time (prevailing), on or before the first Business Day after the 24th of the month (the "Due Date"). Invoices shall be sent to the attention of Plant Controller by email to christopher.thompson@aleris.com and sherry.boyken@aleris.com. If payment is not received by Seller when due, Seller may terminate service to Customer's Facility after providing five business days' notice by email and overnight courier service to:

Aleris Rolled Products, Inc.
1372 State Road 1957
Lewisport, KY 42351-0480
Attn: Plant Controller, Christopher Thompson
Email: christopher.thompson@aleris.com

With copy to:
Aleris International, Inc.
25825 Science Park Drive
Beachwood, Ohio 44122
Attn: General Counsel

Notice shall be effective upon the earlier of (i) the time an email is sent, provided that the sender has not received a return message indicating the email was not delivered, or (ii) the day after deposit for next day delivery with a recognized overnight courier. Invoices sent and notices given as provided in this Section 3.04(a) shall be effective unless Seller has been notified by Customer in accordance with Section 8.01 of this Agreement that the name or address of an addressee under this Section 3.04(a) has changed. Discontinuance for non-payment will be in addition to any other remedy that may be available to Seller and will not lessen in any way the obligation of Customer to pay to Seller any and all sums owing to Seller.

(b) Interest on any unpaid amounts will be simple interest equal to the prime commercial lending rate *per annum* as published in the "Money Rates" section of *The Wall Street Journal* on the Due Date, or on the first Business Day after the Due Date if the Due Date falls on a weekend day or a day when this rate is not published, plus one percent. Interest on delinquent amounts will be calculated from the Due Date of the bill to the date of the payment, with interest calculated and prorated for that portion of the month in which amounts are outstanding. The applicable interest rate will be recalculated each month using the new prime commercial lending rate *per annum* as published in the "Money Rates" section of *The Wall Street Journal*, on the Due Date in that month, or on the first Business Day after the Due Date in that month if the Due Date

falls on a weekend day or a day when such rate is not published, plus one percent. If *The Wall Street Journal* discontinues publication of the prime commercial lending rate, the Parties shall agree on a mutually acceptable alternative source for that rate.

3.05 Security for Customer's Obligations.

(a) As security for payment of its monthly billing obligations from and after the Effective Date, Customer shall provide Kenergy at the time this Agreement is signed and thereafter maintain a cash deposit or an irrevocable bank letter of credit representing two months' estimated billing based on prior consumption or, in the case of an adjustment to the Maximum Contract Demand, the estimated future billing. Semi-annually, and 15 days prior to any adjustment in the Maximum Contract Demand, the Parties shall adjust the deposit or bank letter of credit to reflect changes in the amounts of the obligations of Customer secured by the deposit or bank letter of credit.

(b) As security for payment of the Termination Charge for which Customer is obligated under Section 2.11(a) of this Agreement, Customer shall provide Big Rivers at the time this Agreement is signed and thereafter maintain a cash deposit or an irrevocable bank letter of credit equal to the amount of the Termination Charge. Semi-annually, and upon the addition or truing up of any charges to the Termination Charge, the Parties shall adjust the deposit or bank letter of credit to reflect changes in the amounts of the obligations of Customer secured by the deposit or bank letter of credit.

(c) As security for payment of the EDR Termination Charge, Customer shall cause its parent company, Aleris International, Inc. ("Customer Parent"), to guarantee to Kenergy and Big Rivers the payment by Customer of Customer's obligations for the EDR Termination Charge pursuant to a Guarantee Agreement executed by Customer Parent in favor of Kenergy and Big Rivers in the form attached to this Agreement as Exhibit D (the "Customer Parent Guarantee"), and delivered to Kenergy and Big Rivers at the time this Agreement is signed.

(d) At the time this Agreement is being entered into there is no outstanding Termination Charge resulting from Extraordinary Substation Expense under section 2.08 above. If costs are to be incurred in the future that would constitute Extraordinary Substation Expense under Section 2.08, above, thereby resulting in a Termination Charge, prior to the commencement of the subject work, Customer shall be required to increase the amount of its cash deposit or letter of credit under Section 3.05(b) of this Agreement in the amount of the estimated Extraordinary Substation Expense to be incurred. Upon completion of the work the amount of the security shall be adjusted so that it is equal to the actual amount of the cost.

(e) Letters of credit must be approved by Kenergy, and must be issued by a bank acceptable to Kenergy. Any cash deposit provided pursuant to Section 3.05(a) or 3.05(b) will earn interest in accordance with law, and interest earned will be paid annually to Customer. The failure of Customer to provide or maintain the security for payment as required by this Section 3.05 shall be treated as a failure to pay a bill for electric service when due, and Seller may proceed to disconnect service to Customer as provided in Section 3.04.

(f) The material obligations of Customer pursuant to this Agreement shall include, but not be limited to, the obligations of Customer pursuant to Sections 3.05(a), (b) and (c).

ARTICLE IV CONTINUITY OF SERVICE

4.01 Seller shall use reasonable diligence to provide a constant and uninterrupted supply of electric power and energy hereunder. However, Seller shall not be responsible for damages to Customer occasioned by any failure, shortage, or interruption of service or for failure as a result of Force Majeure (as defined in Section 4.02(a), below).

4.02 In the event either Party shall be unable, wholly or in part, by reason of Force Majeure (as defined below), including Force Majeure preventing Big Rivers from supplying power for Seller's resale to Customer, to carry out its obligations hereunder, on such Party's giving notice and reasonably full particulars of such Force Majeure, first by telephone and then confirmed in writing, to the other Party within a reasonable time after the occurrence of the cause relied upon, then the obligations of the Parties, to the extent they are affected by such Force Majeure, shall be suspended during the continuance of any inability so caused, but for no longer period, and the following provisions shall apply:

(a) The term "Force Majeure" as used herein, shall mean acts of God, strikes, acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, arrests and restraints of the government (whether federal, state, or local, civil or military), civil disturbances, explosions, breakage of or accident to machinery, equipment, distribution lines or transmission lines, inability of either Party to obtain necessary materials, supplies, or permits due to existing or future rules, regulations, orders, laws, or proclamations of governmental authorities (whether federal, state, or local, civil or military), and any other causes which are not reasonably within the control of the Party affected.

(b) The Party unable to perform its obligations hereunder by reason of Force Majeure shall remedy such inability with all reasonable dispatch; provided, however, the Customer shall not be required to restore its plant and/or operations to the extent that it is not practical for Customer to do so. The Party affected by an event of Force Majeure shall provide the other with a timely and reasonably full description of the nature and impact of any damages to its facilities and operations caused by such event, and the anticipated duration of the effect thereof on that Party's performance hereunder. Nothing contained herein may be construed to require a Party to prevent or to settle a labor dispute against its will. A minimum bill due during a billing period when a force majeure event occurs shall be prorated based upon the duration of the period of force majeure, provided that during the Phase I Full-Rate Term there shall be no proration of the portion of the Phase I Increment included in Minimum Contract Demand, during the Phase II Full-Rate Term there shall be no proration of the portion of the Phase II Increment included in Minimum Contract Demand, during the Phase III Full-Rate Term there shall be no proration of the portion of the Phase III Increment included in Minimum Contract Demand, and during the Phase IV Full-Rate Term there shall be no proration of the portion of the Phase IV

Increment included in Minimum Contract Demand. Nothing contained herein shall excuse Customer from the obligation of paying at the time provided herein for any power consumed by it.

ARTICLE V
TERM

5.01 Term and Renewals. This Agreement shall remain in full force and effect for an initial term beginning with the Effective Date hereof (as defined in Section 11.02 below) and ending at 11:59 p.m. prevailing local time on April 1, 2028, provided that this Agreement shall automatically renew annually thereafter for successive one-year terms upon the same terms and conditions stated herein and in any amendment hereto unless Customer has given Seller at least twelve months' notice of intent not to renew prior to the end of the initial term or the end of any one-year extension of the initial term.

5.02 Assignment. This Agreement shall be assignable by Customer only if (i) Customer agrees in writing to continue to guarantee all of the assignee's obligations hereunder, or (ii) Customer obtains the prior written consent of Seller, which consent will not be unreasonably withheld, delayed or conditioned. Seller may withhold approval of a proposed assignment until, among other things, Seller has been provided with all information it may reasonably require regarding the proposed assignee, including the ability of the proposed assignee to fulfill Customer's obligations hereunder following the proposed assignment.

ARTICLE VI
RIGHT OF ACCESS

6.01 Duly authorized representatives of Seller shall be permitted to enter upon Customer's premises at all reasonable hours in order to carry out any metering or service provisions of this Agreement, provided, however, that all such representatives abide by Customer's safety rules furnished by Customer to Seller.

6.02 Each Party shall furnish to the other such reports and information concerning its operations as the other may reasonably request from time to time.

ARTICLE VII
EVENTS OF DEFAULT AND REMEDIES

7.01 Events of Default. Each of the following constitutes an "Event of Default" under this Agreement:

(a) Failure by Customer to make any payment in accordance with this Agreement;

(b) Failure of a Party to perform any material duty imposed on it by this Agreement (other than a failure to make a payment when due) within 30 days following the non-

performing Party's receipt of written notice of the non-performing Party's breach of its duty hereunder;

(c) Any attempt by a Customer to transfer an interest in this Agreement other than as permitted pursuant to Section 5.02;

(d) Any filing of a petition in bankruptcy or insolvency, or for reorganization or arrangement under any bankruptcy or insolvency laws, or voluntarily taking advantage of any such laws by answer or otherwise, or the commencement of involuntary proceedings under any such laws by a Party and such petition has not been withdrawn or dismissed within 60 days after filing;

(e) Assignment by a Party for the benefit of its creditors; or

(f) Allowance by a Party of the appointment of a receiver or trustee of all or a material part of its property and such receiver or trustee has not been discharged within 60 days after appointment.

7.02 Remedies. Following the occurrence and during the continuance of an Event of Default by either Party, the non-defaulting Party may, in its sole discretion, elect to terminate this Agreement upon written notice to the other Party, or to seek enforcement of its terms at law or in equity. Remedies provided in this Agreement are cumulative. Nothing contained in this Agreement may be construed to abridge, limit, or deprive either Party of any means of enforcing any remedy either at law or in equity for the breach or default of any of the provisions herein, except as provided in Section 7.03 below.

7.03 LIMITATION OF DAMAGES. UNDER NO CIRCUMSTANCE WILL EITHER PARTY OR ITS RESPECTIVE AFFILIATES, DIRECTORS, OFFICERS, MEMBERS, MANAGERS, EMPLOYEES, OR AGENTS BE LIABLE HEREUNDER TO THE OTHER PARTY, ITS AFFILIATES, DIRECTORS, OFFICERS, MEMBERS, MANAGERS, EMPLOYEES, OR AGENTS, WHETHER IN TORT, CONTRACT, OR OTHERWISE, FOR ANY SPECIAL, INDIRECT, PUNITIVE, EXEMPLARY, OR CONSEQUENTIAL DAMAGES, INCLUDING LOST PROFITS. EACH PARTY'S LIABILITY HEREUNDER WILL BE LIMITED TO DIRECT, ACTUAL DAMAGES. THE EXCLUSION OF ALL OTHER DAMAGES SPECIFIED IN THIS SECTION IS WITHOUT REGARD TO THE CAUSE OR CAUSES RELATING THERETO. THIS PROVISION WILL SURVIVE TERMINATION OF THIS AGREEMENT.

7.04 Survival. Obligations of a Party accrued under this Agreement on the date this Agreement is terminated or otherwise expires shall survive that termination or expiration.

ARTICLE VIII
NOTICES

8.01 Any notice, demand, or request required or authorized under this Agreement, except the notice provided for in Section 3.04(a), shall be deemed properly given to or served upon the other Party if the notice is in writing and placed in the mail, postage prepaid, or delivered to the other Party at the following addresses:

To the Seller:

Kenergy Corp.
6402 Old Corydon Road
P.O. Box 18
Henderson, KY 42419-0018
Attn: President and CEO
Telephone: (800) 844-4832, ext. 6104
Facsimile: (270) 826-3999

To the Customer:

Aleris Rolled Products, Inc.
1372 State Road 1957
Lewisport, KY 42351-0480
Attn: Plant Controller, Christopher Thompson
Telephone No. (270) 295-5357
Telecopy No. (270) 313-6953
Email: Christopher.thompson@aleric.com

With copy to:

Aleris International, Inc.
25825 Science Park Drive
Beachwood, Ohio 44122
Attn: General Counsel

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

8.02 The term "Business Day," when used in this Agreement, shall mean any day other than a Saturday or Sunday or other day in which commercial banking institutions are authorized or required by law, regulation or executive order to be closed in Henderson, Kentucky.

ARTICLE IX
REPRESENTATIONS AND WARRANTIES

9.01 Representations of Seller. Seller hereby represents and warrants to Customer as follows:

(a) Seller is an electric cooperative corporation duly organized, validly existing and in good standing under the laws of the Commonwealth of Kentucky, and has the power and authority to execute and deliver this Agreement, to perform its obligations hereunder, and to carry on its business as such business is now being conducted and as is contemplated hereunder to be conducted during the term hereof.

(b) The execution, delivery, and performance of this Agreement by Seller have been duly and effectively authorized by all requisite corporate action.

9.02 Representations and Warranties of Customer. Customer hereby represents and warrants to Seller as follows:

(a) Customer is a corporation duly organized and validly existing and in good standing under the laws of the State of Delaware, is authorized to do business in the Commonwealth of Kentucky, and has the power and authority to execute and deliver this Agreement, to perform its obligations hereunder, and to carry on its business as such business is now being conducted and as is contemplated hereunder to be conducted during the term hereof.

(b) The execution, delivery, and performance of this Agreement by Customer have been duly and effectively authorized by all requisite corporate action.

(c) The economic development incentives offered to Customer and incorporated into this Agreement were a necessary factor in the decision of Customer to expand its operations in Kentucky. Customer estimates that the expansion of its operations will involve a capital investment of approximately \$350,000,000, and an increase in employment at Customer's facility of approximately 70 persons.

ARTICLE X
SEVERABILITY

10.01 The invalidity of any portion of this Agreement shall not affect the validity of the remainder thereof.

ARTICLE XI
SUCCESSION, APPROVAL, AND EFFECTIVE DATE

11.01 This Agreement shall be binding upon and inure to the benefit of the successors, legal representatives, and permitted assigns of the respective Parties hereto.

11.02 The "Effective Date" of this Agreement shall be the date that is thirty days after the date that appears at the beginning of this Agreement, except that the obligations of Seller shall not be enforceable against it unless and until (i) service pursuant to this Agreement and the Wholesale Agreement are authorized by Kentucky Revised Statutes Chapter 278 or, if suspended by order of the Commission, are approved in writing by the Commission or otherwise become effective under the law of the Commonwealth of Kentucky, (ii) the Wholesale Agreement has received all approvals from the Rural Utilities Service required by Big Rivers' credit agreements, and (iii) the items of security for Customer's obligations provided for in Section 3.05 have been delivered and are in full force and effect, including but not limited to the Customer Parent Guarantee, duly authorized, executed and delivered by Customer Parent.

ARTICLE XII MISCELLANEOUS

12.01 Entire Agreement. The terms, covenants, and conditions contained in this Agreement constitute the entire agreement between the Parties and shall supersede all previous communications, representations, or agreements, either oral or written, between the Parties hereto with respect to the subject matter hereof, including but not limited to the 2011 Agreement, provided, however, that service to Customer is subject to the lawful orders of the Commission.

12.02 Governing Law, Jurisdiction, and Venue. All respective rights and obligations of the Parties shall be governed by the laws of the Commonwealth of Kentucky and the rules, regulations and orders of the Commission, without regard to the conflicts of law rules of the Commonwealth of Kentucky.

12.03 Waiver. The waiver by either Party of any breach of any term, covenant, or condition contained herein will not be deemed a waiver of any other term, covenant, or condition, nor will it be deemed a waiver of any subsequent breach of the same or any other term, covenant, or condition contained herein.

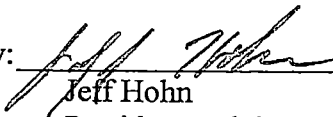
12.04 Amendments. This Agreement may be amended, revised, or modified by, and only by, a written instrument duly executed by both Parties.

12.05 Counterparts. This Agreement may be executed in any number of counterparts, which together will constitute but one and the same instrument, and each counterpart will have the same force and effect as if they were one original.

12.06 Headings. The headings contained in this Agreement are solely for convenience and do not constitute a part of the agreement between the Parties, nor should such headings be used to aid in any manner in the construction of this Agreement.

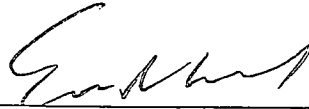
IN WITNESS WHEREOF, the Parties hereto have executed this Agreement, as of the day and year first above written.

KENERGY CORP.

By: 

Jeff Hohn
President and CEO

ALERIS ROLLED PRODUCTS, INC

By: 

Eric M. Rychel
President

Table of Contents to Exhibits
Retail Electric Service Agreement between
Kenergy Corp. and Aleris Rolled Products, Inc.

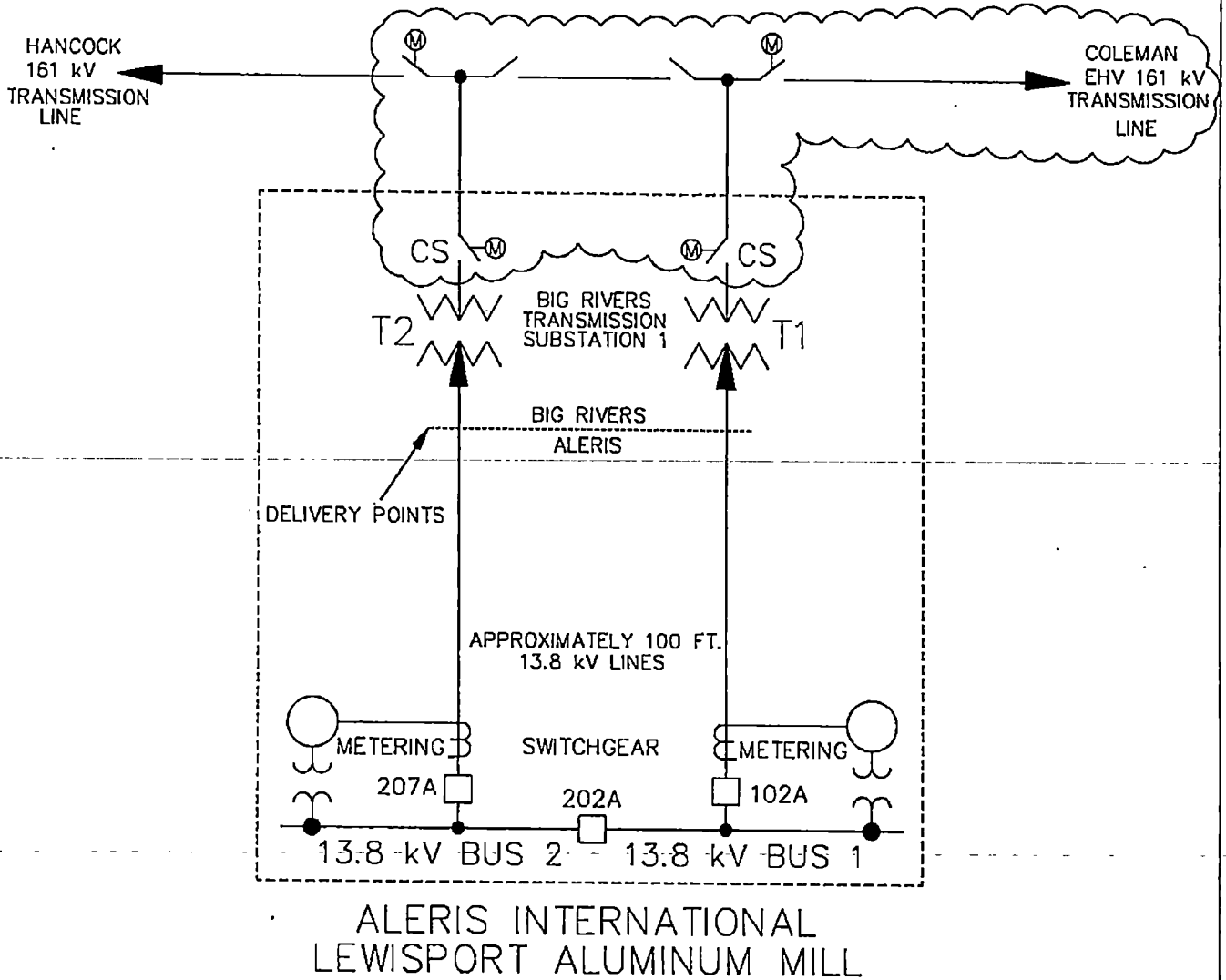
Exhibit A Description of Expanded Transmission Facilities

Exhibit B Kenergy Corp. Rate Schedule 34

Exhibit C Economic Development Rate


Exhibit D Customer Parent Guarantee

EXHIBIT A page 1



REV	BY	ENG	DATE	REVISION
0		RW	1-15	

KENTUCKY 62



Big Rivers
ELECTRIC CORPORATION

Your Time-honored Energy Cooperative
HENDERSON, KENTUCKY

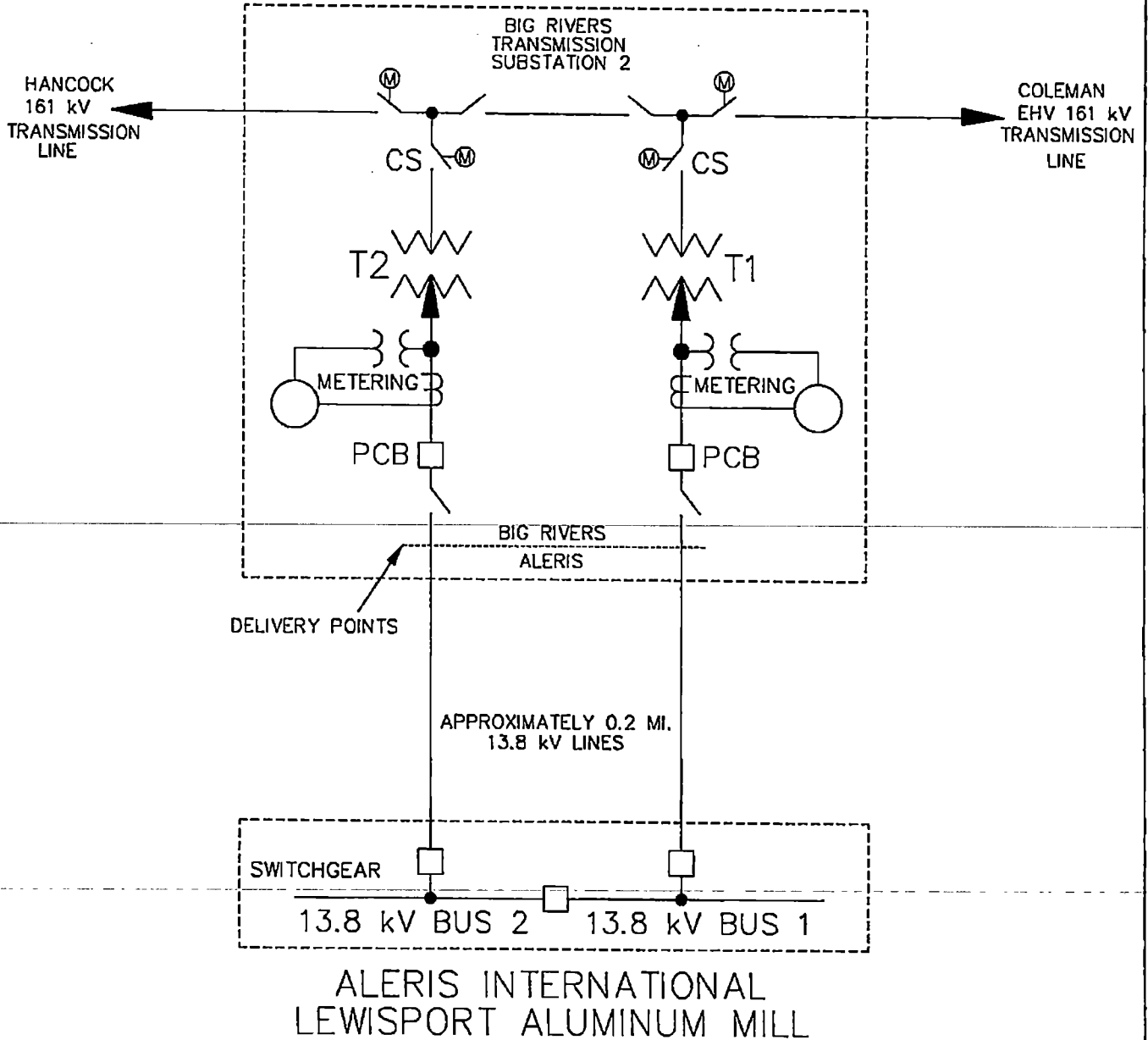
ALERIS INTERNATIONAL
LEWISPORT ALUMINUM MILL
SUBSTATION 1 FACILITIES

DRAWING:

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EXHIBIT A

page 2



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Your Touchstone Energy Cooperative
 KENTUCKY 62 HENDERSON, KENTUCKY

ALERIS INTERNATIONAL
 LEWISPORT ALUMINUM MILL
 SUBSTATION 2 FACILITIES

DRAWING:	
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EXHIBIT A

page 4

Project BT15X003B - \$1,400,000

161 kV Transmission Lines from Coleman EHV Substation to Aleris Substations

795 ACSS conductor with steel pole construction

Coleman EHV to Lewisport Aluminum Mill Substation 2 – 2.1 miles

Coleman EHV to Lewisport Aluminum Mill Substation 1 – 1.9 miles

Hancock County to Lewisport Aluminum Mill Substation 2 – 0.7 miles

Project BT15X004B - \$1,100,000

Coleman EHV Substation – Two 161 kV Line Terminals

(3) 161 kV Power Circuit Breakers

(8) 161 kV Disconnect Switches

(1) lot of substation steel and miscellaneous materials

Project BT15X019B - \$7,000,000

Lewisport Aluminum Mill Substation 2, and Substation 1 Upgrade

(2) 161–13.8 kV 30/40/50//56 MVA Transformers with LTCs

(2) 13.8 kV Power Circuit Breakers


(2) 13.8 kV Disconnect Switches

(4) 161 kV Circuit Switchers

(4) 161 kV Motor Operated Disconnect Switches

(4) 161 kV Disconnect Switches

(1) lot of substation steel and miscellaneous materials

REV	BY	ENG	DATE	REVISION		
0		RW	1-15		 KENTUCKY 62 Big Rivers Your Touchstone Energy Cooperative HENDERSON, KENTUCKY	
					ALERIS INTERNATIONAL LEWISPORT ALUMINUM MILL TRANSMISSION FACILITIES FOR 2015 EXPANSION PROJECT	
						DRAWING:
					SEQ	SH



Henderson, Kentucky

FOR ALL TERRITORY SERVED

Community, Town or City

PSC NO. 2

Seventh Revised SHEET NO. 34

CANCELLING PSC NO. 2

Sixth Revised SHEET NO. 34

CLASSIFICATION OF SERVICE
Schedule 34 - Large Industrial Customers Served Under Special Contract
(Dedicated Delivery Points) - (Class B)

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

To existing customers, Aleris and Kimberly Clark, and new customers executing special contracts approved by the Kentucky Public Service Commission.

RATE:

Customer Charge.....\$1,028 per Month
Plus Demand Charge of:
per KW of Billing Demand in Month.....\$10.715
Plus Energy Charge of:
per KWH.....\$0.038216

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ADJUSTMENT CLAUSES:

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Table with 2 columns: Rider Name and Sheet No. Includes Renewable Resource Energy Service Rider, Fuel Adjustment Rider, Environmental Surcharge Rider, etc.

AGREEMENT

An "agreement for purchase of power" shall be signed by any new customer prior to service under the rate.

TAXES AND FEES

School Taxes added if applicable.
Kentucky Sales Taxes added if applicable.

FRANCHISE CHARGE

The rate herein provided shall include, where applicable, an additional charge for local government franchise payment determined in accordance with the Franchise Billing Plan as set forth on Sheet No. 105.

DATE OF ISSUE May 14, 2014
DATE EFFECTIVE February 1, 2014
ISSUED BY Steve Thompson
TITLE Vice President - Finance
BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. 2013-00385 DATED April 25, 2014

KENTUCKY PUBLIC SERVICE COMMISSION
JEFF R. DEROUEN EXECUTIVE DIRECTOR
TARIFF BRANCH
Brent Kealey
EFFECTIVE 2/1/2014
PURSUANT TO '87 KAR 5:011 SECTION 9 (1)



Henderson, Kentucky

FOR ALL TERRITORY SERVED

Community, Town or City

PSC NO. 2

Sixth Revised SHEET NO. 34A

CANCELLING PSC NO. 2

Fifth Revised SHEET NO. 34A

CLASSIFICATION OF SERVICE
Schedule 34 - Large Industrial Customers Served Under Special Contract
(Dedicated Delivery Points) - Class B With Self-Generation

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

To existing customer, Domtar, and new customers executing special contracts approved by the Kentucky Public Service Commission.

RATE:

Customer Charge.....\$1,028 per Month

Plus:

Demand Charge of:

R per KW of Firm Billing Demand in Month.....\$10.715

Plus:

Energy Charge of:

I per KWH Sold by Keenergy to Domtar.....\$0.038216

NOTE: Charges for backup and replacement power are billed per contract, which includes a \$0.000166 retail adder per KWH Consumed At Site.

ADJUSTMENT CLAUSES:

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Table with 2 columns: Rider Name and Sheet No. Includes Renewable Resource Energy Service Rider, Fuel Adjustment Rider, Environmental Surcharge Rider, Unwind Surcredit Adjustment Rider, Rebate Adjustment Rider, Member Rate Stability Mechanism Rider, Price Curtailable Service Rider, Non-FAC Purchased Power Adjustment Rider.

DATE OF ISSUE May 14, 2014
DATE EFFECTIVE February 1, 2014
ISSUED BY Steve Thompson (Signature of Officer)
TITLE Vice President - Finance
BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. 2013-00385 DATED April 25, 2014

KENTUCKY PUBLIC SERVICE COMMISSION
JEFF R. DEROUEN EXECUTIVE DIRECTOR
TARIFF BRANCH
Brent Kibbey
EFFECTIVE 2/1/2014
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

EXHIBIT C

ECONOMIC DEVELOPMENT RATE ("EDR")

Definitions

Base Demand for all purposes under this Agreement is [REDACTED]

Phase I Demand is the positive number of kilowatts in a month during the Phase I Credit Period determined by subtracting Base Demand from Metered Demand, provided that Phase I Demand shall not exceed [REDACTED] in any month.

Phase II Demand is the positive number of kilowatts in a month during the Phase II Credit Period determined by subtracting Base Demand plus [REDACTED] from Metered Demand, provided that Phase II Demand shall not exceed [REDACTED] in any month.

Phase III Demand is the positive number of kilowatts in a month during the Phase III Credit Period determined by subtracting Base Demand plus [REDACTED] from Metered Demand, provided that Phase III Demand shall not exceed [REDACTED] in any month.

Phase IV Demand is the positive number of kilowatts in a month during the Phase IV Credit Period determined by subtracting Base Demand plus [REDACTED] from Metered Demand, provided that Phase IV Demand shall not exceed [REDACTED] in any month.

Phase I Commencement Date is [REDACTED]

Phase II Commencement Date [REDACTED]

Phase III Commencement Date [REDACTED]

Phase IV Commencement Date [REDACTED]

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1 **Phase I Credit Period** is the 48 consecutive calendar months beginning on the
2 Phase I Commencement Date.

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4 **Phase II Credit Period** is the 48 consecutive calendar months beginning on the
5 Phase II Commencement Date.

6
7 **Phase III Credit Period** is the 48 consecutive calendar months beginning on the
8 Phase III Commencement Date.

9
10 **Phase IV Credit Period** is the 48 consecutive calendar months beginning on the
11 Phase IV Commencement Date.

12
13 **Phase I Increment** is the incremental increase in Customer's demand as a result
14 of Phase I, which is [REDACTED].

15
16 **Phase II Increment** is the incremental increase in Customer's demand as a result
17 of Phase II, which is [REDACTED].

18
19 **Phase III Increment** is the incremental increase in Customer's demand as a result
20 of Phase III, which is [REDACTED].

21
22 **Phase IV Increment** is the incremental increase in Customer's demand as a result
23 of Phase IV, which is [REDACTED].

24
25 **Phase I Term** is the 96 consecutive calendar months beginning on the Phase I
26 Commencement Date.

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28 **Phase II Term** is the 96 consecutive calendar months beginning on the Phase II
29 Commencement Date.

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31 **Phase III Term** is the 96 consecutive calendar months beginning on the Phase III
32 Commencement Date.

33
34 **Phase IV Term** is the 96 consecutive calendar months beginning on the Phase IV
35 Commencement Date.

36
37 **Phase I Full-Rate Term** is the 48 consecutive calendar months following the
38 Phase I Credit Period.

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40 **Phase II Full-Rate Term** is the 48 consecutive calendar months following the
41 Phase II Credit Period.

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43 **Phase III Full-Rate Term** is the 48 consecutive calendar months following the
44 Phase III Credit Period.

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Phase II EDR

The rates applicable to service to Customer during the Phase II Term shall be adjusted as follows:

1. The demand charge applicable to each kilowatt of Phase II Demand purchased by Customer each month during the Phase II Credit Period shall be Seller's standard tariff Demand Charge.

2. The energy charge applicable to each kilowatt hour purchased by Customer during the Phase II Credit Period shall be the Phase II Energy Charge.

3. In any billing month during the Phase II Full-Rate Term, the portion of the Phase II Increment included in Minimum Contract Demand pursuant to Section 3.03(b) of the Agreement shall be the number of kilowatts determined by dividing the sum of all Phase II Demand during the Phase II Credit Period by 48.

4. Customer's total bill for electric service in a billing month shall be credited by the Phase II Credit in that billing month.

Phase III EDR

The rates applicable to service to Customer during the Phase III Term shall be adjusted as follows:

1. The demand charge applicable to each kilowatt of Phase III Demand purchased by Customer each month during the Phase III Credit Period shall be Seller's standard tariff Demand Charge.

2. The energy charge applicable to each kilowatt hour purchased by Customer during the Phase III Credit Period shall be the Phase III Energy Charge.

3. In any billing month during the Phase III Full-Rate Term, the portion of the Phase I Increment included in Minimum Contract Demand pursuant to Section 3.03(b) of the Agreement shall be the number of kilowatts determined by dividing the sum of all Phase III Demand during the Phase III Credit Period by 48.

4. Customer's total bill for electric service in a billing month shall be credited by the Phase III Credit in that billing month.

Phase IV EDR

The rates applicable to service to Customer during the Phase IV Term shall be adjusted as follows:

EXHIBIT D

GUARANTEE

GUARANTEE, dated as of _____, 2016, by Aleris International, Inc., a Delaware corporation, (the "Guarantor") in favor of Kenergy Corp. (the "Counterparty").

- 1. Guarantee.** For value received, including but not limited to the indirect benefit to Guarantor of the Amended and Restated Agreement for Retail Electric Service, dated August ____, 2015 ("Electric Agreement") by and between the Counterparty and **Aleris Rolled Products, Inc.** (the "Company"), a subsidiary of the Guarantor, pursuant to the Electric Agreement the Guarantor unconditionally and irrevocably guarantees to the Counterparty, its successors, endorsees, and assigns, the prompt payment when due, by acceleration or otherwise, of the EDR Termination Charge, as defined in the Electric Agreement (the "Obligation").
- 2. Nature of Guarantee.** This Guarantee, which is one of payment and not of performance, is a continuing guarantee until terminated as hereafter provided. The Guarantor is irrevocable and unconditional and constitutes the direct primary obligation of the Guarantor to make payment hereunder without reference to the Company and without examination of the Company's liability in respect of the Obligation. The Guarantor reserves the right to assert defenses which the Company may have to payment of the Obligation other than the defenses arising from the bankruptcy, insolvency, or dissolution of the Company and other defenses expressly waived hereby.
- 3. Demand and Payment.** Any demand, notification, or certificate given by the Counterparty specifying amounts due and payable under or in connection with any of the provisions of this Guarantee shall, in the absence of manifest error, be conclusive and binding upon the Guarantor. Payment of the amount in respect of which the Company has defaulted shall be made promptly on demand in writing without set-off or counterclaim and without reference to any rights of set-off or counterclaim the Guarantor may have against the Counterparty. Counterparty may place to the credit of a suspense account any monies received under or in connection with this Guarantee and may, at any time, apply any such monies in or towards satisfaction of any of the Guarantor's liabilities under this Guarantee as the Counterparty may, in its absolute discretion, from time to time determine.
- 4. Consents, Waivers, and Renewals.** The Guarantor agrees that the Counterparty and the Company may mutually agree to modify the Obligation or any agreement between the Counterparty and the Company, and that the Counterparty may grant any waiver or consent with respect to the Obligation and grant any time or other indulgence to the Company, without in any way impairing or affecting this Guarantee. The Guarantor agrees that the Counterparty may resort to the Guarantor for payment of the Obligation, whether or not the Counterparty shall have resorted to any collateral security, or shall have proceeded against any other obligor principally or secondarily obligated with respect to the Obligation. The presentment, protest, and notice of protest or dishonor of any evidences of indebtedness, and default and notice thereof are hereby waived.
- 5. Subrogation.** Upon payment of the Obligation owing to the Counterparty, the Guarantor shall be subrogated to the rights of the Counterparty against the Company, and the Counterparty

EXHIBIT D

agrees to take, at the Guarantor's expense, such steps as the Guarantor may reasonably request to implement such subrogation.

6. **Due Authorization.** The Guarantor is a corporation duly organized, validly existing, and in good standing under the laws of the State of Delaware, the execution, delivery, and performance of this Guarantee has been duly authorized by all necessary corporate action, and this Guarantee constitutes the legally valid and binding obligation of Guarantor enforceable in accordance with its terms.

7. **Severability.** If any term or provision of this Guarantee or the application of it to any person or circumstances shall be unenforceable, void, or voidable to any extent the remainder of the terms of this Guarantee other than that which is unenforceable, void, or voidable shall not be affected by such term or provision and each term of this Guarantee shall be valid and enforceable to the fullest extent permitted by law.

8. **Notices.** Any demand account or notice under the Guarantee shall be in writing and sent by letter or facsimile addressed as follows:

If to Guarantor:

Aleris International, Inc.
Attn: Executive Vice President, CFO and Treasurer
25825 Science Park Drive, Suite 400
Beachwood, OH 44122
Fax: (216) 910-3654

If to Counterparty:

Kenergy Corp.
6402 Old Corydon Road
Henderson, KY 42420
Attn: President and CEO
(800) 844-4832

With a copy to:

Big Rivers Electric Corporation
201 Third Street
Henderson, KY 42420
Attn: President and CEO
(270) 827-2561

Any such matter sent by letter shall be deemed to have been received five (5) days after posting; any such matter sent by facsimile shall be deemed to have been received at the time of receipt of the correct acknowledgement of receipt by the sender.

EXHIBIT D

9. Termination. This Guarantee may be terminated upon thirty (30) days prior written notice by Guarantor; provided, however, that this Guarantee shall remain in full force and effect thereafter, as to the Obligation of Company to the Counterparty outstanding or contracted or committed for (whether or not outstanding) before receipt of such notice, until such Obligation shall be finally and irrevocably paid in full.

10. No Waiver, Cumulative Rights. No failure on the part of the Counterparty to exercise, and no delay in exercising, any right, remedy, or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise by the Counterparty of any right, remedy or power hereunder preclude any other or future exercise of any right, remedy or power. Each and every right, remedy, and power hereby granted to the Counterparty or allowed it by law or other agreement shall be cumulative and not exclusive of any other, and may be exercised by the Counterparty from time to time.

11. Amendments. No amendment of the Guarantee shall be effective unless signed by the Guarantor and the Counterparty. No waiver of any provision of the Guarantee, nor consent to any departure by the Guarantor therefrom, shall in any event be effective unless the same shall be in writing and signed by the Counterparty, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose set forth in such writing.

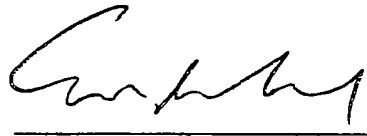
12. Successors and Assigns. Neither party may assign its rights hereunder without the written consent of the other party, such consent not to be unreasonably withheld, except that Counterparty may assign its rights hereunder to Big Rivers Electric Corporation. Any purported assignment in violation of this Section 13 shall be null and void. Subject to the foregoing, this Guarantee shall be binding upon and inure to the benefit of the parties and their respective successors, permitted assigns, and legal representatives.

13. Governing Law. This Guarantee shall be governed by, construed and interpreted in accordance with Kentucky law. The Counterparty irrevocably submits to the non-exclusive jurisdiction of the courts of the Commonwealth of Kentucky and the United States District Court for the Western District of Kentucky. The Guarantor waives any objection which it may have to the laying of any suit, action or proceedings relating to this Guarantee ("Proceedings") brought in any such court, waives any claim that such Proceedings have been brought in an inconvenient forum and further waives the right to object, with respect to such Proceedings, that such court does not have any jurisdiction over it.

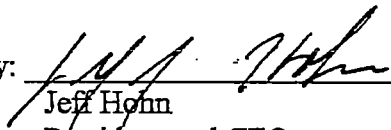
14. Limitation by Law. All rights, remedies and powers provided in this Guarantee may be exercised only to the extent that the exercise thereof does not violate any applicable provision of law, and all the provisions of this Guarantee are intended to be subject to all applicable mandatory provisions of law that may be controlling and to be limited to the extent necessary so that they will not render this Guarantee invalid, unenforceable, in whole or in part, or not entitled to be recorded, registered, or filed under the provisions of any applicable law.

EXHIBIT D

ALERIS INTERNATIONAL, INC.

By: 
Eric M. Rychel
Executive Vice President, CFO and Treasurer

KENERGY CORP.

By: 
Jeff Hohn
President and CEO