

BIG RIVERS ELECTRIC CORPORATION'S
RESPONSE TO THE ATTORNEY GENERAL'S OCTOBER 24, 2008
SUPPLEMENTAL REQUEST FOR INFORMATION TO JOINT APPLICANTS
PSC CASE NO. 2007-00455
November 7, 2008

RECEIVED

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COMMISSION

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Item 33) Please provide copies of all communications between Joint Applicants and Henderson and the City of Henderson and/or HMP&L concerning the proposed unwind transaction.

Response) The documents identified and attached represent a good faith effort by Big Rivers to produce the principal documents representing communications between Big Rivers and either or both of the City of Henderson and the City of Henderson, Utility Commission regarding negotiations to obtain the consent of those parties to the Unwind Transaction that has not otherwise been filed. Please see the E.ON Parties' response to Item 10 of this data request for the communications between them and these parties.

Witness) Mark A. Bailey
David A. Spainhoward



C' Bill Blackburn
Travis Housley
David Spainhoward
Jim Miller
Carl Lyon

RECEIVED MAR 30 2006

March 28, 2006

Big Rivers Electric Corporation
201 3rd Street
Henderson, KY 42420

Attn: Michael H. Core
President and CEO

LG&E
220 West Main Street
P. O. Box 32030
Louisville, KY 40232

Attn: Paul Thompson
Senior Vice President, Energy Services

RE: STATION TWO TURNOVER BY LG&E PARTIES TO BIG RIVERS ELECTRIC CORPORATION

Gentlemen:

Henderson Municipal Power & Light has been provided a copy of the November 28, 2005 Letter of Intent, and accompanying Term Sheets relating to the LG&E Parties/Big Rivers Electric Corporation Unwind Transactions

Numerous provisions in the Term Sheets refer to the "Generating Plants" Although this term is not defined in the provisions of the Term Sheets, we have been advised by Jim Miller that by definition contained in Schedule X to the New Participation Agreement of



April 6, 1998, the term includes Henderson's Station Two.

There are a number of provisions in the Term Sheets relating to the Generating Plants. To the extent that those provisions relate to Henderson's Station Two Power Plants, HMP&L and its representatives will want the opportunity to examine the Definitive Documents.

Section VII, Station Two Agreements, provides for termination upon the Unwind Closing Date of a number of agreements to which HMP&L and the City are parties. Before HMP&L and the City can agree to the termination of these documents, we must have negotiated the terms of replacement documents for the Station Two G & A Allocation Agreement, the Agreement with Respect to Operating Reserves and Amendment Number 1 to the System Reserves Agreement, the Designated Representative Agreement, the Deed of Easement Related to the Reid Station Gasline and the Letter Agreement Relating to Cost Sharing for the Gasline.

Also, Section VII provides that as a condition to the Unwind Closing the City and HMP&L are required to release the LG&E Parties from further obligation or liability under each of the Station Two Contracts and the Interim Funding of Station Two SCR System. It goes without saying, that before this release will be signed by the City or Utility Commission, all outstanding financial matters between Henderson and the LG&E Parties will have to be resolved.

This provision of the Term Sheets also provides that "(e) Big Rivers would be released and discharged by the City of Henderson from further obligation or liability under any of the foregoing agreements or inducements on account of any breach or default thereof by any LG&E Party occurring on or before the Unwind Closing Date. Before the City or Utility Commission will execute such a release of Big Rivers Electric Corporation, it will be necessary that the LG&E Parties and Big Rivers Electric Corporation demonstrate to the City and the Utility Commission that there are no outstanding and unperformed obligations of the LG&E Parties with respect to Station Two under the provisions of the Station Two Contracts and the Agreement and Amendments to Agreements of July 15, 1998, as amended (Station Two Agreement)

Section 9.14 of the Station Two Agreement provides that " Big Rivers shall not throughout the Phase II Assignment Term, by virtue of the Assignment contemplated hereby, be released from any of its covenants or agreements set forth in the Assigned Station Two Contracts, or from any damages, actions, liabilities or obligations that may result from or arise out of the performance or failure of performance of the obligations thereunder from and after the Phase II Effective Date." The Agreement goes on to say that the LG&E companies will indemnify Big Rivers for any damages it may sustain by reason of its continued obligation to the City and Utility Commission under terms of the Station Two Contracts.



Yet, the Term Sheets provide that the City and HMP&L would not only release the LG&E Parties from any further obligation or liability whatsoever under provisions of the Station Two Contracts, but would also release Big Rivers from any obligation for the LG&E Parties' failure, if any, to perform the Station Two Contracts from July 15, 1998 until the Unwind Closing Date. By these terms, the City and HMP&L would have no recourse for any failure on the part of the LG&E Parties to operate or maintain the Station Two Power Plants pursuant to Prudent Utility Practices from July 15, 1998 through the Unwind Closing Date.

The LG&E Parties and Big Rivers Electric Corporation must take notice that the City and the Utility Commission will not execute such releases unless it has been fully and completely demonstrated by the LG&E Parties and Big Rivers Electric Corporation that the Station Two Contracts have been fully complied with and fully and completely performed during the Phase II Term. Of particular concern to the City and HMP&L is the requirement that "(f) The LG&E Parties would be released and discharged by the City (and HMP&L) from further obligation or liability for any damage incurred by the City of Henderson resulting from or arising out of any of LG&E Parties' use, operation, maintenance, repair or upkeep of Station Two or any 'joint use facilities' contemplated in the Joint Facilities Agreement included in the Station Two Contracts."

In order for the City and HMP&L to sign such a release, it will be necessary that we be in possession of all relevant inspection reports wherein the condition of the Station Two



Power Plants has been inspected and reported as to the Operator's use of Prudent Utility Practices in the operation, maintenance and upkeep of the Station Two Power Plants and all related facilities, including the Joint Use Facilities during the term of the Phase II Assignment.

Item 16 of Section III, Termination of Phase II Agreements provides for termination of a "Baseline Study Agreement dated October 15, 1997" To the extent that Big Rivers or the LG&E Parties performed a baseline study of the Station Two Power Plants in 1997, the City and Utility Commission expect to be provided copies of that study for purposes of measuring the condition of the Station Two Power Plants on July 15, 1998. There is also mentioned in the Term Sheets a Baseline Environmental Audit Report and an intended Unwind Environmental Audit Report. To the extent that these reports involve Station Two and the Joint Use Facilities, the City and HMP&L will require the opportunity to inspect those reports reasonably in advance of the Unwind Closing Date, and would want to be satisfied as to the formulation and scope of the reports in order to determine whether an environmental issue exists with Station Two or the Joint Use Facilities.

HMP&L has also become aware over the past several years that power plant inspections have been performed, the reports of which would give evidence of the state of maintenance and repair of the Station Two Power Plants and Joint Use Facilities during the term of the Phase II Assignment. In order for the City and HMP&L to be



sufficiently informed as to the condition of repair of the Station Two Plants and the Joint Use Facilities preliminary to executing releases of Big Rivers and the LG&E Parties from liability for the condition of maintenance and repair of these facilities, we will need the opportunity to inspect all such reports and be reasonably satisfied as to the acceptable condition of Station Two and the Joint Use Facilities before signing off on the requested releases

If for any reason all such reports are not made available to HMP&L on a timely basis, it will be necessary for the City and HMP&L to have their own inspection conducted by a qualified entity in order to learn for themselves the present state of condition, upkeep and maintenance of the Station Two Power Plants and Joint Use Facilities. The City and HMP&L will expect to be reimbursed their out-of-pocket costs incurred for the performance of such an inspection, and the pledging of sufficient funds by the LG&E Parties and/or Big Rivers Electric Corporation to restore the condition of Station Two and the Joint Use Facilities to that which existed in July of 1998, when the LG&E Parties took over operation of these facilities

The City and Utility Commission will want to be certain that the SCR Contracts (the 2005 Amendments to Contracts, the Amendatory Agreement, the Grant and Easements and Rights-of-Way and the Subordination Agreement) are fully in force and effective prior to the time of the Unwind Closing Date



It may be necessary that the City of Henderson and the Utility Commission be made parties to a number of the Definitive Documents which will be developed in order to facilitate the Unwind Transactions. On advice of counsel, we are informed that there are no provisions in the Station Two Agreement for its termination prior to the end of its term, except in case of breaches of the Agreement or of other related agreements by one or more of its parties. It appears to us that the only method by which the proposed early termination of the Station Two Agreements can be accomplished, is with mutual agreement of all parties thereto, which includes both the City of Henderson and the City of Henderson, Kentucky Utility Commission.

This letter expresses to both the LG&E Parties and Big Rivers Electric Corporation some of the more serious concerns which the City and the Utility Commission have upon examining the Term Sheets for the proposed Unwind Transactions. The Utility Commission and the City are in the process of developing a definitive list of terms and conditions which they will require as a condition to entering into an agreement to terminate the Station Two Agreement and executing the requested releases of the LG&E Parties and Big Rivers Electric Corporation. The City and Utility Commission will expect, among other things, to be reimbursed their out-of-pocket costs incurred in connection with the Unwind Transactions.

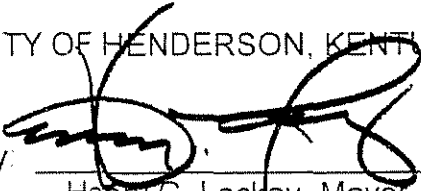
It may be advisable in the near future to have a meeting of the principals involved in the Unwind Transactions in order to discuss and possibly resolve some of the City's and



Utility Commission's concerns regarding the proposed transactions

We will appreciate your consideration of the foregoing presentation of our concerns, and your responses at your earliest convenience.

CITY OF HENDERSON, KENTUCKY

By: 
Henry G. Lackey, Mayor

THE CITY OF HENDERSON, KENTUCKY
UTILITY COMMISSION

By: 
Gary Quick, General Manager



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charles.west@skofirm.com

May 3, 2006

Hon. James M. Miller
Sullivan, Mountjoy, Stainback & Miller, P.S.C.
P. O. Box 727
Owensboro, KY 42303

RE: JOINT INTEREST AGREEMENT

Dear Jim:

The Utility Commission and the City of Henderson have determined that it is not in their best interests to become a party to the proposed Joint Interest and Confidentiality Agreement with Big Rivers Electric Corporation. The restrictions imposed by the Agreement would possibly negate remedies that Henderson may have under terms of the Station Two Contracts and the Station Two Agreement.

We appreciate your efforts to accommodate our request. At this point we believe the City and the Utility Commission should obtain their own consultant's report regarding the present condition of maintenance and repair of Station Two and the Joint Use Facilities.

With best regards, we are

Yours very truly,

STOLL KEENON OGDEN PLLC



Charles B. West

CBW/klp

cc: Joseph E. Ternes, City Attorney
Gary Quick, General Manager, HMP&L
Robert Ferdon, Special Counsel
David Spainhoward, Big Rivers

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HENDERSON MUNICIPAL POWER & LIGHT

C: Jim Miller
B. Blackburn
D Spainhoward

May 9, 2006

Big Rivers Electric Corporation
201 Third Street
Henderson, KY 42420

RECEIVED MAY 10 2006

Attn: Michael H. Core
President and CEO

LG&E
220 West Main Street
P. O. Box 32030
Louisville, KY 40232

Attn: Paul Thompson
Senior Vice-President, Energy Services

RE: STATION TWO TURNOVER BY LG&E PARTIES TO BIG RIVERS ELECTRIC CORPORATION

Gentlemen:

As a follow-up to our letter of March 28, 2006 in the referenced matter, we request a meeting with representative parties of LG&E Entities and Big Rivers Electric Corporation to discuss the concerns and questions of the City and the Utility Commission regarding the pending Unwind Transaction between LG&E Parties and Big Rivers as it relates to Station Two and the Joint Use Facilities. There are a number of sections in the Term Sheets for the Unwind Transaction which indicate to us that Station Two and/or the Joint Use Facilities may be involved. It is important that the City and the Utility Commission completely understand and agree to the terms of the Unwind Transaction as those relate to the Station Two Contracts and related agreements.

Please advise some acceptable dates and times so that we can arrange an initial meeting.

Yours very truly,

HENDERSON MUNICIPAL POWER & LIGHT

Gary Qujck
General Manager

cc: C.B. West
Wayne Thompson



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charles.west@skofirm.com

June 22, 2006

Hon. James M. Miller
Sullivan, Mountjoy, Stainback & Miller, P.S.C.
P. O. Box 727
Owensboro, KY 42303

Hon. Tim Dowdy
E.ON U.S. LLC
220 West Main Street
Louisville, KY 40202

**RE: POINTS OF DISCUSSION WITH BIG RIVERS AND LG&E ENTITIES
REGARDING THE UNWIND TRANSACTIONS
MEETING OF JUNE 14, 2006**

Dear Jim and Tim:

In the following I will set forth the contents of my recorded notes relating to our discussions and agreements reached during the June 14, 2006 meeting of representatives of Big Rivers Electric Corporation, the LG&E Entities, HMP&L and the City of Henderson. I will follow the Outline of Points for Discussion which I presented to you during the meeting. If my notes do not fairly and accurately represent your understanding of our discussions, please call any such discrepancies to my attention.

Page 2

Thanking you for your assistance, I remain

Yours very truly,

STOLL KEENON OGDEN PLLC

A handwritten signature in black ink, appearing to read "Charles B. West", written over a horizontal line.

Charles B. West

CBW/klp

Enclosure

cc: Gary Quick
Wayne Thompson
David Spainhoward
Mike Core
Mike Thompson
Pat Northam
Ralph Bowling
David S. Sinclair

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POINTS OF DISCUSSION WITH BIG RIVERS AND LG&E ENTITIES
REGARDING THE UNWIND TRANSACTIONS
MEETING OF JUNE 14, 2006

1. Article III A, relating to Designated Representatives Agreement. It is the understanding of all parties that we will require new Designated Representative Agreements for the Station Two Power Plant simultaneously with the Turnaround Date.
2. Article III A, Item 16 (page 6). Baseline Study Agreement dated October 15, 1997. It was represented by the parties that the Baseline Study Agreement involved only a baseline environmental audit and that, to the extent the audit involved Station Two, HMP&L would be provided a copy of the audit report.
3. Preservation of rights against Woodward-Clyde International Americas after Unwind Closing Date. LG&E Entities and Big Rivers will provide definitive documentation with the City of Henderson and HMP&L (hereinafter "Henderson") that they will do nothing in the Unwind Transaction which would adversely affect any rights which Henderson might have against Woodward-Clyde International Americas arising out of the Baseline Audit Report.
4. Article III C. Inventory of coal, petroleum coke, fuel, reagents, ammonia, spare parts, materials and supplies. LG&E and Big Rivers are agreeable to include inventory of Station Two assets at the same time, and using the same methods of measurement and pricing as related to Station Two and the Joint Use Facilities, at the time these inventories are taken with reference to Big Rivers' remaining Generating Facilities.
5. Article III, paragraphs D, E, G, H and I (pages 13 through 24). The parties (LG&E and Big Rivers) will provide copies of the lists relating to Station Two and the Joint Use Facilities to Henderson for its review.
6. Article III J – SO₂ and Nox Allowances. It is represented by LG&E and Big Rivers that the SO₂ and Nox allowances referred to in this Section of the Term Sheets do not represent allowances to which Henderson has a legal right, and excludes by its provisions allowances belonging to Henderson relating to Station Two and Station One.
7. Article IV A. LG&E Parties agree that a separate document is needed between Henderson and the LG&E Parties regarding termination of the Station Two Agreement.
8. As to paragraphs (a), (b), (c), (d) and possibly (e) of Item 8, it is agreed that we identified documentation needs to be preserved even though the Station Two Agreement is terminated. It is thought that (e) does not involve the Station Two

gasline insofar as Henderson is concerned. As to item (f), Big Rivers understands our position and will consider the matter. Item (g) is a catch all and there is no comment on it.

9. Section VII, paragraph 10 (pages 42 and 43). It is understood by the LG&E Parties and Big Rivers that Henderson will have requirements described in paragraphs 10, 11, 12 and 13 with reference to Henderson's execution of releases of the LG&E Parties and/or Big Rivers from the Station Two Agreement and the Station Two Contracts. Big Rivers advises that third party inspection reports of Station Two and the Joint Use Facilities, which have been provided to Big Rivers by WKE/LG&E Parties, are being electronically entered into a website, and HMP&L will be given access to that website as it relates to Station Two. Item 14 previously addressed. Items 15, 16 and 17 relate to true-ups of the various budgets as of the Unwind Closing Date as between LG&E and Big Rivers. LG&E agrees that Henderson should be a party to those definitive documents regarding true-ups to the extent they involve the Station Two budgets and related Station Two matters.
10. Item 18, Article IX, Post Unwind Date. These provisions do not relate to Henderson and Henderson does not have a need for definitive documentation on these items.
11. Item 19, Article X, Taxes. LG&E Parties agree that if Henderson gets tagged with any taxes because of the Unwind Transaction, the LG&E Parties will indemnify Henderson for those taxes or liens. LG&E Parties will have a discussion on this issue and will let us know what approach they will take.
12. Item 20. Identification of Employees. LG&E Parties will provide Henderson a list of employees who are off limits to Big Rivers as they relate to Station Two, and also a list of employees who are available for employment by Big Rivers and a description of their titles of employment.
13. Item 21. As to the Baseline Audit Report, Big Rivers and LG&E Parties have already agreed to give Henderson a copy of that report as to Station Two and the Joint Use Facilities. As to the closing environmental report, LG&E Parties have reserved a decision as to whether to give Henderson a copy of that report with the understanding that until Henderson is satisfied regarding the existence or non-existence of environmental issues and environmental indemnities, the Termination Agreement will not be signed by Henderson. Reference to the Termination Agreement means at the time of the Closing.
14. Item 22. As to Items 22, 23 and 24, LG&E Parties are going to take a look at these items. They're not sure they want to extend their indemnities to Henderson with reference to Station Two, although they agree Station Two is included in their indemnities to Big Rivers.

15. Item 25. New Source Review. Henderson understands the situation and understands that it should not be a party to the indemnities between LG&E and Big Rivers with regard to New Source Review.
16. Item 26. Henderson has decided it does not need to be a party to Article XII F, described on page 61 of the Term Sheets.
17. Item 27. Conditions to Closing as recited by Big Rivers and LG&E Parties will be conditions to Henderson's closing to the extent that those conditions are not satisfied or waived by Big Rivers and LG&E Parties, respectively. Definitive documentation will be prepared by LG&E counsel for execution by Henderson, but probably at a later date than the definitive documentation between LG&E Parties and Big Rivers.
18. Item 28. Representations and Warranties. LG&E Parties will need to take a look at whether to extend the representations and warranties to Henderson. Will analyze it and advise Henderson accordingly.
19. Item 29. It is agreed that Henderson has always had and continues to have the right to have a plant representative present at Station Two at all times.
20. Item 30. No problem with the LG&E Parties. WKE is giving us copies of the 2006 and 2007 operating plans for Station Two.
21. As to Item 31, paragraphs C, D and E of Article XV. Henderson is not interested in becoming a party to these provisions.
22. Item 32. Henderson's recovery of its out-of-pocket costs and expenses related to the Unwind Transaction. LG&E Parties are not in a position to comment on this request at this time. They have asked Henderson to give them a tentative estimate of what the request may involve.
23. Item 33. Funding O & M and R & R Reserves. Big Rivers states that it is ready to perform these provisions of the Agreement when applicable.
24. Item 34. LG&E contemplates having mortgage releases available.
25. Item 35. Big Rivers' debt security rating. Big Rivers expects to have this condition complied with.

This concludes my notes on the subjects of our June 14th discussions. If other matters develop or come to light during the period from now until the Unwind Closing Date,

Henderson will promptly notify you of such matters in subsequent communications with you.

cc: Gary Quick
Wayne Thompson
David Spainhoward
Mike Core
Mike Thompson
Pat Northam
Ralph Bowling
David S. Sinclair

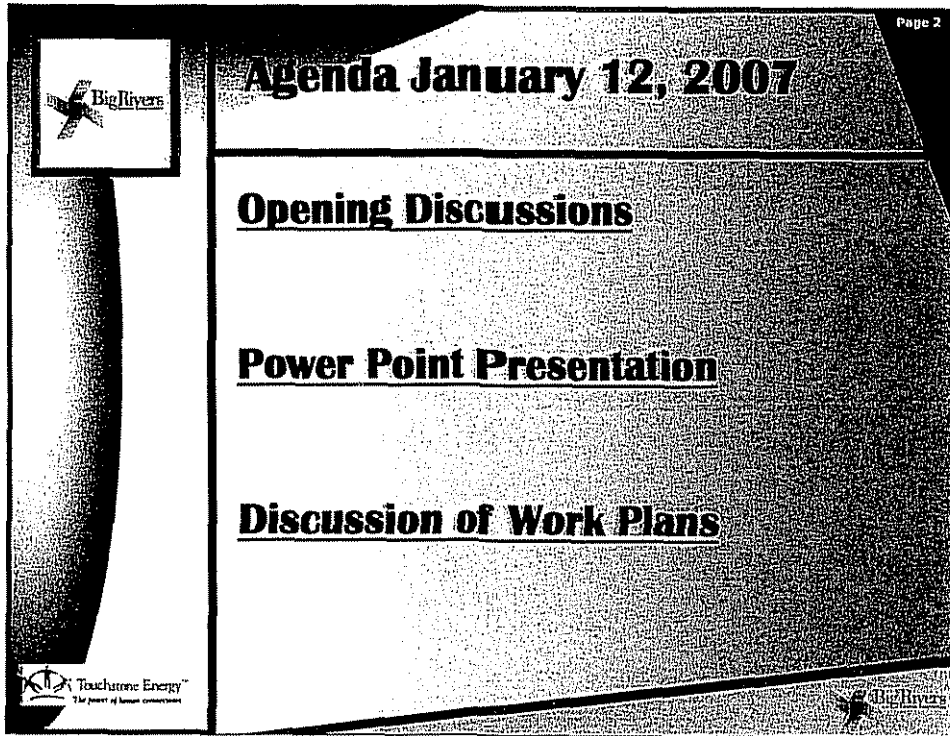
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Work Plan Review

BREC & HMP&L

January 12, 2007






May be necessary to point out/remind the HMP&L people that this a description of BREC's work plan development, NOT a "comparison" of ours vs theirs.

We are very aware & look forward to the fact that we still need detailed input from staff at each plant to further develop BREC 2007-2011 Work Plans and the 2008 budgets.

Page 3



Work Plan 2007-2011


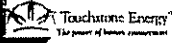
CRITICAL to successful transition and operation of generating plants

SWOT analysis performed for each plant

PLANNED Projects and scheduled outages are detailed for each plant

NECESSARY staffing levels are detailed for each plant

CONTINUOUS development and improvement



Still need detailed input from staff at each plant to further develop 2007-2011 Work Plans and the 2008 budgets.




Work Plan 2007-2011

BIG RIVERS' MISSION


- Take advantage of Big Rivers' resources and assets in producing cost-competitive, reliable energy for its members and for sales to others while:
- Working safely
- Being environmentally responsible
- Being good long-term stewards of its generation assets



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Work Plan 2007-2011



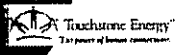
Some Strategic Goals

- Protect longevity of assets while maintaining member rate competitiveness
- Provide clean and safe work environment
- Comply with all environmental, health and safety regulations
- Achieve unit availability and reliability to adequately serve members and others
- Be price competitive for economic development and off system sales
- Operate Station Two to mutual benefit of Big Rivers and Gray
- Minimize and manage risk



+/-85% system Load Factor and +/-85% system Capacity Factor (not counting Reid units).

81-82% system Capacity Factor counting Reid units.

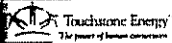


Work Plan 2007-2011

Protect longevity of assets while maintaining member rate competitiveness:

- Follow Original Equipment Manufacturer recommendations and Accepted Industry Standards
- Utilize design coal and operate units as close to design as practical
- Create central production outage planning/asset management group
- Measure contractor/vendor performance and productivity as accurately as that of employees
- Continue plant and system Condition Assessments



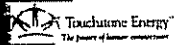


Work Plan 2007-2011

Provide clean and safe work environment:

- Repairing all steam, gas, coal, and ash leaks are priority 1
- Plant clean-up projects in plan for two years after close
- Provide appropriate safety emphasis and training







Work Plan 2007-2011

Comply with all environmental, health and safety regulations:

- Optimize performance of plant environmental control equipment
- Optimize control of plant water balance systems
- Participate in NRECA and other EH&S programs
- Develop partner relationship with insurance carrier
- Develop compliance plans for new, imminent regulations




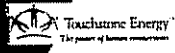
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Work Plan 2007-2011

Achieve unit availability and reliability to adequately serve members and others:

- Increase boiler and turbine/generator scheduled outage frequencies (i.e. T/G 6 Year Rotation)
- Reduce forced outages and derates (i.e. system FOR 2.1% by 2012)
- Prioritize O&M and Capital projects
- Utilize design fuel
- Hold plant management accountable for achievement of operational goals
- Optimize performance of boilers and turbines



Work Plan shows Forced Outage Rates:

2007 System Average = 3.2




2008 System Average = 3.2

2009 System Average = 2.9

2010 System Average = 2.7

2011 System Average = 2.4


Page 10



Work Plan 2007-2011

Be price competitive for economic development and off-system sales:

- Utilize the most competitive fuel while considering plant availability, reliability, longevity and environmental compliance
- Optimize equipment performance (boilers, turbines, environmental control equipment, etc.)
- Coordinate plans with Corporate strategic planning and risk management groups (B&V IT consulting, ACES ERM consulting, etc.)
- Continuous development and communication of operational goals and strategies



B&V IT = Black & Veatch assisting with Information Systems

ACES ERM = Aces Power marketing Enterprise Risk management

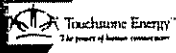


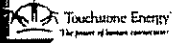
Work Plan 2007-2011



Operate Station Two to mutual benefit of Big Rivers and City:

- Coordinate strategic & tactical goals with HMP&L
- Operate and maintain units as if owned by Big Rivers
- Big Rivers has life-of-unit lease on Station Two Units



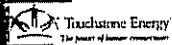
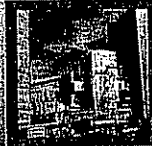


Work Plan 2007-2011

Minimize and Manage Risk:

- Focus on preventive maintenance and automatic operation of systems
- Create quality assurance/quality control groups
- Create engineering/construction and asset management groups
- Measure performance
- Evaluate level/content of spare parts inventory as part of Enterprise Risk Management
- Develop incentives to retain experienced employees, develop part-time opportunities for retired personnel
- Provide for succession planning & training

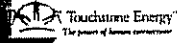




Some Work Plan Assumptions

- WKE capital and O&M expenditures are completed as planned for 2007
- Staffing is approved as shown in BREC work plan
- No unit derates will occur due to Title V air quality permit limits or enforcement
- Due to high cost of natural gas, generation from burning natural gas will be limited
- Design fuel will be utilized as much as practical
- One additional planned weekend outage for air heater washes and/or condenser cleaning per year






Work Plan Assumptions (cont.)

- Big Rivers has time by Closing to schedule plan 2008 outages
- Big Rivers will adopt WKE planned 2007 outages & work plan
- Capital and O&M as shown in BREC work plan will be approved and executed
- Big Rivers will utilize WKE fuel inventory including pipe rack
- During 2008, total outage time will increase
 - Planned outage time to increase, forced outages will not decrease
 - Goal is to minimize long term total cost to perform necessary projects as a function of outage cost, forced outages and purchase power.
- Achieve 85% system capacity factor before end of 4 years


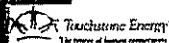


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Work Plan Assumptions (cont.)

- Environmental
 - 50% SO₂ allowance allocation reduction in 2010
 - NO_x season from 5 to 12 months with potential increase in NO_x allowance allotment in 2009
 - Illinois Basin coal – Sufficient existing emission control equipment for co-removal of Mercury in 2010
 - SO₃ handled with chemical duct injection. Assumption is that this will be required by 2010



Illinois Basin Coal- Hg:

The present drafts of “Clear Skies”/CAMR still support our model assumptions that, while burning local coals, our existing SO₂, NO_x, & particulate equipment will provide enough Hg reduction as a co-benefit to comply with Hg requirements.

SO₃ duct injection:

The present drafts of “Clear Skies”/CAIR/Regional Haze rules still support our model assumptions that, while burning local coals, we will eventually be required to reduce SO₃ (blue plume) from our stacks, and that we will be able to do that via duct injection of some form of reagent.



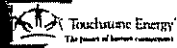
Average FORCED OUTAGE RATES

Revision: 7/04/06


ACES Cost Model assumptions:

First 4 years Forced Outage Rates (FOR)

unit	1997	BREC 96-97 avg	2004	2005	WKE 03-05 avg	delta	2007	2008	2009	2010	2011	2012
C-1	4.5	2.9	2.0	6.8	4.4	-1.5	4.4	4.4	3.8	3.3	2.7	2.1
C-2	0.0	1.4	1.3	1.8	1.6	-0.2	1.6	1.6	1.7	1.9	2.0	2.1
C-3	2.5	4.1	1.6	1.5	1.6	(2.6)	1.6	1.6	1.7	1.9	2.0	2.1
G-1	1.7	2.8	3.4	0.6	2.0	(0.8)	2.0	2.0	2.0	2.1	2.1	2.1
G-2	0.0	0.6	0.6	0.8	0.7	-0.2	0.7	0.7	1.1	1.4	1.8	2.1
H-1	0.4	0.4	10.4	1.7	6.1	-5.7	6.1	6.1	5.1	4.1	3.1	2.1
H-2	2.5	1.7	4.5	1.3	2.9	-1.2	2.9	2.9	2.7	2.5	2.3	2.1
IR-1	4.5	4.0	3.4	5.0	4.2	-0.2	4.2	4.2	3.7	3.2	2.6	2.1
W-1	2.6	2.0	6.8	4.6	5.3	-3.4	5.3	5.3	4.5	3.7	2.9	2.1
W-2	1.9	2.1	3.7	2.7	3.2							



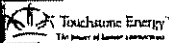

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Average Net Unit HEAT RATES

Net Heat Rates (Btu/kwh) actual annual averages per unit
7/4/2006

unit	BREC					WKE		ACES Cost Model assumptions: First 4 years net unit heat rates Adjustment to base heat rate curves						
	1996	1997	95-97 avg	2003	2004	2005	03-05 avg	delta	2007	2008	2009	2010	2011	2012-2023
C-1	10,309	10,326	10,312	10,912	10,716	10,488	10,705	-217	393	344	133	133	133	133
C-2	10,663	10,289	10,469	10,917	10,831	10,958	10,935	-466	466	148	148	148	148	148
C-3	10,305	10,289	10,287	10,413	10,510	10,430	10,451	-104	184	121	121	63	63	63
G-1	10,685	10,819	10,672	11,029	11,037	11,125	11,084	-412	412	151	102	102	102	102
G-2	10,823	10,957	10,886	11,178	11,152	11,275	11,282	-99	396	291	88	88	88	88
H-1	10,373	10,418	10,442	10,661	10,622	10,831	10,771	-329	329	212	160	76	76	76
H-2	10,580	10,575	10,637	11,306	10,923	11,976	11,192	-1465	465	259	213	213	133	133
R-1	14,066	11,857	12,962	12,646	13,433	12,804	12,961	-1157	0	0	0	0	0	0
W-1	10,355	10,365	10,326	11,669	11,334	11,134	11,370	-1,043	1,043	693	155	155	155	155

NOx SIP Call Equip. correction applied to 1995-1997 & to 2003.

None of the "actual" unit heat rates above include FGD at Coleman.

None of the "actual" unit heat rates above coincide with full load.

95-'97 averages and '03-'05 averages are not at same GOF.

WKE HRs reflect pet coke & NOx equip., OTAG only, '04 & '05 only

BREC HRs are from 7/4/06 Prod Cost Model run.

Model HRs reflect NOx equip., Coleman FGD, increased T/G overhauls, & no pet coke.

Stanley helped BREC review our "base case" unit heat curves & our "heat rate recovery plan".


As a result, each of the "base case" HR curves were adjusted upward (worsened).

In 2009, the "OTAG Season" HR curves for each unit become the "baseline" HR curves. This is "hit" to unit HR curves in 2009 & beyond.

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Major Unit Outages

- ❖ **Wilson #1 Turbine/Generator Event**
 - Offline December 21st, 2002
 - Online February 14th, 2003
- ❖ **HMPL #1 Boiler Event**
 - Offline August 23rd, 2004 (preliminary repairs)
 - Online September 13th, 2004
 - Offline October 8th, 2005 (permanent repairs)
 - Online December 15th, 2005
- ❖ **Coleman #3 Turbine Event**
 - Offline September 22nd, 2006
 - Online December 4th, 2006

A Touchstone Energy® Partner 


Wilson's event due to AC driven oil lube pumps going down and the DC driven lube oil pumps being tagged out for repairs. Turbine came offline without lube oil. Turbine/generator shaft and bearings damaged. Bearings repaired, shaft was machined.

HMPL #1's event was due to firing of a boiler that had no water in the wall tubes. Instrumentation failure. Water walls "melted". Most of water walls replaced in 2005.

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Most Recent Turbine/Generator Overhauls

- ❖ Reid #1 – Last overhauled 2000 (≈ 6 years)
- ❖ Coleman #1 – Last overhauled 1999 (≈ 7 years)
- ❖ Coleman #2 – Last overhauled 1998 (≈ 8 years)
- ❖ Coleman #3 – Last overhauled 2003 (≈ 3 years)
- ❖ HMPL #1 – Last overhauled 2003 (≈ 3 years)
- ❖ HMPL #2 – Last overhauled 2004 (≈ 2 years)
- ❖ Green #1 – Last overhauled 1997 (≈ 9 years)
- ❖ Green #2 – Last overhauled 2000 (≈ 6 years)
- ❖ Wilson #1 – Last overhauled 1997 (≈ 10 years)
 - (partial overhaul in 2003 after Turbine event)

A Touchstone Energy Partner 


Slide doesn't show how long till WKE's next planned T/G overhauls.

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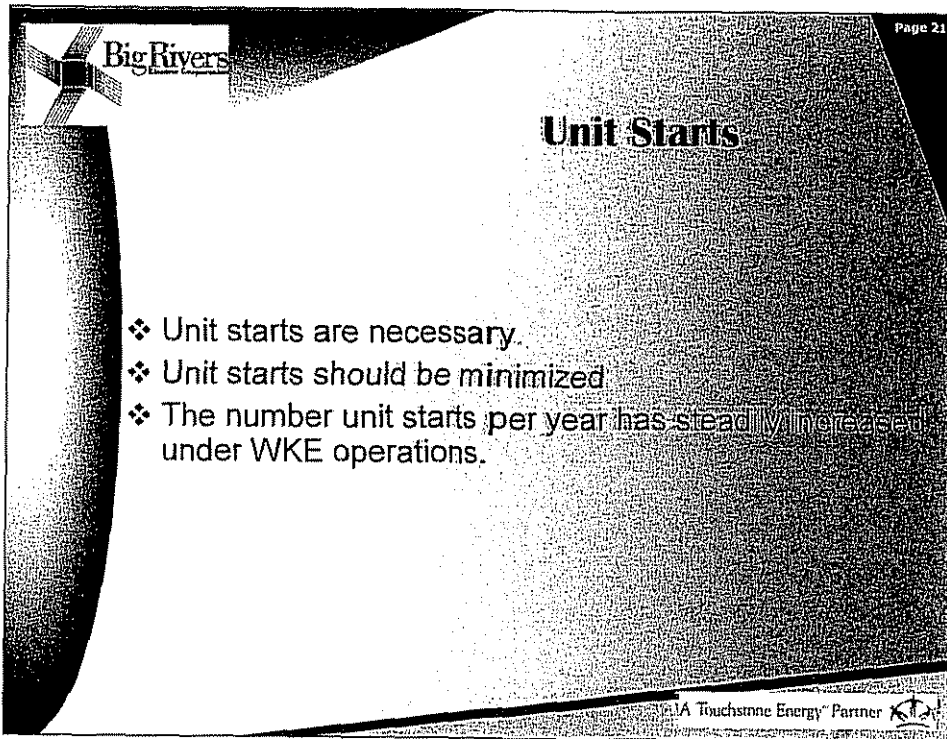
Unit Starts per year

	1998	1999	2000	2001	2002	2003	2004	2005
Reid #1	28	16	14	18	17	21		
Conner #1	12	5	3	7	15			
Conner #2	9	6	9	9	11	19		
Conner #3	4	8	7	14	17	22		
PL #1	11	12	13	13	13	20		
PL #2	7	7	8	16	14	15		
Gen #1	6	9	15	15	16	13		
Gen #2	8	7	10	17	7			
Mason #1	9	9	15	11	25	17		
WKE (With Reid #1)	94	79	94	120	136	150	143	126
WKE (Without Reid #1)	66	63	80	102	119	129	121	106

A Touchstone Energy Partner 

WKE Unit starts w/o R-1 thru September 2006 are 94 (on pace for ~125 for the year?).

BREC Unit starts for 1997 were 88 w/ R-1 and 70 w/o R-1.



Hard on units due to expanding and contracting of vast amounts of steel involved during the heating and cooling process.

(i.e., a Green unit will “grow” approximately one foot from cold to full load.)


The fewer unit starts/year on a unit results in

- less maintenance,
- lowers startup costs,
- more availability,
- better environmental compliance,
- and the longer the unit will last.

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Conclusion

- ❖ Unplanned outages are expensive.
 - Costs of repair are higher
 - Unit down time, lack of control over replacement power price
- ❖ Unit starts are expensive, should be minimized
 - start-up fuel costs
 - Use up SO2, NOx allowances
- ❖ Planned maintenance hours should replace forced outage hours.
- ❖ REC has considered planned maintenance objectives to mitigate these problems.

A Touchstone Energy Partner 

Wilson repair cost approximately \$1,000,000 (Insurance deductible). Not counting purchase power or reduced market sales.

H2 repair cost approximately \$1,000,000 (Insurance deductible). Not counting purchase power or reduced market sales.

As well as "BAD" will from HMPL.

(C-3 will be SAME AS ABOVE.)

Projected Capital

Capital Budget		(Nominal Dollars)				
		(in millions)				
Summary (assumes closing July 2007)						
Item Description	BREC Planned (2006 dollars)	2007	2008	2009	2010	2011
Colloidal "additional"	\$2.4	\$0.5	\$0.7	\$0.7	\$0.7	\$0.7
Green "additional"	\$36.5	\$0.0	\$3.6	\$3.6	\$3.6	\$3.6
HMF "additional"	\$3.0	\$0.0	\$2.5	\$2.5	\$2.5	\$2.5
Relief "additional"	\$1.6	\$0.0	\$1.5	\$1.5	\$1.5	\$1.5
Waste "additional"	\$37.9	\$0.0	\$25.2	\$25.2	\$25.2	\$25.2
sub-total:	\$81.5	\$0.5	\$33.4	\$33.4	\$33.4	\$33.4
FGD thickener & filter drum	\$4.1					
Capital "baseline"	\$4.1	\$4.0	\$4.0	\$4.0	\$4.0	\$4.0
		subtotal	\$4.7	\$8.0	\$8.0	\$8.0
		factor for ago	\$4.7	\$8.0	\$8.0	\$8.0
		TOTAL (net Oily)	\$4.0	\$8.0	\$8.0	\$8.0

(prior to this slide insert slides of BREC work plan goals, generation?)

Projected Fixed O&M

BREC O&M budget (real '06 dollars)						
(in millions)						
SUMMARY (assumes closing July 2007)						
Item Description	BREC Planned	2007	2008	2009	2010	2011
Coleman "additional"	\$5.8	\$0.0	\$16.1	\$16.1	\$16.1	\$16.1
Green "additional"	\$4.8	\$0.0	\$14.4	\$14.4	\$14.4	\$14.4
HMP&L "additional"	\$4.7	\$0.0	\$14.1	\$14.1	\$14.1	\$14.1
Reid "additional"	\$2.3	\$0.0	\$6.9	\$6.9	\$6.9	\$6.9
Wilson "additional"	\$3.7	\$0.0	\$11.1	\$11.1	\$11.1	\$11.1
sub-total:	\$21.2	\$0.0	\$58.6	\$58.6	\$58.6	\$58.6
NOx ongoing keep fixed O&M	\$1.7					
Annual T/S hauls per outage schedule:		\$0.0	\$8.9	\$8.9	\$8.9	\$8.9
BREC fixed O&M "baseline" labor	\$45.1	\$20.8	\$42.3	\$42.3	\$42.3	\$42.3
BREC fixed O&M "baseline" non-labor	\$34.0	\$18.0	\$36.0	\$36.0	\$36.0	\$36.0
sub-total:		\$39.8	\$96.0	\$96.0	\$96.0	\$96.0
factor for age:		\$39.8	\$96.0	\$96.0	\$96.0	\$96.0
Total (not Oily)		\$39.8	\$96.0	\$96.0	\$96.0	\$96.0



Station Two - First 4 Years

- ❖ H-1&2 precipitator repairs
- ❖ H-1&2 cooling tower repairs
- ❖ H-1&2 FGD & IUCS repairs
- ❖ H-1&2 ducts & flues repairs
- ❖ H-1&2 FGD booster fan repairs
- ❖ Reid/Station Two water treatment plant



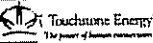


Reid - First 4 Years

- ❖ R-1 boiler grating
- ❖ R-CT reliability study & upgrades

Common - First 4 Years


- ❖ Boiler chemical cleanings
- ❖ Clean up coal dust and ash deposits
- ❖ Repair lists from Stanley Baseline Technical Audit
- ❖ Status of "as-built" drawings
- ❖ Continued plant equipment condition assessments

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Continuing Next Steps

- Human Resources
 - Right people at right time
 - Associated costs (employee vs contract labor)
- Outage Analysis
 - Schedules, timing and work to be performed
- Definitive Documents
 - Once signed, put employee at each plant
 - Monitor Operation & Maintenance
- Fuel Costs
 - Update coal blends and costs from new contracts
- Fuel Strategy
 - Prepare Enterprise Risk Management
- Continuous Work Plan Update



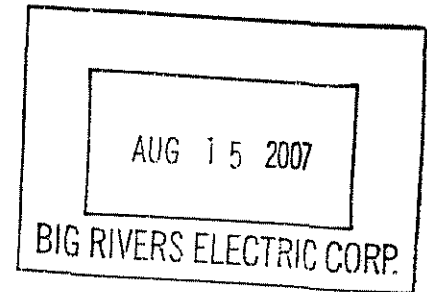
Incorporate plant staff's input to Work Plan development as so as we are permitted.
(Signing of Definitive documents?)

215-1-0-1121

HMP&L

HENDERSON MUNICIPAL POWER & LIGHT

August 3, 2007



Mr. Michael H. Core
President & CEO
Big Rivers Electric Corporation
P.O. Box 24
Henderson, KY 42420

RE: HMP&L Station Two
Conditions Precedent to Unwind

Dear Mike:

On April 20, 2007, Gary Quick had a meeting with David Spainhoward concerning several matters related to present and future operations of HMP&L Station Two. Gary Quick's discussion with David Spainhoward was related to changes in existing contracts, possible new contracts required, and possible Letters of Understanding that will need to be in place prior to and effective simultaneously on the Unwind Closing Transaction Date.

The following represents the various matters discussed with Mr. Spainhoward:

1. Station Two Fuel:

Subsequent to the Unwind Closing Transaction Date, HMP&L requires all fuel burned at Unit One and Unit Two at Station Two to be within the design specifications for each Unit.

2. Station Two Fuel Inventory:

During the past few years, there have been substantial coal inventory losses and therefore accounting adjustments to the coal pile at Station Two. We believe there have been internal inventory control problems for the fuel inventory at Station Two. The current methodologies used for delivery, controlling, and accounting for the Station Two coal inventory must be improved and new methodologies established.



3. Recruitment of HMP&L Employees:

HMP&L has asked Big Rivers not to directly or indirectly attempt to recruit HMP&L employees for employment positions within Big Rivers' system prior to or after the Unwind Closing Transaction Date. We understand, however, that HMP&L employees may make application for employment with Big Rivers. HMP&L is not requesting that Big Rivers refuse to consider applications submitted by HMP&L employees in response to Big Rivers normal media advertising and other recruitment processes.

4. NERC Requirements:

The physical connections of the HMP&L facilities to Big Rivers facilities and the Big Rivers Station Two Operator responsibilities will require certain facility inspections, reporting, and compliance with NERC Standards. HMP&L is requesting that Big Rivers execute an agreement whereby Big Rivers will assume responsibility for certain related NERC HMP&L compliance requirements, at no cost to HMP&L.

5. Station Two Personnel:

Big Rivers will need to provide HMP&L with the identifications, classifications, and job descriptions of the employees who will be assigned to Station Two at the Unwind Closing Transaction Date.

6. Station Two G&A Expense Allocation Agreement:

The existing G&A Expense Allocation Agreement executed July 15, 1998, will terminate on the Unwind Closing Transaction Date. A new G&A Expense Allocation Agreement will need to be executed.

7. Operating Reserves and Amendment No.1 to System Reserves Agreement:

These documents will require amendments in order to meet HMP&L's future needs for reserves and capacity as provided in this letter.

8. HMP&L Reserved Station Two Capacity, HMP&L Excess Energy, Big Rivers Reserved Station Two Capacity, and HMP&L's Station One:

A. On the first day of the month subsequent to the Unwind Closing Transaction Date, HMP&L will reduce its current 95MW reserved capacity to 85MW. HMP&L's capacity payments will, thereafter, be based upon 85MW.

B. In the event HMP&L does not take its entire Station Two reserved capacity then Big Rivers may take and utilize all such energy or any portion thereof not taken by HMP&L (the "Excess Henderson Energy") and no payments will be made by Big Rivers to HMP&L for the Excess Henderson Energy. If Big Rivers elects to use any portion of the reserved capacity Excess Henderson Energy, Big Rivers shall be responsible for all expenses related to the generation of such energy.



- C. HMP&L will continue to accept all SEPA megawatts when available under HMP&L's existing contract with SEPA.
- D. Big Rivers will provide HMP&L all system reserve capacity requirements above HMP&L's Station Two reserved capacity. The order of priority for providing HMP&L this additional capacity shall be:

- First: From Units One and Two at Station Two
- Second: From the Big Rivers system
- Third: From the Open Market

HMP&L will pay any actual transmission expense related to Open Market purchases; however, there shall not be any transmission capacity or energy charges for transmission service from Station Two and the Big Rivers system.

When Big Rivers provides energy to HMP&L above its reserved capacity from Station Two, or the Big Rivers system, HMP&L shall pay Big Rivers for the fuel required at a price equal to 100 percent of HMP&L's delivered coal price at Station Two at the time the energy is provided to HMP&L. In the event the energy is provided to HMP&L from an Open Market transaction, HMP&L shall pay Big Rivers the then lowest available market price delivered to the HMP&L system.

- E. Based upon present and proposed new federal power plant emission standards, HMP&L Station One is at risk as a viable long-term generating resource for Henderson. The Henderson Utility Commission will make a final decision concerning the longevity of Station One within approximately one year subsequent to the Unwind Closing Transaction Date.
- F. In the event the Utility Commission elects to take Station One out-of-service, Big Rivers agrees to give consideration to any Station One employees who apply and are qualified for existing open employment positions at Station One.

9 Designated and Alternate Representatives:

HMP&L and Big Rivers will need to establish new Agreements regarding the Designated and Alternate Designated Representatives for Station Two to meet EPA requirements.



10. Termination or Reduction of Service By HMP&L Customer:

In the event an existing or future HMP&L customer reduces or terminates electric service requirements with HMP&L and the reduction or termination of electric service requirements is greater than five (5) megawatts, HMP&L shall have the option and the right to reduce its then existing and future Reserve Capacity Requirements after thirty (30) calendar days from the date of the reduction or termination of the customer's electric service requirements. The measurement of the customer's reduction or termination of electric service requirements and the corresponding maximum reduction of HMP&L's Reserve Capacity Requirements shall be based upon the customer's most recent twelve (12) months' highest peak billing demand recorded by HMP&L during any one (1) hour period of the twelve (12) months. If HMP&L elects to reduce its existing and future Reserve Capacity Requirements, as provided herein, the reduction may be equal to or less than the actual megawatt reduction by the customer.

As noted above, all matters discussed herein will need to be resolved and in place prior to and effective simultaneously with the Unwind Closing Transaction Date.

Dr. William L. Smith
Chairman
Henderson Municipal
Utility Commission

Gary Quick
General Manager
Henderson Municipal
Utility Commission

cc: Henderson Utility Commission
C.B. West
Wayne Thompson
Joseph E. Ternes, Jr.
David Spainhoward

David Spainhoward

From: West, C. B. [CB.West@skofirm.com]
Sent: Friday, November 09, 2007 8:58 AM
To: Northam, Patrick R.; Dowdy, Tim; Jim Miller; dspainhoward@bigrivers.com; Gary Quick; Wayne Thompson; Mike Thompson
Subject: October 24, 2007 Joint Meeting

Gentlemen:

During our joint meeting of October 24, 2007, at Pat Northam's request, I agreed to review the Points for Discussion with LG&E Entities and Big Rivers Electric Corporation Regarding Unwind Transactions (hereinafter "Points for Discussion") which were the subject of a joint meeting held on June 14, 2006 to determine if the document raises any contested issues which were not identified during our discussions of October 24. Since I am not exactly sure what points of contention were identified during our October 24 meeting, I will review the entire contents of the Points for Discussion. I will refer to the various items listed in the Points for Discussion by their paragraph numbers, as follows:

1. This point refers to the need for new designated representative agreements for Station Two as of the Turnaround Date.
 - A. This item is covered on our list of things to do prior to the Unwind Closing Date, and all parties are in agreement as to the solution.
2. HMP&L requests a copy of the October 15, 1997 baseline environmental study as it relates to Station Two.
 - A. It was represented during our October 24 meeting that a copy of this report would be given to HMP&L. HMP&L does not have the report at this date.
3. This relates to preservation of HMP&L's rights to make claims against Woodward-Clyde International Americas after the Unwind Closing Date.
 - A. During our June 14, 2006 meeting, Big Rivers and LG&E represented that they will do nothing in the Unwind Transaction which would adversely affect any rights which Henderson might have against Woodward-Clyde. No issues remain on this item.
4. HMP&L requested that Station Two fuel inventory, reagents, ammonia, spare parts, materials and supplies be inventoried at the same time that the Green/Reid facilities are inventoried, using the same methods as will be used by LG&E/Big Rivers.
 - A. Big Rivers and LG&E Parties agreed that this would occur.
5. Paragraph 5 relates to definitive documentation which will be given to Big Rivers by LG&E Parties listing the personal property, contracts, real property interests, equipment leases and intellectual properties which will be transferred by the LG&E Parties to Big Rivers as of the Unwind Closing. Henderson requested to receive copies of those documents which relate to Station Two and the Joint Use Facilities. LG&E and Big Rivers agreed they will provide copies of such lists relating to Station Two and the Joint Use Facilities to HMP&L for review.
 - A. It is HMP&L's understanding that those documents have not yet been compiled and that when compiled they will receive copies of the documents relating to Station Two and the Joint Use Facilities.
6. Article III. J SO2 allowances and Nox allowances (Pages 25 through 32). It is represented by the LG&E

11/9/2007

Parties and Big Rivers that the SO₂ and Nox allowances referred to in this section do not represent allowances to which Henderson has a legal right (the 14,000 SO₂ allowances). HMP&L has expressed its concerns that it be provided documentation assuring it of distribution of its unused SO₂ allowances and Nox allowances at the end of the period for allocation of allowances, which will occur after the Unwind Transaction. Big Rivers and WKEC have assured Henderson that it will be provided its appropriate share of SO₂ and Nox allowances following the end of the year in which the Unwind Transaction occurs.

A. Some type of documentation needs to occur with reference to this item.

7. Termination of the Station Two Agreement. The LG&E Parties agree that separate documentation is needed between Henderson and LG&E Parties regarding termination of the Station Two Agreement. HMP&L's proposed Station Two Termination and Release places the Station Two Agreement on Schedule 2.1, which includes documents that are to be terminated.

A. The provisions of the Station Two Termination and Release Agreement which will be offered by HMP&L deal with the issues involved in terminating the Station Two Agreement.

8. Establishment of new agreements at the time of the Unwind Transaction including: (a) the Station Two G & A Allocation Agreement; (b) the Agreement With Respect To Operating Reserves And Amendment Number One To System Reserves Agreement; (c) Designated Representative/Alternate Designated Representative Appointment Agreements for Station Two; (d) Deed of Easement relating to the Reid Station gasoline; (e) Letter Agreement relating to cost sharing of the Reid Station Two gasoline; (f) Section 914 of the Station Two Agreement; (g) any other agreements needing to be resurrected after termination of the Station Two Agreement.

A. It is agreed by the parties that the Station Two G&A Allocation Agreement and the Designated Representative Agreement will be replaced. The Agreement With Respect To Operating Reserves And Amendment Number One To The System Reserves Agreement terminates when the Station Two Agreement terminates. However, by the terms of the old and new System Reserves Agreements, the effectiveness of the 1974 agreement, as amended in 1998, is reinstated. As to the Deed of Easement related to the Reid Station gasoline, this Easement provides for its continuation between Big Rivers and HMP&L once the LG&E Parties are no longer operating the Reid Station. It is believed that the Letter Agreement regarding maintenance of the Reid Station gasoline does not involve HMP&L. As to Section 914 of the Station Two Agreement, HMP&L will include in its proposed Station Two Termination and Release Agreements provisions preserving its Section 914 rights against Big Rivers.

9. Provisions for the complete release of the LG&E Parties and Big Rivers Electric Corporation from obligations, liabilities, responsibilities, claims or demands whatsoever under terms of the Station Two Agreement of July 15, 1998, the Station Two Contracts as Amended, the Interim Funding Agreement for the SCR System, and all other matters relating to the operation, maintenance, control and upkeep of the Station Two Generating Plants and the Joint Use Facilities from July 15, 1998 to the Unwind Closing Date. This issue also involves the contents of paragraphs 10, 11, 12 and 13 of the Points for Discussion at the June 14, 2006 meeting.

A. It is understood by the LG&E Parties and Big Rivers that Henderson will have requirements described in paragraphs 10, 11, 12 and 13 of the Points for Discussion with reference to Henderson's execution of releases of the LG&E Parties and/or Big Rivers. Henderson's requirements in order to provide releases to the LG&E Parties and Big Rivers will be recited in HMP&L's proposed Station Two Termination and Release Agreement.

10., 11., 12. and 13. These items are included with the discussions on Item 9.

14. Assignment of permits and contracts from LG&E Parties to Big Rivers. This item has been discussed previously under paragraph 5 hereof.

15. Paragraph 15 relates to Article VII. E of the Term Sheets which is devoted to Station Two Budget True Up. HMP&L should be a party to the Station Two Budget True Up.

A. It is agreed that HMP&L will be a party to the Station Two Budget True Up relating to contract year June 1, 2007 through the Unwind Closing Date.

11/9/2007

16. Article VII. F. This Article refers to true ups between the LG&E parties and Big Rivers, and does not relate to HMP&L.

17. Article VII. G. This relates to true ups of the SCR funding accounts.

A. This item is contained on Henderson's list of issues which must be dealt with at the Unwind Closing. All parties agree.

18. Article IX. Post-Unwind Date, Operations and Services.

A. HMP&L does not need to be a party to this documentation.

19. Taxes.

A. The LG&E Parties agree that if Henderson gets tagged with any taxes because of the Unwind Transaction, the LG&E Parties will indemnify Henderson for those taxes or liens. HMP&L has included a provision for tax indemnity in its proposed Station Two Termination and Release Agreement.

20. Identification of Employees Available for Station Two Following the Unwind Transaction.

A. The LG&E Parties have agreed they will provide Henderson a list of LG&E employees who are off limits to Big Rivers as they relate to Station Two. Big Rivers has agreed it will provide Henderson a list of the employees it intends to use in its operation of Station Two. This obligation on Big Rivers' part is addressed in HMP&L's Station Two Termination and Release Agreement. It is HMP&L's understanding that the LG&E Parties will comply with their offer to present a list of employees who are off limits to Big Rivers as they relate to Station Two.

21. Baseline Environmental Audit Report and Unwind Environmental Audit Report for Station Two and the Joint Use Facilities.

A. The parties have agreed to provide HMP&L with a copy of the Baseline Environmental Audit Report as it relates to Station Two. During our October 24, 2007 meeting, Henderson understood both LG&E and Big Rivers to agree to provide HMP&L a copy of the Unwind Environmental Audit Report as it relates to Station Two. Henderson's proposed Station Two Termination and Release Agreement provides for indemnities of Henderson and HMP&L relating to environmental matters. It is understood that the Unwind Environmental Audit Report is not yet available.

22. Environmental Indemnities. Henderson has asked for indemnities from the LG&E Parties for environmental matters relating to Station Two. At our June 14, 2006 joint meeting, the LG&E Parties advised they would consider whether or not to offer environmental indemnities to Henderson as it relates to Station Two.

A. HMP&L has included in its proposed Station Two Termination and Release Agreement provisions for indemnities for damages relating to environmental matters having to do with Station Two and the Joint Use Facilities.

23. and 24. Included in Item 22.

25. New Source Review.

A. After due consideration, Henderson has determined that it should be indemnified from any costs or damages resulting from New Source Review Regulations. Henderson will include an indemnity provision for New Source Review in its proposed Station Two Termination and Release Agreement.

26. Representations and Warranties.

A. Henderson does not require to be included in provisions similar to Article XII. F. of the Term Sheets.

27. Closing Conditions.

A. Henderson has included a recitation of closing conditions in its proposed Station Two termination and Release Agreement.

28. Representations and Warranties.

A. Henderson has included representations and warranties of the LG&E Parties and Big Rivers in its proposed Station Two Termination and Release Agreement.

29. Not an issue.

30. Not an issue.

31. Not an issue.

32. Henderson's recovery of its out-of-pocket costs and expenses related to the Unwind Transaction.

A. Henderson has included this item in its proposed Station Two Termination and Release Agreement.

33. Funding of O&M and R&R Reserves.

A. Big Rivers has agreed that it will comply with this provision of the documents.

34. LG&E Parties' Mortgages and Security Agreements.

A. HMP&L will include releases for the LG&E Parties as exhibits to its proposed Station Two Termination and Release Agreement.

35. Big Rivers' debt security rating.

A. This item is covered in HMP&L's proposal for the Station Two Termination and Release Agreement.

The foregoing represents Henderson's position with reference to each of the items discussed during our June 14, 2006 meeting, as reported by my June 22, 2006 letter to Jim Miller and Tim Dowdy. I am sorry that I could not simply make a list of additional items to those discussed on October 24, 2007. The complexities of the issues did not permit me to do so.

If you have any questions regarding any of the above, please don't hesitate to call.

Yours very truly,

Charles B. West

11/9/2007



201 Third Street
P.O. Box 24
Henderson, KY 42410-0024
270-827-2561
www.bigrivers.com

December 12, 2007

Mr. Gary Quick
Henderson Municipal Power & Light
100 Fifth Street
P. O. Box 8
Henderson, KY 42420

Re: HMP&L Station Two

Dear Gary:

Here is Big Rivers' understanding of HMP&L's requirements for its consent to the Unwind Transaction and Big Rivers' response to those requirements.

Representatives of Big Rivers and HMP&L met on November 6, and again on November 20, 2007, in an attempt to resolve any remaining issues regarding HMP&L's consent to the Unwind Transaction. The following are the issues presented by HMP&L to Big Rivers by letter dated August 3, 2007 and Big Rivers' stated positions at those meetings.

1. HMP&L's Position.

Station Two Fuel:

Subsequent to the Unwind Closing Transaction Date, HMP&L requires all fuel burned at Unit One and Unit Two at Station Two to be within the design specifications for each Unit.

BREC Proposal:

Big Rivers and HMP&L should agree to burn nothing other than bituminous coal in the Station Two units without approval of both parties. Big Rivers and HMP&L should agree that each party can sit in on the other party's coal bid opening. Big Rivers and HMP&L agree not to burn Pet Coke in the Station Two units.

2. HMP&L's Position.

Station Two Fuel Inventory:

During the past few years, there have been substantial coal inventory losses and therefore accounting adjustments to the coal pile at Station Two. We believe there have been internal inventory control problems for the fuel inventory at Station Two. The current methodologies used for delivery, controlling, and accounting for the Station Two coal inventory must be improved and new methodologies established.

BREC Proposal:

Big Rivers told HMP&L that it is willing to look at the inventory process and discuss this process with HMP&L. We are always interested in ways to improve processes. However, we are reluctant to amend the contracts to reflect this until or unless it is demonstrated the contractual process in place isn't working. Big Rivers is open to language from HMP&L to address this issue.

3. HMP&L's Position.

Recruitment of HMP&L Employees:

HMP&L has asked Big Rivers not to directly or indirectly attempt to recruit HMP&L employees for employment positions within Big Rivers' system prior to or after the Unwind Closing Transaction Date. We understand, however, that HMP&L employees may make application for employment with Big Rivers. HMP&L is not requesting that Big Rivers refuse to consider applications submitted by HMP&L employees in response to Big Rivers' normal media advertising and other recruitment processes.

BREC Proposal:

Big Rivers agrees to HMP&L request. Big Rivers will verbally agree not to directly recruit HMP&L employees prior to or after the Unwind. From time to time Big Rivers advertises for employment, as does HMP&L and such advertisement is not considered directly recruiting. No contract change is required for this issue.

4. HMP&L's Position.

NERC Requirements:

The physical connections of the HMP&L facilities to Big Rivers facilities and the Big Rivers Station Two Operator responsibilities will require certain facility inspections, reporting, and compliance with NERC Standards. HMP&L is requesting that Big Rivers execute an agreement whereby Big

Rivers will assume responsibility for certain related NERC HMP&L compliance requirements, at no cost to HMP&L.

BREC Proposal:

David Crockett presented the "Straw Plan" "Proforma" copy on agreement and discussed four NERC Compliance Issues; they are SCADA for 161kv transmission facilities; Cyber Security; Load Shedding; and Compensation/Liability. The document was left with HMP&L to review. HMP&L will provide comments and thoughts on or before November 20, 2007 (next scheduled meeting). No discussions were held regarding the compensation BREC would need to provide these services. BREC made it clear that this was not a proposal but a document for them to review to see if this is what they had in mind and to comment on.

5. HMP&L's Position.

Station Two Personnel:

Big Rivers will need to provide HMP&L with the identifications, classifications, and job descriptions of the employees who will be assigned to Station Two at the Unwind Closing Transaction Date.

BREC Proposal:

Big Rivers agreed to provide the information requested.

6. HMP&L's Position.

Station Two G&A Expense Allocation Agreement:

The existing G&A Expense Allocation Agreement executed July 15, 1998, will terminate on the Unwind Closing Transaction Date. A new G&A Expense Allocation Agreement will need to be executed.

BREC Proposal:

David Spainhoward provided a draft to HMP&L after the November 6 meeting. This agreement was further discussed at the November 20 meeting.

7. HMP&L's Position.

Operating Reserves and Amendment No. 1 to System Reserve Agreement:

These documents will require amendments in order to meet HMP&L future needs for reserves and capacity as provided in this letter.

BREC Proposal:

Item 7. and 8. are intertwined in the proposals made by HMP&L. Big Rivers' position is that Section 10.16 of the Station Two Agreements address this issue and no further changes are required to the agreements. This position is further described below.

8. HMP&L's Position.

HMP&L Reserved Station Two Capacity; HMP&L Excess Energy; Big Rivers Reserved Station Two Capacity; and HMP&L's Station One:

- A. On the first day of the month subsequent to the Unwind Closing Transaction Date, HMP&L will reduce its current 95 MW reserved capacity to 85 MW. HMP&L's capacity payments will thereafter, be based upon 85 MW.
- B. In the event HMP&L does not take its entire Station Two reserved capacity then Big Rivers may take and utilize all such energy or any portion thereof not taken by HMP&L (the "Excess Henderson Energy") and no payments will be made by Big Rivers to HMP&L for the Excess Henderson Energy. If Big Rivers elects to use any portion of the reserved capacity Excess Henderson Energy, Big Rivers shall be responsible for all expenses related to the generation of such energy.
- C. HMP&L will continue to accept all SEPA megawatts when available under HMP&L's existing contract with SEPA.
- D. Big Rivers will provide HMP&L all system reserve capacity requirements above HMP&L's Station Two reserved capacity. The order of priority for providing HMP&L this additional capacity shall be:

First:	From Units One and Two at Station Two
Second:	From the Big Rivers' system
Third:	From the Open Market

HMP&L will pay any actual transmission expense related to Open Market purchases; however, there shall not be any transmission capacity or energy charges for transmission service from Station Two and the Big Rivers' system.

When Big Rivers provides energy to HMP&L above its reserved capacity from Station Two, or the Big Rivers system, HMP&L shall pay Big Rivers for the fuel required at a price equal to 100 percent of HMP&L's delivered coal price at Station Two at the time the energy is provided to HMP&L. In the event the energy is provided to HMP&L from an Open

Market transaction, HMP&L shall pay Big Rivers the then lowest available market price delivered to the HMP&L system.

- E. Based upon present and proposed new federal power plant emission standards, HMP&L Station One is at risk as a viable long-term generating resource for Henderson. The Henderson Utility Commission will make a final decision concerning the longevity of Station One within approximately one year subsequent to the Unwind Closing Transaction Date.**
- F. In the event the Utility Commission elects to take Station One out-of-service, Big Rivers agrees to give consideration to any Station One employees who apply and are qualified for existing open employment positions at Station One(sic).**

BREC Proposal:

No change is required by the 1998 or 2005 documents to affect the Unwind transaction. The HMP&L proposal will create millions of dollars of new expense (lost revenue) that would become additional charges to Big Rivers Members and the smelters in the form of rate increases. We understand HMP&L's proposal to be either the deal set forth above or to change the agreements to provide 115 MW of capacity at Close and give HMP&L the right to take the surplus power not needed for use by the City to the Market. The latter creates millions more additional cost to Big Rivers and its Members than the first proposal. We understand these HMP&L proposals to be essentially non-negotiable. Big Rivers is unwilling to change the current agreements to accommodate either of these requests by HMP&L.

An additional item covered by the HMP&L position is that in the event the Utility Commission elects to take Station One out-of-service, Big Rivers agrees to give consideration to any Station One employees who apply and are qualified for existing open employment positions at Station Two. Big Rivers is willing to accommodate this part of the request. Big Rivers agrees to give consideration but not be bound to employment.

9. HMP&L's Position.

Designated and Alternate Representatives:

HMP&L and Big Rivers will need to establish new Agreements regarding the Designated and Alternate Designated Representatives for Station Two to meet EPA requirements.

BREC Proposal:

Mr. Gary Quick
Re: Conditions Precedent to Unwind
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It is anticipated that Greg Black will be the DR and David Spainhoward will be the alternate. Those agreements will be essentially identical to the ones in current use other than Company and individual name changes.

10. HMP&L's Position.

Termination or Reduction of Service By HMP&L Customer:

In the event an existing or future HMP&L customer reduces or terminates electric service requirements with HMP&L and the reduction or termination of electric service requirements is greater than five (5) megawatts, HMP&L shall have the option and the right to reduce its then existing and future Reserve Capacity Requirements after thirty (30) calendar days from the date of the reduction or termination of the customers electric service requirements. The measurement of the customer's reduction or termination of electric service requirements and the corresponding maximum reduction of HMP&L's Reserve Capacity Requirements shall be based upon the customer's most recent twelve (12) months' highest peak billing demand recorded by HMP&L during any one (1) hour period of the twelve (12) months. If HMP&L elects to reduce its existing and future Reserve Capacity Requirements, as provided herein, the reduction may be equal to or less than the actual megawatt reduction by the customer.

BREC Proposal:

Big Rivers is willing to prepare language to accommodate this request. Big Rivers proposes that any such reduction is within 5 MW of the actual reduction or termination as described above.

Subsequent to the November 6 meeting, Big Rivers and HMP&L representatives have met several times one of which was on November 20, 2007. A copy of the draft G&A agreement was presented to HMP&L prior to the November 20 meeting. At the November 20 meeting it is my understanding that all of Big Rivers positions except for Items 7. and 8. are generally acceptable to HMP&L.

Big Rivers positions regarding the Capacity and Reserve issues are reasonable. Big Rivers has made several concessions, as noted above, even though the contracts call for essentially no changes when the agreements terminate.

Big Rivers and HMP&L have had a very good relationship during the past 37 years. The initial contracts entered into by Big Rivers and HMP&L were (and continue to be) beneficial for both Big Rivers and HMP&L and instrumental in the decision by Anaconda (now Alcan) to locate in Henderson County and are instrumental in whether or not Alcan will remain in Henderson County.

Mr. Gary Quick
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The bonds required to finance Station Two required that the power for Station Two be sold in Daviess and Henderson Counties. While the load to serve HMP&L customers was in Henderson county, it was necessary to have a load such as Anaconda to accommodate Station Two output and the bond provisions incorporating the two – county rule.

In 1993, (the 1993 amendments) Big Rivers and HMP&L reached agreements to add a scrubber to Station Two units rather than fuel switch or add a scrubber to Coleman. Big Rivers could have chosen to build the scrubber only at Coleman. Again, a mutually beneficial agreement was entered into which split SO₂ allowances based on capacity. This turned out to be very beneficial to both Big Rivers and to HMP&L. As I recall, HMP&L, in about 2006 profited from the sale of excess allowances. Had the scrubber not been in existence, there would have been no allowances for sale for the benefit of HMP&L.

In 1998 Big Rivers agreed to pay an extra \$1.50 per MWh for the use of surplus energy not utilized by HMP&L for service to its native load (Excess Henderson Energy). Until the Station Two Bonds were retired (in 2003) the usage of this power was restricted to Henderson and Daviess counties. Also, in the 1998 Amendments to Contracts, Big Rivers, City of Henderson Utility Commission and City of Henderson agreed to extend the terms of all the contracts except the Joint Facilities Agreement for the operating life of Station Two.

In 2005, Big Rivers, HMP&L, and WKE reached agreement to install SCRs on Station Two. Again, this was a good, mutually beneficial agreement, but Big Rivers did agree to allow certain NO_x allowances to be used by HMP&L Station I for NO_x compliance. The SCRs could have been built at Green, which could have satisfied Big Rivers' obligations to HMP&L and provided more allowances for Big Rivers to "bubble" the system for compliance.

From the early 1970's until today, Big Rivers has paid over 80% (\$203.4 million) of the debt service and capital expenditures of Station Two and today receives only 70% of the capacity. On the other hand, HMP&L has paid \$49.8 million (less than 20%) but receives more than 30% of the capacity (95 MW/312 MW). In addition, HMP&L can increase its take by 5 MW per year should the City's load grow to need that power. The disproportionate value to HMP&L increases with the additional take.

Big Rivers has entered into these agreements through the years with its eyes open and realizes that even with this disproportionate value to HMP&L, it remains a good contract for Big Rivers and its Members as well. If Big Rivers agreed to your 115 MW proposal HMP&L's contract share would grow to 36.86% and Big Rivers share would shrink to 63.14% but Big Rivers would still have paid for over 80%.

Mr. Gary Quick
Re: Conditions Precedent to Unwind
December 12, 2007
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Big Rivers did not attempt to change these costs even when it suffered through financial difficulties in the 1980's and 90's, resulting in bankruptcy. Through this difficult period Big Rivers made all of the required payments to HMP&L and asked for no contract amendments, even when facing such financial difficulties.

The 1998 agreements between HMP&L, Big Rivers and WKE anticipate an expiration or termination of the Agreement and Amendments to Agreements dated July 15, 1998.

Section 10.16 Reversion to Big Rivers. "At the expiration or termination of this Agreement, other than a termination due to breach or default by Big Rivers, the rights and obligations under the Station Two Contracts assigned to and assumed by Station Two Subsidiary pursuant to Section 9 of this Agreement, entitled "Phase II Assignment," shall automatically revert and be assigned to Big Rivers without any action on the part of any of the parties hereto -----."

Big Rivers would very much like to work with HMP&L to accommodate as many of its requests as are reasonable. This has been a good relationship and we want to continue a good relationship. However, some of the provisions of the HMP&L demands made of Big Rivers threaten the Unwind Transaction and simply cannot be agreed to. I ask that you reconsider your position regarding the capacity and reserve issues and agree to consents necessary for Big Rivers to move forward with the Unwind.

Sincerely,



Michael H. Core
President and CEO
MHC/bh

C: Dr. Bill Smith, Chairman
David Spainhowrd

URGENT INFORMATION PLEASE READ

March 2008

Dear HMP&L Customer:

Based upon an article that appeared in *The Gleaner* on March 8, 2008, Big Rivers Electric Corporation, E.ON, and the Smelters have accused Henderson Municipal Power & Light of ... "putting the jobs of 1,400 aluminum workers at risk with its resistance to a proposed power plant (Unwind) transaction." These same accusations were made in a subsequent news release by Big Rivers and E.ON dated March 10. We want our customers to know that nothing could be further from the truth. Our disagreement with Big Rivers and E.ON has nothing to do with the Smelters; our disagreement is about Big Rivers and E.ON demanding that HMP&L customers pay for something they don't receive. These two large power companies want the citizens of Henderson to subsidize their profits and we believe that is inherently wrong. HMP&L wants our customers and the citizens of Henderson to know our position related to these accusations.

The citizens of Henderson own HMP&L Station Two, which was built in the early 1970s. In 1998 HMP&L entered agreements with Big Rivers and Western Kentucky Energy and those agreements allow WKE to operate Station Two. WKE is a subsidiary of the German company E.ON and the "Unwind" is merely a term used to describe the process of allowing Big Rivers to again operate Station Two and other existing power plants that are owned by Big Rivers.

The proposed Big Rivers and E.ON Unwind has been a very expensive and complex proposal that has been ongoing since early 2003. Based upon documents recently filed with the Kentucky Public Service Commission, Big Rivers has already spent over \$16,386,000 in legal fees, \$3,096,000 in engineering and consulting fees, and \$3,299,000 for financial service fees related to the proposed Unwind. If the Unwind occurs, Big Rivers, E.ON, and the Smelters have jointly agreed to pay up to a total of \$60,000,000 to the Bank of America, Ambac, and other Big Rivers creditors to merely obtain their consents to the Unwind. Additionally, Big Rivers plans to set up a special \$75,000,000 fund to subsidize the electric rates of their customers for several years in the future. Other documents filed at the Kentucky Public Service Commission disclose that E.ON intends to give Big Rivers almost \$700,000,000 in cash and other assets if the Unwind occurs.

HMP&L has been sporadically invited to participate in the Unwind discussions during the past two years. During this period of time, HMP&L's position concerning the

Continued

Unwind has not changed. We have two basic concerns. First, HMP&L retained engineering firms to conduct inspections at its Station Two Generation Plant and those inspections revealed a number of maintenance and equipment problems related to E.ON's operation of the HMP&L facilities for the past 10 years. We believe there must be an agreement between the parties to resolve these problems before HMP&L agrees to the proposed Unwind. Second, HMP&L schedules and pays for a specific amount of electricity from Station Two and each year there is always some surplus electricity that our customers do not use. Keep in mind, HMP&L customers actually paid for the electricity, but they did not use it. Big Rivers and E.ON have taken the position that the surplus HMP&L electricity belongs to them. They contend they have the right, for the next 15 years, to sell this electricity exclusively for their profit. HMP&L strongly disagrees; our customers paid for the surplus HMP&L electricity and any sale of this electricity should be used for the benefit of our customers, not the shareholders of E.ON or Big Rivers. Our existing agreements for the operation of Station Two address the issue of HMP&L's surplus electricity, but Big Rivers and E.ON have taken the position the agreements allow them to profit from HMP&L's surplus electricity. We could not disagree more; you may rest assured that we fully intend to take whatever steps are necessary in the future to resolve these two issues.

For many years HMP&L customers have enjoyed the benefits of electric rates that are among the lowest in the United States. In addition, HMP&L has provided superior system reliability as recently demonstrated during the ice storms. HMP&L has no interest in asking the citizens of Henderson to pay for something they do not receive. To do so would be asking our citizens to subsidize the profits of Big Rivers and E.ON.

Since Big Rivers and E.ON have not been successful in overpowering HMP&L during the negotiations, it appears they now have elected to use political forces to compel HMP&L to surrender to their unwarranted demands. They are attempting to use their considerable political resources to persuade state and local elected officials and the media to somehow force HMP&L to agree to their demands. We want each HMP&L customer and the citizens of Henderson to have a basic understanding of our position concerning the Unwind and why the accusations Big Rivers and E.ON are making about HMP&L are simply false and misleading. We want to reassure you that we will make our business decisions based upon what is best for our customers and the citizens of Henderson, not what is best for the profits of Big Rivers and E.ON. We trust you will support our position and we encourage you to let the media and your local and state elected representatives know that it is inherently wrong to expect the residential, commercial, and industrial customers of a small municipal utility to subsidize the enormous profits of Big Rivers and E.ON.

David Spainhoward

From: Dr. Smith [bsmith@lightpower.net]
Sent: Saturday, March 01, 2008 6:10 PM
To: David Spainhoward
Cc: gary quick
Subject: Re: HMP&L

David, let us be very clear about this, this is wke's and bræc's 'deal'. we were made aware of the unwind about 1/6 but nothing serious was done until we sent you that letter last summer. from my point of view you have been very negligent in getting back with us. to say that we have been 'negotiating', as you imply in your email, is wrong. you told us of the unwind and that was basically all we heard from for months.

i hope you, mark and bill now understand our resolve in this matter. we have made very clear where hmp&l stands. you know exactly what is needed to make your 'deal'. we also, have some very serious issues yet to be resolved with wke. if you have any questions please call gary or myself.

bill smith
827-9658-home
860-2112-cell
826-3154-office

----- Original Message -----

From: David Spainhoward
To: bsmith@lightpower.net ; 'Gary Quick'
Cc: dspainhoward@bigrivers.com
Sent: Saturday, March 01, 2008 3:09 PM
Subject: HMP&L

Dr. Smith/Gary:

I appreciate the meeting between Big Rivers and HMP&L on Thursday. There seemed to be several points of misunderstanding or perhaps miscommunication. One point Dr. Smith made in regard to how long negotiations had been going on between Big Rivers and HMP&L made me think there was perhaps some misunderstanding of the length of time the two parties had been negotiating this transaction. Big Rivers prepared a schedule of those meetings (not all correspondence back and forth) and supplied them to the Commission and Intervenors (including HMP&L) in response to the Attorney General's initial data request, Item 107 (copy attached). Big Rivers entered into a Letter of Intent with the E.ON parties on November 28, 2005, notified HMP&L of that in early December and began negotiations with HMP&L soon after. Negotiations of this transaction between Big Rivers, WKEC and HMP&L began at least by January 2006.

David

3/2/2008



Summary of the Proposed Adjustments to the HMP&L Power Sales Contract

March 19, 2008

Draft For Settlement Discussion Purposes Only

As Owner of the Station Two Units, HMP&L receives its Capacity and Energy needs first.

Big Rivers proposes the following contract enhancements:

- Monthly Capacity/Demand Payment for only the actual kW peak set during that month, plus 1 percent spinning reserves.
- SEPA allocation (scheduled by Big Rivers) will be credited to HMP&L's monthly MW peak at the full 12.0 MWs, ~~effective with the closure of Station One.~~
- Provide at no additional cost, Load Following Services to HMP&L.
- Provide at no additional cost, Contingency Reserves Allocations to HMP&L.

*When
Wolf
Creek
is
fixed.*

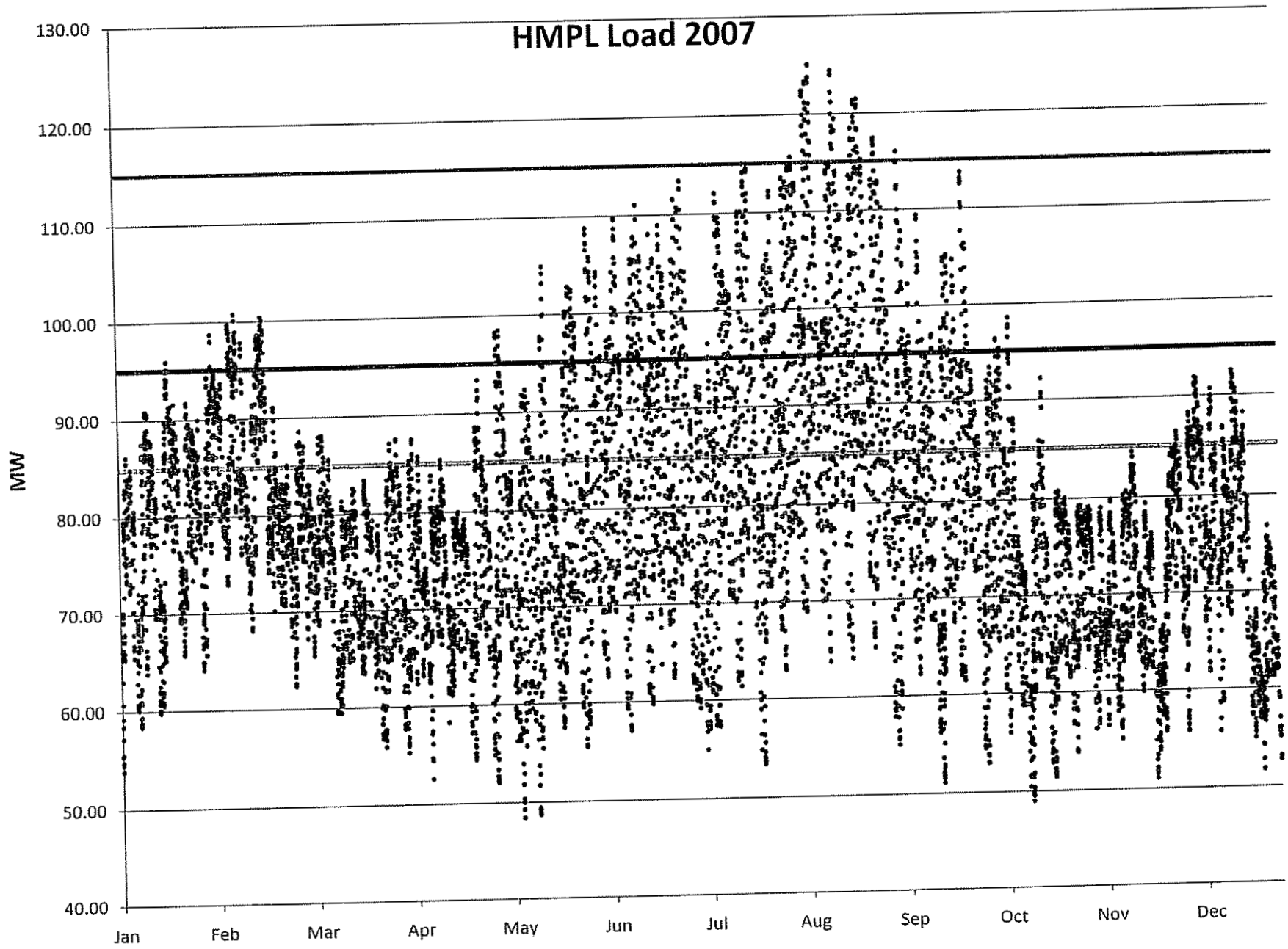
- Permanent shut-down of Station One effective September 2009 or later. HMP&L will provide written notice to Big Rivers at least 120 days prior to closure of Station One.
- Capacity/Demand Payment will be calculated from a mutually agreed HMP&L Station Two Budget excluding Depreciation and Variable Expenses, but including Capital Expenditures (actual true up). The annual budget will be established with the expectation of achieving the capacity output (~~312 MWs~~).
- Big Rivers proposes to immediately recognize HMP&L's permanent loss of any industrial load.

- Effective with the permanent closure of Station One, any load growth other than residential will cause a negotiated price or pricing mechanism to be established which will be continued up to 5 years from the date of Station One's closure. Thereafter, the current Economic Development agreement will go forward.
- Should both units be unavailable, Big Rivers will provide back-up energy at 95% of the market price delivered to Big Rivers border.
- Each party is responsible for its energy cost as provided for under the current arrangement.

*subject to Smith & BREC Bd
approval.*

Proposed Monthly Demand Calculation based on 2007 Actual						
	Monthly	Contingency	1%		HMP&L	HMP&L
	Demand	Reserve	Spinning	SEPA *	Station One	Station Two
	MW	Allocation	Reserve		Production	Demand
			Allocation		Output	MW
January	98.66	-	0.99	(12.00)	-	87.65
February	100.73	-	1.01	(12.00)	-	89.74
March	88.04	-	0.88	(12.00)	-	76.92
April	98.16	-	0.98	(12.00)	-	87.14
May	108.66	-	1.09	(12.00)	-	97.75
June	113.38	-	1.13	(12.00)	-	102.51
July	114.99	-	1.15	(12.00)	-	104.14
August	124.99	-	1.25	(12.00)	-	114.24
September	116.03	-	1.16	(12.00)	-	105.19
October	98.49	-	0.98	(12.00)	-	87.47
November	86.40	-	0.86	(12.00)	-	75.26
December	92.43	-	0.92	(12.00)	-	81.35
Average	103.41		1.03	(12.00)		92.45
Station One must be available and operated to off-set peak demand						
from June 15 through September 15, until its closure						
The last column will be reduced by the output of station one at the time of peak.						

* only as Wolf Creek becomes available



David Spainhoward

From: Gary Quick [gquick@hmpl.net]
Sent: Wednesday, March 26, 2008 9:07 AM
To: dspainhoward@bigrivers.com
Cc: Dr. Smith; Wayne Thompson; eyrea
Subject: Monthly Demand Proposal

Good Morning David:

I was not sure who I should contact concerning the Big Rivers' proposal that, in the future, Henderson make Capacity/Demand Payments based upon Henderson's actual monthly demand.

We used the information Bill Blackburn provided during our meeting on March 19 and we have completed our review of the Big Rivers' proposal. The Big Rivers' monthly demand proposal is similar to a monthly demand proposal Allen Eyre suggested to us on February 29 during a meeting with Dr. Smith, Wayne Thompson, and me. We reviewed our work papers for Allen's proposal and after working through the Big Rivers' proposal it does not appear that changing to a monthly demand in the future will work for Henderson. Our review of HMP&L's actual 2007 system load data indicates that in the event HMP&L agreed to the Big Rivers' proposal and changed to a monthly demand our customers would pay for approximately 230,000 megawatt hours of excess Henderson energy that would not be available to HMP&L. Using the HMP&L estimated FY2007-2008 fixed cost of \$10.88/megawatt hour for Station Two, the 230,000 megawatt hours of excess Henderson energy would cost our customers just over \$2,500,000 in FY2007. We believe the proposed monthly demand places HMP&L customers in a position of continuing to pay for something they don't receive and, therefore, subsidize Big Rivers' sales.

Would you please share this email with the Big Rivers' staff?? I did not have Bill's email address, but I wanted him to know that we finished our review of his proposal. Also, please copy Mark Bailey since he attended the March 19 meeting. I am sending Allen Eyre a copy of this email since I included his name in my explanation above. Thank you and please don't hesitate to ask Bill Blackburn to call me if he has any questions concerning our review of the 2007 monthly demand and energy data.

Gary

3/26/2008



201 Third Street
P.O. Box 21
Henderson, KY 42420-0021
270-827-2501
www.bigrivers.com

March 28, 2008

Mr. Gary Quick
General Manager
HMP&L
P.O. Box 8
Henderson, KY 42420

Re: Big Rivers/HMP&L Unwind Issue

Dear Gary:

Big Rivers appreciates your prompt review and response to our latest proposal to address HMP&L's concerns related to the "Unwind". As you might guess, we were very disappointed with your response.

We have made every attempt to understand and recognize HMP&L's position regarding your capacity reservation from Station Two and electricity associated with that reservation. Our first proposal to leave the agreements as they are and pay for Excess Energy according to the 1998 agreements was rejected. After that we offered to increase the \$1.50 per megawatt hour fee for Excess Energy to \$2.50 to receive HMP&L consent quickly. That too was rejected.

Big Rivers listened carefully to HMP&L's stated concerns, and we attempted to address them with this last proposal. We listened when HMP&L stated it wanted to close Station One in the near future. We listened when HMP&L stated it believed it was paying for electricity not received. We made a proposal that took both of those issues into account. The most recent proposal allowed HMP&L to meet its demand requirements after shutting down Station One immediately upon shutdown, rather than requiring HMP&L to adjust its reservation 5 MW per year as specified in the current agreements. The latest proposal allows HMP&L to pay for only its actual monthly demand. Our latest proposal was also rejected. This leaves Big Rivers at a loss.

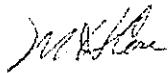
While none of the proposals Big Rivers has made are required or anticipated under the current agreements, Big Rivers has made every effort to propose an agreement to enable HMP&L to give its consent. HMP&L has continued to take the position that its customers have been and would be paying (under Big Rivers' proposals) for electricity not taken by its customers. We do not understand or agree with this position. HMP&L

Mr Gary Quick
Re: Big Rivers/HMP&L Unwind Issue
March 28, 2008
Page 2 of 2

only pays for the electricity that it uses both under the current arrangement and under Big Rivers' proposals. When HMP&L does not take all electricity available within its capacity reservation, Big Rivers pays for the fuel, reagent, and ash disposal costs necessary to generate that electricity. In addition, as specified in our current agreement, we make an additional contribution of \$1.50 per MWh to help offset some of HMP&L's capacity reservation expense obligations.

Big Rivers has made multiple attempts to resolve this impasse, but HMP&L has been unwilling to yield or compromise to any extent. While we would very much like to move forward with the proposed transaction between Big Rivers, E.ON, the smelters, and HMP&L, and are not withdrawing our proposals, Big Rivers has nothing further to offer to HMP&L.

Sincerely



Michael H. Core
CEO/President

MHC/bh

March 31, 2008

Mr. Mike Core
CEO/President
Big Rivers Electric Corporation
PO Box 24
Henderson, KY 42419-0024

Dear Mike,

Thank you for your March 28 letter concerning our various discussions with Big Rivers related to the proposed Unwind.

Big Rivers has requested that HMP&L voluntarily agree to the proposed Unwind based upon Big Rivers' interpretations of certain provisions of the existing Station Two Agreements. Specifically, Big Rivers has stated that all of Henderson's Excess Energy belongs to Big Rivers and Big Rivers' only obligation is \$1.50 megawatt hour payments to Henderson in the event Big Rivers actually takes the energy. HMP&L does not agree with Big Rivers' interpretations of the existing Station Two Agreements. Each of the proposals discussed in your letter were not acceptable to HMP&L because each proposal allowed Big Rivers to take all of Henderson's Excess Energy and sell our energy to Big Rivers' members or in the market. Based upon information Big Rivers recently submitted to the Public Service Commission, Big Rivers fully intends to take all of Henderson's Excess Energy if the Unwind occurs.

Big Rivers cannot expect the Citizens of Henderson to pay the fixed cost for Henderson's Excess Energy only to have Big Rivers take the energy and sell it for a profit. In your letter you clearly state that you only intend to pay the variable cost ("fuel, reagent, and ash disposal") for the Henderson Excess Energy. Today, HMP&L's fixed cost at Station Two is \$10.88 a megawatt hour for energy and Big Rivers proposes to pay HMP&L \$1.50 a megawatt hour to offset the fixed cost for Henderson's Excess Energy. In other words, Big Rivers expects the Citizens of Henderson to subsidize Big Rivers' \$9.38 a megawatt hour; therefore, we cannot voluntarily agree to your proposals.

HMP&L's position related to the Unwind has not changed from the first meeting to the most recent meeting with Big Rivers. HMP&L has offered Big Rivers a number of proposals to resolve this matter and move forward with the Unwind. Our proposals eliminated your proposed subsidization, and Big Rivers rejected each proposal without qualification. HMP&L remains open to any discussions that do not result in the Citizens of Henderson subsidizing Big Rivers' profits.



Chairman

William L. Smith, D.M.D.



General Manager

Gary Quick

PLEASE READ

June 2008

Dear HMP&L Customer:

In March of this year we sent letters to all HMP&L customers concerning HMP&L's position related to the proposed E.ON and Big Rivers Unwind. HMP&L's position has not changed since that time. Please recall that the "Unwind" is merely a convenient term used to describe the process of allowing Big Rivers to again operate its own existing power plants and HMP&L's Station Two Power Plant.

In our March letter we suggested to you that E.ON and Big Rivers were using their considerable political resources to force HMP&L to agree to their demands. As we predicted, the political pressure from E.ON and Big Rivers has intensified. Recently, a group of Alcan employees sent a letter to the Henderson Gleaner. In that letter the employees stated that they wanted the *"Henderson City Commissioners to instruct the board of HMP&L to consent to the Unwind."*

The City of Henderson's Station Two generation facility was one of the primary reasons the smelters originally located their facilities in this area; HMP&L and the City of Henderson are keenly aware of the regional value of the Alcan and Century facilities to western Kentucky. The letter signed by the Alcan employees, however, contains many statements which we believe are simply incorrect. We certainly understand the misstatements if the employees were merely repeating what they have been told about HMP&L, but the statements are just wrong. The employee letter states that *"Customers of HMP&L are not being asked to contribute anything to the Unwind."* On the contrary, if we agree to the demands being made, HMP&L's customers would be subsidizing Big Rivers and its customers. For example, a certain amount of energy reserved and paid for by HMP&L's customers would be taken from HMP&L and sold by Big Rivers for a profit that Big Rivers would keep. Therefore, HMP&L's customers would be underwriting Big Rivers and its customers at the cost of millions of dollars each year to HMP&L customers. We do not believe HMP&L customers or the citizens of Henderson have any interest in subsidizing the electric rates of Big Rivers' customers.

Our second major issue is the deteriorated condition of HMP&L's Station Two Plant. Our consulting engineers conducted inspections of Station Two and they have identified a number of areas that require costly repair or replacement. During the Unwind, Big Rivers and the smelters retained consulting engineers to conduct inspections and

Continued...

their consultants also identified repair and replacement needs at Station Two. Now, however, the executives at E.ON and Big Rivers are contending that all of the reports from the consultants, ours and theirs, are wrong. They now say that HMP&L's Station Two Plant is in good condition.

E.ON and Big Rivers are both large companies with considerable financial and political resources at their disposal. It appears that they are willing to do whatever it takes, regardless of the costs to HMP&L customers and the citizens of our community, to force the City of Henderson to yield to their unreasonable demands.

During the next weeks or perhaps months, HMP&L customers, city elected officials, and the citizens of Henderson, should anticipate increased political pressure by E.ON and Big Rivers. We hope that you will make it your business to stay informed about the facts of our major points of contention: HMP&L's customers should not be expected to subsidize the customers of Big Rivers and the repair and replacement issues at Station Two must be resolved.

HMP&L's Station Two is a valuable asset that belongs to the citizens of Henderson. HMP&L has a fiduciary responsibility to ensure that this generating facility operates for many years into the future, providing the citizens of Henderson with low cost power.

Thank you.

Utility Commission
Henderson Municipal Power & Light

Mark Bailey

From: Northam, Patrick R. [PRN2@gdm.com]
Sent: Thursday, June 12, 2008 5:58 PM
To: Gary Quick; West, C. B.; rferdon@fulbright.com; Wayne Thompson
Cc: Thompson, Paul; Sinclair, David; Dowdy, Tim; Mike Core; David Spainhoward; Mark Bailey; Jim Miller; kendrick.riggs@skofirm.com; Sturgeon, Allyson
Subject: Follow-Up
Attachments: Lou_2431171_2.DOC; 2974_001.pdf

Gary, C B. and Bob,

Thanks again for meeting with us yesterday. It is very unfortunate that progress on the issues between us, and on those between the City and Big Rivers, continue to be elusive. In discussing the results of that meeting in a follow-up meeting with Big Rivers, and during our drive back to Louisville, Paul, David, Tim and I (and we believe the Big Rivers folks) were struck by several of the statements made by one or more of you in our meeting. Those statements lead us to believe that several of you may be confused as to the commitments from the City that are being requested by E.ON in order to accommodate the unwind transactions.

Not since late last year has E.ON sought only a complete release of the E.ON entities (and of Big Rivers) along the lines contemplated in our first draft of the Station Two Termination and Release delivered to the City in May of 2007. In fact, in our meeting with you on February 1 of this year, David Sinclair described for you two alternate proposals, one being the grant by the City of full releases of the E.ON entities and Big Rivers (as we had previously requested) in exchange for a \$1 million "consent fee" from E.ON; and the other being an agreement by the parties merely to accelerate the expiration date of the 1998 Station Two Agreement without new, full releases, thereby allowing the unwind to occur, but also preserving the parties' respective rights to pursue any claims they may have under the provisions of the 1998 agreements that survive their expiration. This proposed "early expiration" proposal did not involve the payment of any consent fee by E.ON to the City. However, it was subsequently enhanced when E.ON proposed to pay the City \$1 million at the closing if it would embrace that approach.

Subsequent to that February, 2008 discussion with you, at a meeting held on March 19, 2008 among representatives of Big Rivers, the City and E.ON, Paul Thompson delivered to you the attached proposed "Term Sheet to Resolve Outstanding Issues between Henderson Municipal Power and Light and E On U.S." As you can see, by this document E.ON proposed to abandon its previous request for a full release from the City, and instead (a) requested only an amendment to the Station Two Agreement that would accelerate its expiration date, leaving both the City and the E.ON entities with the post-expiration protections and benefits that are already contemplated in the Station Two Agreement, and (b) proposed to pay the City a \$2 million consent fee (an enhancement of \$1 million over E.ON's previous proposal) in exchange for the City's agreement to accelerate the expiration date. In effect, E.ON proposed to pay the City a substantial consent fee while at the same time allowing the City to maintain all of its existing rights provided for in the Station Two Agreement that would survive its expiration -- quite a generous offer, we believed, considering the significant added benefits that the unwind transaction itself would provide to the City's ratepayer citizens.

In that same proposal E.ON also offered to reimburse the City at the closing for up to \$1,400,000 in out-of-pocket transaction costs incurred by the City in connection with the proposed transactions. We point this out as there was a statement by one of you yesterday that E.ON has refused to reimburse the City for transaction costs (this after E.ON proposed early on that the parties enter into an agreement providing for such expense reimbursements, only to have the City decline on two separate occasions to pursue such an agreement).

To avoid any confusion as to the specific proposal being made by E.ON to the City, attached you will find a draft "Second Amendatory Agreement", which we propose as a means to accomplish the acceleration of the expiration date of our existing agreement, and to address several other incidental matters that (we think you will agree) would warrant attention in connection with that acceleration. Please note, however, that this draft is being

6/13/2008

sent to Big Rivers for the first time by copy of this message, and they have not yet had an opportunity to review or comment on it.

Once you have had an opportunity to review this draft and the approach we are suggesting, we hope you will agree with us that it is a reasonable and practical means for allowing the unwind transaction to go forward as proposed, while at the same time allowing the City to protect its interests following that transaction.

Incidentally, it was at our February 1 meeting that we shared with you a list of the provisions of the Station Two Agreement that, we believe, provide the City with various post-expiration protections. C.B. indicated yesterday that those provisions are somehow confusing, and implied that they are now not adequate to protect the City. However, neither he nor Bob provided details of that confusion or an explanation of why those provisions would not adequately protect the City upon an expiration of the Station Two Agreement (whether now or in 2023), particularly given how hard the City negotiated for those provisions leading up to the 1998 closing.

As I mentioned yesterday, we believe those provisions are not confusing at all but rather are crystal clear, and certainly would afford the City the post-expiration protections that it bargained for in 1998. We asked you yesterday to articulate how the transaction approach we are proposing would change the City's rights and benefits negotiated for in 1998, sufficient to warrant the numerous changes in the obligations of the E.ON entities (upon an expiration of our agreements) you have proposed. We did not receive a response to that request, however. We continue to believe that the City's rights and benefits would not be changed, but that the City and its residents would in fact benefit greatly by the unwind transactions, particularly given the significant consent fee and transaction cost reimbursement that E.ON has proposed for the City's benefit.

Given the importance of the unwind transaction to the economy of Western Kentucky, E.ON strongly urges you to reconsider your position on these matters.

Patrick R. Northam, Esq.

Member - Corporate and Commercial Group

Greenebaum Doll & McDonald PLLC

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Fax: (502) 540-2296

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6/13/2008

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6/13/2008

Term Sheet to Resolve Outstanding Issues between Henderson Municipal Power and Light and E.On U.S.

March 19, 2008

Resolution of Existing Contract Disputes

1. **Excess energy value and method** – E.On U.S. would pay HMPL \$584,427 to resolve excess energy claims through October 2007 plus additional amounts, if any, that may occur through the unwind transaction closing date according to the methodology proposed on December 12, 2007.
2. **Back-up energy cost and method** – E.On U.S. would pay HMPL \$277,817 to resolve back-up energy cost claims through October 2007 and to calculate HMPL's back-up energy cost from November 2007 through the date of the unwind transaction closing according to the methodology proposed on December 12, 2007.
3. **2004 H1 Thermal Event** - E.On U.S. would waive HMPL's share of the insurance deductible (\$60,897.44) associated with the 2004 H1 thermal event.
4. **2006 Coal Inventory Adjustment** - E.On U.S. would pay HMPL \$400,000 to resolve all claims related to the 2006 coal inventory adjustment.

Resolution of Plant Condition Claims and HMPL's Consent to the Unwind Transaction

1. E.On U.S. would agree that HMPL can preserve all of its rights and remedies relating to plant operations and condition as currently set forth in the 1998 Agreements that survive the termination of those Agreements according to their existing terms. This would be accomplished by amending the termination date in those Agreements from December 31, 2023 to the unwind transaction closing date.
2. E.On U.S. would pay HMPL \$2 million for its consent to the unwind transaction.
3. E.On U.S. would reimburse HMPL for its out-of-pocket third party costs associated with the unwind transaction at closing, not to exceed \$1,400,000.

SECOND AMENDATORY AGREEMENT

THIS SECOND AMENDATORY AGREEMENT ("*Amendment*"), dated as of _____, 2008 (the "*Amendment Effective Date*"), by and among (a) BIG RIVERS ELECTRIC CORPORATION, a Kentucky rural electric generation and transmission cooperative ("*Big Rivers*"), (b) LG&E ENERGY MARKETING INC., an Oklahoma corporation ("*LEM*"), and WESTERN KENTUCKY ENERGY CORP., a Kentucky corporation ("*WKEC*") and the successor by merger of (i) WKE Corp., a Kentucky corporation ("*WKE*"), and (ii) WKE Station Two Inc., a Kentucky corporation ("*Station Two Subsidiary*") (WKEC, together with LEM, the "*E.ON Station Two Parties*"), and (c) the CITY OF HENDERSON, KENTUCKY (the "*City of Henderson*") and the CITY OF HENDERSON UTILITY COMMISSION, d/b/a HENDERSON MUNICIPAL POWER & LIGHT (the "*City Utility Commission*") (collectively, the "*Parties*").

RECITALS:

A. Prior to the effectiveness of the Plan of Reorganization (defined below), Big Rivers operated a two unit electric Generating Plant owned by the City of Henderson ("*Station Two*"), and purchased a certain portion of the output of such facility.

B. In accordance with the First Amended Plan of Reorganization in Big River's bankruptcy proceeding, as modified and restated on June 9, 1997 (as so modified, the "*Plan of Reorganization*"), Big Rivers, LEM, Station Two Subsidiary and WKEC entered into a New Participation Agreement, dated April 6, 1998 (as amended, the "*Participation Agreement*") and certain other documents.

C. In accordance with the Participation Agreement, upon the closing of the transactions contemplated therein on July 15, 1998, Station Two Subsidiary assumed certain of Big Rivers' operational responsibilities with respect to Station Two, and WKEC, LEM, Station Two Subsidiary, the City of Henderson, the City Utility Commission, Big Rivers and E.ON U.S. LLC, the indirect parent company of WKEC and LEM and the successor to LG&E Energy Corp. ("*E.ON*"), executed and delivered certain agreements, including the "Station Two Agreement" (as hereinafter defined), creating (among other rights and responsibilities) certain interests in favor of one or more of the E.ON Station Two Parties with respect to Station Two, certain of the energy generated thereby, and the land on which Station Two is situated and to which it is adjacent.

D. Prior to the date hereof, WKE and Station Two Subsidiary were merged with and into WKEC in accordance with Kentucky law, with WKEC being the surviving entity in that merger succeeding to all of the assets, properties, rights, debts, obligations and liabilities of WKE and Station Two Subsidiary, respectively, including without limitation, their respective rights, debts, obligations and liabilities relating to Station Two.

E. Big Rivers, the E.ON Station Two Parties and E.ON have concluded that it is in their respective best interests to terminate and release between and among them the property interests and contractual relationships between them created by the Participation

Agreement, the Station Two Agreement and the other "Operative Documents" (as defined in the Participation Agreement), and have each executed and delivered a Transaction Termination Agreement dated as of March 26, 2007, as amended (the "**Transaction Termination Agreement**"), setting forth the terms and conditions upon which Big Rivers, the E.ON Station Two Parties and E.ON are willing to terminate and release such property interests and contractual relationships between them (collectively, the "**Unwind Transactions**").

F. In order to effect the Unwind Transaction among them with respect to Station Two, the E.ON Station Two Parties and Big Rivers have requested that the City of Henderson and the City Utility Commission agree to amend the Station Two Agreement by accelerating, to the Amendment Effective Date, the date on which the Station Two Agreement will expire in accordance with its terms, subject to such provisions of the Station Two Agreement which, by their express terms, survive the expiration of the Station Two Agreement.

G. As an inducement for the City of Henderson and the City Utility Commission to agree to that amendment, WKEC has agreed to pay to the City Utility Commission an "Expiration Fee" as provided for in Section 2.1 of this Amendment.

H. The City of Henderson and the City Utility Commission have decided that it is in their respective best interests to accommodate the Unwind Transactions by entering into this Amendment with the other Parties, thereby amending the Station Two Agreement to provide for its early expiration on and as of the Amendment Effective Date, upon the terms and subject to the conditions set forth in this Amendment, including without limitation, in exchange for WKEC's payment to the City Utility Commission of the Expiration Fee contemplated in Section 2.1.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements set forth below, and for other valuable consideration, the receipt of which is hereby acknowledged, the Parties each agree as follows, effective immediately:

ARTICLE 1

DEFINITIONS

Section 1.1 Definitions. As used in this Amendment, the "**Station Two Agreement**" shall mean the Agreement and Amendments to Agreement dated as of July 15, 1998, as amended, among the City of Henderson, the City Utility Commission, Big Rivers, LEM and WKEC (for itself and as successor to WKE and Station Two Subsidiary), including without limitation, as amended by the Amendatory Agreement, dated as of April 1, 2005, among the City of Henderson, the City Utility Commission, Big Rivers, WKEC (for itself and as successor to WKE and Station Two Subsidiary) and LEM. Capitalized terms used in this Amendment (including the Recitals hereto) and not otherwise defined herein shall have the meanings set forth in the Station Two Agreement.

ARTICLE 2

EXPIRATION FEE

Section 2.1 Payment. In consideration of the execution and delivery of this Amendment by the City of Henderson and the City Utility Commission, and as a material inducement for such execution and delivery, WKEC has paid to the City Utility Commission, contemporaneous with the execution and delivery of this Amendment, the amount of TWO MILLION DOLLARS (\$2,000,000.00) in immediately available funds, the receipt of which is hereby acknowledged by the City Utility Commission (the "*Expiration Fee*").

ARTICLE 3

AMENDMENTS TO STATION TWO AGREEMENT

Section 3.1 Amendment to Section 9.3. Section 9.3 of the Station Two Agreement is hereby amended to be and read in its entirety as follows:

"9.3 Term of Assignment. The term (the "Phase II Assignment Term") of the assignment by Big Rivers to Station Two Subsidiary, its successors and permitted assigns, of certain rights and obligations under the Assigned Station Two Contracts, as contemplated in Section 9.1 of this Agreement, shall commence on the Phase II Effective Date and shall end at and as of _____ [**Insert Unwind Closing Date and Time**]."

Section 3.2 Acknowledgments. The Parties acknowledge and agree that, by virtue of the amendments effected pursuant to Section 3.1 above, and by virtue of Section 2.4 of the Station Two Agreement, the Station Two Agreement shall expire at and as of _____ [**Insert Unwind Closing Date and Time**] (the "*Expiration Date*") for all purposes contemplated in the Station Two Agreement, in the G&A Allocation Agreement, in the New Reserves Agreement and in the Guaranty, in each case without notice or further action on the part of any Party, including without limitation, as contemplated in Section 10.16 of the Station Two Agreement for the purpose of effecting the automatic reversion and assignment to Big Rivers provided for therein. Consistent with the foregoing, the Expiration Date shall be deemed to be the "date of expiration" and the "expiration date" of the Station Two Agreement, and the "date the Station Two Agreement expires", as those terms are used in the Station Two Agreement and in the G&A Allocation Agreement and the New Reserves Agreement. Notwithstanding the foregoing provisions of this Section 3.2, the Parties agree that the expiration of the Station Two Agreement as contemplated above shall not be deemed to affect those provisions of the Station Two Agreement, the G&A Allocation Agreement, the New Reserves Agreement and/or the Guaranty which, by their terms, are to continue in force and effect following the expiration of the Station Two Agreement.

ARTICLE 4

STATION TWO TERMINATED DOCUMENTS; MORTGAGE RELEASES

Section 4.1 Termination. Effective immediately, and without notice or further action on the part of any Party, each of Big Rivers, the City of Henderson, the City Utility Commission and the E.ON Station Two Parties, for themselves and their respective successors, predecessors and assigns, and for all other persons or entities claiming by, through or under them, hereby collectively and irrevocably terminate, discharge and render null and void and of no further force or effect whatsoever each of the easements, agreements and other instruments and documents set forth or identified on Schedule 4.1 hereto (collectively, the "**Station Two Terminated Documents**") to which such Parties are signatories or beneficiaries; provided, that the foregoing shall not be deemed to relieve any E.ON Station Two Party or Big Rivers, on the one hand, or the City of Henderson or the City Utility Commission, on the other hand, of or from any obligation(s) to the others resulting from or arising out of its breach or default under a Station Two Terminated Document occurring prior to the Amendment Effective Date.

Section 4.2 Filing of Releases and Termination Statements. On the Amendment Effective Date, and consistent with the last sentence of Subsection 10.11(a) of the Station Two Agreement, the relevant Parties agree to execute and deliver to the appropriate Party or Parties for purposes of recording or filing the same: (a) terminations of easements and rights of way in the forms attached hereto as Exhibits A-1 and A-2, (b) a termination of Assignment of Easements in the form attached hereto as Exhibit A-3, and (c) all such other instruments of termination or discharge (in form reasonably satisfactory to the relevant Parties) as shall be required by or otherwise provided for in any Station Two Terminated Document, or as shall be reasonably requested by any Party, to evidence such termination and discharge or for the purpose of updating the real estate records of Henderson County, Kentucky, in respect of the terminations and discharges of the Station Two Terminated Documents as contemplated herein.

Section 4.3 Releases of Mortgages and Security Agreements. Each of the E.ON Station Two Parties and Big Rivers severally agrees with the City of Henderson and the City Utility Commission (a) to execute and deliver on the date hereof written releases of mortgages and security agreements in form satisfactory to the E.ON Station Two Parties and Big Rivers ("**Mortgage Releases**"), sufficient to terminate, release and discharge in their entirety (i) the Mortgage and Security Agreement, dated July 15, 1998, by Big Rivers in favor of LEM and WKEC (for itself and as successor to Station two Subsidiary and WKE), and (ii) the Mortgage and Security Agreement (LEM Mortgage), dated July 15, 1998, by Big Rivers in favor of LEM and WKEC (for itself and as successor to Station two Subsidiary and WKE), and (b) promptly following the execution and delivery of this Amendment, to file those Mortgage Releases, together with all terminations of security interests under Financing Statements (fixture filings) filed under the Kentucky Uniform Commercial Code in connection with the Mortgage and Security Agreements described above (or either of them), in Henderson County, Kentucky or in the office of the Secretary of State of the Commonwealth of Kentucky, as applicable, in order to terminate, release and discharge of

record any mortgages, fixture filings or other security interests created by or in connection with the Mortgage and Security Agreements described above (or either of them).

ARTICLE 5

RELEASED STATION TWO DOCUMENTS

Section 5.1 Released Station Two Documents. Schedule 5.1 attached hereto sets forth or identifies an agreement and certain easements to which Big Rivers, one or more of the E.ON Station Two Parties, the City of Henderson and/or the City Utility Commission (among other parties) are parties as of the date hereof (collectively, the “**Released Station Two Documents**”).

Section 5.2 Release of E.ON Station Two Parties by City of Henderson and City Utility Commission. In light of the Parties’ intentions that the Released Station Two Documents continue in force and effect following the Amendment Effective Date as between or among the City of Henderson, the City Utility Commission and Big Rivers (in certain cases among other parties), but that the E.ON Station Two Parties, on the one hand, and the City of Henderson and City Utility Commission, on the other hand, be relieved by the others from further obligation under those documents arising or accruing following the Amendment Effective Date, the E.ON Station Two Parties, the City of Henderson and the City Utility Commission agree with each others as follows:

(a) effective immediately, and without notice or further action on the part of any Party, the City of Henderson and the City Utility Commission, for themselves and their respective successors, predecessors and assigns, and for all other persons or entities claiming by, through or under any of them, hereby fully, irrevocably and forever remise, release, acquit, waive and discharge each of LEM and WKEC, and their respective members, shareholders, directors, officers, employees, agents, representatives, advisors, successors, predecessors and assigns, and each of them, of and from any and all debts, obligations or liabilities of any nature whatsoever, whether in contract, in equity, in tort or otherwise, whether known or unknown, whether accrued or unaccrued, and whether fixed, contingent or otherwise (collectively, “**Claims**”), which the City of Henderson or the City Utility Commission ever had, now have, may now have or may hereafter have against LEM or WKEC, resulting from, arising out of or in any manner relating to the Released Station Two Documents (or any of them); provided, that the foregoing provisions of this Subsection (a) shall not be deemed to remise, release, acquit, waive or discharge LEM or WKEC of or from any Claims resulting from or arising out of any breach or default on the part of LEM or WKEC under or pursuant to a Released Station Two Document occurring prior to the Amendment Effective Date; and

(b) effective immediately, and without notice or further action on the part of any Party, LEM and WKEC, for themselves and their respective successors, predecessors and assigns, and for all other persons or entities claiming by, through or under any of them, hereby fully, irrevocably and forever remise, release, acquit,

waive and discharge each of the City of Henderson and the City Utility Commission, and their respective directors, officers, employees, agents, representatives, advisors, successors, predecessors and assigns, and each of them, of and from any and all Claims which LEM or WKEC ever had, now have, may now have or may hereafter have against the City of Henderson or the City Utility Commission, resulting from, arising out of or in any manner relating to the Released Station Two Document (or any of them); provided, that the foregoing provisions of this Subsection (b) shall not be deemed to remise, release, acquit, waive or discharge the City of Henderson or the City Utility Commission of or from any Claims resulting from or arising out of any breach or default on the part of the City of Henderson or the City Utility Commission under or pursuant to a Released Station Two Document occurring prior to the Amendment Effective Date.

ARTICLE 6

REPRESENTATIONS AND WARRANTIES

Section 6.1 Representations and Warranties of the E.ON Station Two Parties. Each of the E.ON Station Two Parties hereby severally represents and warrants to Big Rivers, the City of Henderson and the City Utility Commission that:

(a) Organization and Existence. Each of the E.ON Station Two Parties is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization and WKEC is duly qualified to transact business as a foreign corporation in any jurisdiction where the nature of its business and its activities require it to be so qualified. LEM is qualified to transact business as a foreign corporation in (i) any jurisdiction where the nature of its business and its activities require it to be so qualified and (ii) in the Commonwealth of Kentucky.

(b) Execution, Delivery and Binding Effect. This Amendment has been duly authorized, executed and delivered by each E.ON Station Two Party and, assuming the due authorization, execution and delivery hereof by Big Rivers, the City of Henderson and the City Utility Commission, constitutes a legal, valid and binding obligation of each E.ON Station Two Party, enforceable against each such E.ON Station Two Party in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, arrangement, moratorium or other laws relating to or affecting the rights of creditors generally and by general principles of equity.

(c) No Violation. The execution and delivery of this Amendment by each E.ON Station Two Party, the consummation by each E.ON Station Two Party of the transactions contemplated hereby, and the compliance by each E.ON Station Two Party with the terms and provisions hereof, do not and will not (i) contravene any Applicable Laws or its organizational documents or by-laws, or (ii) contravene the provisions of, or constitute a default (or an event which, with notice or the passage of time, or both, would constitute a default) by it under, any indenture, mortgage or other material contract, agreement or instrument to which any E.ON Station Two Party is a party or by which any E.ON Station

Two Party, or its property, is bound, or result in the creation of any lien on the property of any E.ON Station Two Party.

(d) No Required Consents. All consents, approvals, resolutions, authorizations, actions or orders, including those which must be obtained from any Governmental Entities, required for the authorization, execution and delivery of, and for the consummation of the transactions contemplated by, this Amendment by any E.ON Station Two Party have been obtained prior to the date hereof.

Section 6.2 Representations and Warranties of Big Rivers. Big Rivers hereby represents and warrants to each of the E.ON Station Two Parties, the City of Henderson and the City Utility Commission that:

(a) Organization and Existence. Big Rivers is a rural electric cooperative duly organized, validly existing, and in good standing under the laws of the Commonwealth of Kentucky, and is duly licensed or qualified and in good standing in each jurisdiction where the nature of its business and its activities requires it to be so qualified.

(b) Authorization, Execution, Binding Effect. This Amendment has been duly authorized, executed and delivered by all necessary cooperative action by Big Rivers and, assuming the due authorization, execution and delivery hereof by each E.ON Station Two Party, the City of Henderson and the City Utility Commission, constitutes the legal, valid and binding obligation of Big Rivers, enforceable against Big Rivers in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, arrangement, moratorium or other laws relating to or affecting the rights of creditors generally and by general principles of equity.

(c) No Violation. The execution, delivery and performance by Big Rivers of this Amendment, the consummation by Big Rivers of the transactions contemplated hereby, and the compliance by Big Rivers with the terms and provisions hereof, do not and will not (i) contravene any Applicable Laws or Big Rivers' Articles of Incorporation or By-Laws, or (ii) contravene the provisions of, or constitute a default (or an event which, with notice or the passage of time, or both, would constitute a default) by it under, any indenture, mortgage or other material contract, agreement or instrument to which Big Rivers is a party or by which Big Rivers, or its property, is bound, or result in the creation of any lien on the property of Big Rivers.

(d) No Required Consents. All consents, approvals, resolutions, authorizations, actions or orders, including, those which must be obtained from any Governmental Entities, required for the authorization, execution and delivery of, and for the consummation of the transactions contemplated by, this Amendment by Big Rivers have been obtained prior to the date hereof.

Section 6.3 Representations and Warranties of the City of Henderson and the City Utility Commission. The City of Henderson and the City Utility Commission hereby severally represent and warrant to each of the E.ON Station Two Parties and Big Rivers that:

(a) Organization and Existence. The City of Henderson is a municipal corporation and city of the second class duly organized and existing under the laws of the Commonwealth of Kentucky. The City Utility Commission is a public body politic and corporate duly organized and existing under Kentucky Revised Statutes § 96.530 and related statutes.

(b) Authorization. Execution. Binding Effect. This Amendment has been duly authorized, executed and delivered by the City of Henderson and the City Utility Commission, and, assuming the due authorization, execution and delivery hereof by each E.ON Station Two Party and Big Rivers, constitutes the legal, valid and binding obligation of the City of Henderson and the City Utility Commission, enforceable against the City of Henderson and the City Utility Commission in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, arrangement, moratorium or other laws relating to or affecting the rights of creditors generally and by general principles of equity.

(c) No Violation. The execution, delivery and performance by the City of Henderson and the City Utility Commission of this Amendment, the consummation by the City of Henderson and the City Utility Commission of the transactions contemplated hereby, and the compliance by the City of Henderson and the City Utility Commission with the terms and provisions hereof, do not and will not (i) contravene any Applicable Laws, or (ii) contravene the provisions of, or constitute a default (or an event which, with notice or the passage of time, or both, would constitute a default) by it under, any indenture, mortgage or other material contract, agreement or instrument to which the City of Henderson or the City Utility Commission is a party or by which the City of Henderson or the City Utility Commission, or its property, is bound, or result in the creation of any lien on the property of the City of Henderson or the City Utility Commission.

(d) No Required Consents. All consents, approvals, resolutions, authorizations, actions or orders, including, those which must be obtained from any Governmental Entities, required for the authorization, execution and delivery of, and for the consummation of the transactions contemplated by, this Amendment by the City of Henderson and the City Utility Commission have been obtained prior to the date hereof.

ARTICLE 7

SO2 ALLOWANCES AND NO_x ALLOWANCES

Section 7.1 Allowances under Station Two Contracts. Big Rivers agrees with the City of Henderson and the City Utility Commission that, notwithstanding anything contained in this Station Two Termination and Release to the contrary, following the date hereof (a) the City of Henderson and the City Utility Commission shall receive the Station

Two SO2 allowances and Station Two NOx allowances to which the City of Henderson and the City Utility Commission are entitled as provided for in the Station Two Contracts, and (b) in the case of any such allowances accruing or arising with respect to periods prior to the date hereof which are to be allocated in accordance with the Station Two Contracts subsequent to the date hereof, the City of Henderson and the City Utility Commission shall receive such allowances to which they shall be entitled upon allocation thereof following the date hereof in accordance with the Station Two Contracts.

ARTICLE 8

TAX MATTERS

Section 8.1 Tax Acknowledgments and Commitments. Big Rivers and the E.ON Station Two Parties agree with the City of Henderson and the City Utility Commission that, in the event any of the transfers or assignments by WKEC to Big Rivers, effected or to be effected pursuant to the Transaction Termination Agreement (or one or more other "Definitive Documents" referred to in the Transaction Termination Agreement), of inventory, personal property, agreements, permits, SO2 allowances or NOx allowances relating to Station Two or to the Joint Use Facilities shall result in the assessment or imposition of any sales or use taxes by any taxing authority, those sales or use taxes shall not be allocated by Big Rivers or the E.ON Station Two Parties to Station Two as operating or *maintenance costs or expenses (or other expenses)* recoverable by them under the Station Two Operating Agreement. In addition, the City of Henderson and the City Utility Commission, on the one hand, and Big Rivers, on the other hand, agree that, as between them, the apportionment of property taxes (or responsibility for the same) between the E.ON Station Two Parties and Big Rivers, and the allocation of responsibility for unemployment taxes and workers' compensation premiums between the E.ON Station Two Parties and Big Rivers, in each case pursuant to the Transaction Termination Agreement (or any other Definitive Document), shall not relieve Big Rivers from responsibility for the payment or discharge following the date hereof of property taxes, unemployment taxes and workers' compensation premiums to the extent and in the manner contemplated in the Station Two Contracts (but subject to the provisions of the Station Two Contracts). Nothing contained in this Section 8.1 shall amend, modify or supplement the agreements as between Big Rivers and the E.ON Station Two Parties with respect to sales and use taxes, property taxes, unemployment taxes and workers' compensation premiums set forth in the Transaction Termination Agreement or the other Definitive Documents.

ARTICLE 9

MISCELLANEOUS

Section 9.1 Successors and Assigns. This Amendment shall be binding upon, and shall inure to the benefit of and be enforceable by, the Parties named herein and their respective members, shareholders, directors, officers, employees, agents, representatives, advisors, successors, predecessors and permitted assigns, and all other persons or entities claiming by, through or under any of them.

Section 9.2 Governing Law. THIS AMENDMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE COMMONWEALTH OF KENTUCKY.

Section 9.3 Waivers. No waiver of any of the provisions of this Amendment shall be deemed to or shall constitute a continuing waiver or a waiver of any other provision hereof (whether or not similar). No delay on the part of any Party in exercising any right, power or privilege hereunder shall operate as a waiver thereof.

Section 9.3 Further Assurances. Each Party hereby agrees, from and after the date hereof, and upon the reasonable request of any other Party, to do, execute, acknowledge and deliver any and all such other actions, instruments and documents as shall be necessary or appropriate in order to give full force and effect to this Amendment and to the transactions contemplated herein.

IN WITNESS WHEREOF, the Parties have caused this Amendment to be duly executed by their respective authorized officers as of the day and year first above written.

[Signatures appear on the following page.]

BIG RIVERS ELECTRIC CORPORATION

By: _____
Name:
Title:

LG&E ENERGY MARKETING INC.

By: _____
Name:
Title:

WESTERN KENTUCKY ENERGY CORP.

By: _____
Name:
Title:

CITY OF HENDERSON, KENTUCKY

By: _____
Name:
Title:

**CITY OF HENDERSON UTILITY
COMMISSION, D/B/A, HENDERSON
MUNICIPAL POWER & LIGHT**

By: _____
Name:
Title:

FOR VALUABLE CONSIDERATION, the receipt of which is hereby acknowledged, the undersigned, E.ON U.S. LLC, a Kentucky limited liability company and the successor in interest of LG&E Energy Corp. ("E.ON"), in its capacity as the guarantor under that certain Guarantee Agreement [Station Two Obligations] dated as of July 15, 1998, among E.ON, the City of Henderson, Kentucky, and the City of Henderson Utility Commission, hereby consents to the amendments to the Station Two Agreement effected

pursuant to the foregoing Second Amendatory Agreement.

WITNESS the signature of the undersigned as of the ____ day of _____, 2008.

E.ON U.S. LLC

By: _____

Name:

Title:

EXHIBIT A-1

TERMINATION OF CITY EASEMENT

See attached.

EXHIBIT A-2

TERMINATION OF BIG RIVERS EASEMENT

See attached.

EXHIBIT A-3

TERMINATION OF ASSIGNMENT OF EASEMENTS

See attached.

SCHEDULE 4.1

STATION TWO TERMINATED DOCUMENTS

1. Deed of Easement and Right-of-Way, dated July 15, 1998, between Big Rivers, as grantor, and Station Two Subsidiary, LEM and WKEC, as grantees;
2. Deed of Easement and Right-of-Way, dated July 15, 1998, between the City of Henderson, the City Utility Commission, as grantors, and Station Two Subsidiary, LEM and WKEC, as grantees;
3. Assignment of Easements, dated April 30, 2006, among Station Two Subsidiary and LEM, as assignors, and WKEC, as assignee;
4. Acknowledgement and Consent, dated July 15, 1998, among the City of Henderson, the City Utility Commission and LEM;
5. **[Supplementary Agreement on SO₂ Emission Allowances, dated January 18, 2002, between the City Utility Commission and WKEC (including as successor by merger of Station Two Subsidiary)] [NOTE: E.ON, the City and Big Rivers would need to decide how this agreement would be dealt with in connection with the unwind transaction];**
6. Excess Power Agreement (letter agreement) dated July 23, 1999, between LEM and the City Utility Commission; and
7. Designated Representative/Alternate Designated Representative Appointment Agreement, dated August 27, 2002, among the City of Henderson, the City Utility Commission, Big Rivers, Station Two Subsidiary, Gregory Black and Ralph Bowling.

SCHEDULE 5.1

RELEASED STATION TWO DOCUMENTS

1. Designated Representative Appointment Agreement, dated September 24, 2007, among the City of Henderson, the City Utility Commission, Big Rivers, WKEC, Gregory Black and Ralph Bowling;

2. Grant of Rights and Easements, dated as of April 1, 2005, among the City of Henderson, the City Utility Commission, Big Rivers and WKEC;

3. Deed of Easement, dated August 12, 2003, but with retroactive effect to June 1, 1999, among the City of Henderson, the City Utility Commission, Big Rivers, WKEC, LEM, Station Two Subsidiary and WKE, relating to the Reid Station gas line;

LOU: 2431171-2

DOCSNY1:1171052.3

Term Sheet to Resolve Outstanding Issues between Henderson Municipal Power and Light and E.On U.S.

March 19, 2008

Resolution of Existing Contract Disputes

1. **Excess energy value and method** – E.On U.S. would pay HMPL \$584,427 to resolve excess energy claims through October 2007 plus additional amounts, if any, that may occur through the unwind transaction closing date according to the methodology proposed on December 12, 2007.
2. **Back-up energy cost and method** – E.On U.S. would pay HMPL \$277,817 to resolve back-up energy cost claims through October 2007 and to calculate HMPL's back-up energy cost from November 2007 through the date of the unwind transaction closing according to the methodology proposed on December 12, 2007.
3. **2004 H1 Thermal Event** - E.On U.S. would waive HMPL's share of the insurance deductible (\$60,897.44) associated with the 2004 H1 thermal event.
4. **2006 Coal Inventory Adjustment** - E.On U.S. would pay HMPL \$400,000 to resolve all claims related to the 2006 coal inventory adjustment.

Resolution of Plant Condition Claims and HMPL's Consent to the Unwind Transaction

1. E.On U.S. would agree that HMPL can preserve all of its rights and remedies relating to plant operations and condition as currently set forth in the 1998 Agreements that survive the termination of those Agreements according to their existing terms. This would be accomplished by amending the termination date in those Agreements from December 31, 2023 to the unwind transaction closing date.
2. E.On U.S. would pay HMPL \$2 million for its consent to the unwind transaction.
3. E.On U.S. would reimburse HMPL for its out-of-pocket third party costs associated with the unwind transaction at closing, not to exceed \$1,400,000.

Mark Bailey

From: Gary Quick [gquick@hmpl.net]
Sent: Wednesday, June 18, 2008 3:41 PM
To: Northam, Patrick R.
Cc: Thompson, Paul; Sinclair, David; Dowdy, Tim; Mike Core; David Spainhoward; Mark Bailey; Jim Miller; kendrick.riggs@skofirm.com; Sturgeon, Allyson; West, C. B.; Ferdon, Robert; Wayne Thompson
Subject: Follow-Up

Good Afternoon Pat:

We wanted to get back to you concerning the comments in your June 12 email and your proposed draft Second Amendatory Agreement. C.B. West and Bob Ferdon are currently reviewing your email and the draft Agreement; we will let you know if we have any questions

We do, however, disagree with a number of the comments in your email about Henderson and the prior Unwind discussions. We noted the comments in your email failed to address Henderson's two basic issues related to the present Condition of Station Two and the Excess Henderson Energy, which have been the sticking points during our discussions with E.ON and Big Rivers. Without an agreement on those two Henderson issues, we cannot agree to your proposed resolutions for the other issues

Thank you, Gary

From: Northam, Patrick R. [mailto:PRN2@gdm.com]
Sent: Thursday, June 12, 2008 5:58 PM
To: Gary Quick; West, C. B.; rferdon@fulbright.com; Wayne Thompson
Cc: Thompson, Paul; Sinclair, David; Dowdy, Tim; mcore@bigrivers.com; David Spainhoward; mbailey@bigrivers.com; Jim Miller; kendrick.riggs@skofirm.com; Sturgeon, Allyson
Subject: Follow-Up

Gary, C B. and Bob,

Thanks again for meeting with us yesterday. It is very unfortunate that progress on the issues between us, and on those between the City and Big Rivers, continue to be elusive. In discussing the results of that meeting in a follow-up meeting with Big Rivers, and during our drive back to Louisville, Paul, David, Tim and I (and we believe the Big Rivers folks) were struck by several of the statements made by one or more of you in our meeting. Those statements lead us to believe that several of you may be confused as to the commitments from the City that are being requested by E.ON in order to accommodate the unwind transactions.

Not since late last year has E.ON sought only a complete release of the E.ON entities (and of Big Rivers) along the lines contemplated in our first draft of the Station Two Termination and Release delivered to the City in May of 2007. In fact, in our meeting with you on February 1 of this year, David Sinclair described for you two alternate proposals, one being the grant by the City of full releases of the E.ON entities and Big Rivers (as we had previously requested) in exchange for a \$1 million "consent fee" from E.ON, and the other being an agreement by the parties merely to accelerate the expiration date of the 1998 Station Two Agreement without new, full releases, thereby allowing the unwind to occur, but also preserving the parties' respective rights to pursue any claims they may have under the provisions of the 1998 agreements that survive their expiration. This proposed "early

6/18/2008

expiration" proposal did not involve the payment of any consent fee by E.ON to the City. However, it was subsequently enhanced when E.ON proposed to pay the City \$1 million at the closing if it would embrace that approach.

Subsequent to that February, 2008 discussion with you, at a meeting held on March 19, 2008 among representatives of Big Rivers, the City and E.ON, Paul Thompson delivered to you the attached proposed "Term Sheet to Resolve Outstanding Issues between Henderson Municipal Power and Light and E.On U.S." As you can see, by this document E.ON proposed to abandon its previous request for a full release from the City, and instead (a) requested only an amendment to the Station Two Agreement that would accelerate its expiration date, leaving both the City and the E.ON entities with the post-expiration protections and benefits that are already contemplated in the Station Two Agreement, and (b) proposed to pay the City a \$2 million consent fee (an enhancement of \$1 million over E.ON's previous proposal) in exchange for the City's agreement to accelerate the expiration date. In effect, E.ON proposed to pay the City a substantial consent fee while at the same time allowing the City to maintain all of its existing rights provided for in the Station Two Agreement that would survive its expiration – quite a generous offer, we believed, considering the significant added benefits that the unwind transaction itself would provide to the City's ratepayer citizens.

In that same proposal E.ON also offered to reimburse the City at the closing for up to \$1,400,000 in out-of-pocket transaction costs incurred by the City in connection with the proposed transactions. We point this out as there was a statement by one of you yesterday that E.ON has refused to reimburse the City for transaction costs (this after E.ON proposed early on that the parties enter into an agreement providing for such expense reimbursements, only to have the City decline on two separate occasions to pursue such an agreement).

To avoid any confusion as to the specific proposal being made by E.ON to the City, attached you will find a draft "Second Amendatory Agreement", which we propose as a means to accomplish the acceleration of the expiration date of our existing agreement, and to address several other incidental matters that (we think you will agree) would warrant attention in connection with that acceleration. Please note, however, that this draft is being sent to Big Rivers for the first time by copy of this message, and they have not yet had an opportunity to review or comment on it.

Once you have had an opportunity to review this draft and the approach we are suggesting, we hope you will agree with us that it is a reasonable and practical means for allowing the unwind transaction to go forward as proposed, while at the same time allowing the City to protect its interests following that transaction.

Incidentally, it was at our February 1 meeting that we shared with you a list of the provisions of the Station Two Agreement that, we believe, provide the City with various post-expiration protections. C.B. indicated yesterday that those provisions are somehow confusing, and implied that they are now not adequate to protect the City. However, neither he nor Bob provided details of that confusion or an explanation of why those provisions would not adequately protect the City upon an expiration of the Station Two Agreement (whether now or in 2023), particularly given how hard the City negotiated for those provisions leading up to the 1998 closing.

As I mentioned yesterday, we believe those provisions are not confusing at all but rather are crystal clear, and certainly would afford the City the post-expiration protections that it bargained for in 1998. We asked you yesterday to articulate how the transaction approach we are proposing would change the City's rights and benefits negotiated for in 1998, sufficient to warrant the numerous changes in the obligations of the E.ON entities (upon an expiration of our agreements) you have proposed. We did not receive a response to that request, however. We continue to believe that the City's rights and benefits would not be changed, but that the City and its residents would in fact benefit greatly by the unwind transactions, particularly given the significant consent fee and transaction cost reimbursement that E.ON has proposed for the City's benefit.

Given the importance of the unwind transaction to the economy of Western Kentucky, E.ON strongly urges you to reconsider your position on these matters.

Patrick R. Northam, Esq.

Member - Corporate and Commercial Group

6/18/2008

Greenebaum Doll & McDonald PLLC

3500 National City Tower
101 South Fifth Street
Louisville, Kentucky 40202

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Main: (502) 589-4200 Web: www.greenebaum.com
Fax: (502) 540-2296

The following warning is required by the IRS whenever tax advice is given. If this email contains no direct or indirect tax advice, the warning is not applicable.

As a result of perceived abuses, the Treasury has recently promulgated Regulations for practice before the IRS. These Circular 230 regulations require all attorneys and accountants to provide extensive disclosure when providing certain written tax communications to clients. In order to comply with our obligations under these Regulations, we would like to inform you that since this document does not contain all of such disclosure, you may not rely on any tax advice contained in this document to avoid tax penalties nor may any portion of this document be referred to in any marketing or promotional materials.

This message has been sent from a law firm and may contain information which is confidential or privileged. If you are not the intended recipient, please advise the sender immediately by reply e-mail and delete this message and any attachments without retaining a copy. Please advise immediately if you or your employer do not want us to use Internet e-mail for future messages of this kind. Thank you.



RECEIVED AUG 04 2008

HENDERSON MUNICIPAL POWER & LIGHT

August 1, 2008

Mr. Mike Core
CEO/President
Big Rivers Electric Corporation
PO Box 24
Henderson, KY 42419-0024

Dear Mike:

On June 27 you attended a Special City Commission Meeting. Recently, I was given a verbatim transcript of that meeting and I am attaching a copy of the transcript for your review and file.

I'm sure you can imagine my surprise when I read the comments you made to the Commission during the meeting; those specific comments appear on page 6 of the transcript. At first, I thought you were merely confused; however, you told the City Commission and the general public, who attended the meeting, that the Utility Commission "rebuffed" your requests to meet with Big Rivers "numerous times."

I want to remind you that on more than one occasion I have personally invited you to attend a regular Utility Commission Meeting. I have also offered to call a special Utility Commission Meeting and allow you sufficient time to discuss the Big Rivers' Unwind position. As of this date, you have elected not to accept my invitations. After you have read the attached transcript, it is my hope you will send a letter to the City Commission and correct the statements you made on June 27.

Respectfully,

William L. Smith
Chairman, Henderson Municipal Power & Light

cc: Utility Commission
Mayor Davis
City Commission
City Manager
General Manager

VERBATIM TRANSCRIPT OF
SPECIAL CALLED COMMISSION MEETING
JUNE 27, 2008

Mayor Davis:

We will now call this special called meeting for Friday, June 27, 2008 to order for the Board of Commissioners for the City of Henderson, Kentucky Special Called Meeting. Roll call please.

Carolyn Williams, City Clerk called the roll All Commissioners were present

Mayor Davis:

We are here for consideration of a resolution in support of Henderson Municipal Power and Light Utility Commission regarding the Unwind between E.ON/Big Rivers and the City of Henderson.

Carolyn Williams:

I have Resolution Number 53-08. RESOLUTION OF SUPPORT AND ENCOURAGEMENT TO THE HENDERSON MUNICIPAL POWER & LIGHT UTILITY COMMISSION AND GENERAL MANAGER.

Commission requested the Resolution be read in entirety

Carolyn Williams:

WHEREAS, Henderson Municipal Power & Light, Big Rivers Electric Corporation, E.ON, and other parties, are currently engaged in unwind" negotiations which involve the City's electric utility; and

WHEREAS, the Henderson Municipal Power & Light Utility Commission was organized by the City of Henderson to operate and manage the City's electric utility; and

WHEREAS, the Henderson Municipal Power & Light Utility Commission has full authority and responsibility to resolve these issues in the best interest of the citizens and ratepayers of the utility;

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the City of Henderson, Kentucky, that:

Carolyn Williams: (continued)

(1) The Board gives its full support and encouragement to the Henderson Municipal Power & Light Utility Commission and General Manager in all matters relating to the “unwind” transaction between Henderson Municipal Power & Light, Big Rivers Electric Corporation, E.ON, and other parties.

Mayor Davis:

We have a resolution on the floor. We will entertain a motion.

Motion was made by Commissioner Jim White and seconded by Commissioner Mike Farmer.

Mayor Davis:

Discussion, please? And, because we do have guests in the audience, if they would like to make a comment as a part of that discussion, I will open the floor. Yes, Mr. Core. Identify yourself at the microphone, please.

Mike Core:

Your Honor, and Members of the Council. My name is Mike Core. Michael Core. I'm President and CEO of Big Rivers Electric Corporation, a position I've held for nearly 12 years. It doesn't seem possible, and I would like to make comments today if you would permit me.

Mayor Davis:

Yes, sir.

Mike Core:

I'm a little concerned about your motion. There are always two sides to every story and these two sides, actually there are three here, but let me address Big Rivers and HMP&L for the moment. These two sides are clearly part of the same contract and what we're looking for here is a way to move forward on this and it seems to me your proposal to support the City of Henderson Municipal Power & Light is somewhat one-sided.

We have often times tried to come before this group or meet individually and explain these contractual issues from our point of view. We have not been permitted to do that and yet we are now being put on the side of a Resolution that supports Henderson Municipal Power & Light without yet having heard the Big Rivers side of this story. I'm not here to support or defend E.ON, they have their own negotiations with the City, with HMP&L, and I understand that. We are trying to do something here that is a very important project for the entire community, the City, the County and the surrounding areas here.

Mike Core: (continued)

This is a very complex transaction. Yes, it involves a lot of money, but it involves tremendous risks coming back to Big Rivers to operate these power plants and provide the volume of energy that goes to not only Alcan, but to Century and that is a load that no other electric generation and transmission cooperative, nor utility that I'm aware of, has to support in this country, that is two large smelters and a 98% load factor. You know the jobs involved. I'm not going to go into those kinds of things

There has been a long standing contract that has served the City, Big Rivers, and HMP&L, and E.ON very well over these years and brought tremendous values to both sides of this and I think to try to support one side while not understanding at least the other side of this is probably premature and certainly this thing has been going on for awhile. But, we have tried and tried to sit down and have a full discussion. We would like to be able to do that. Now, today's probably not the day to do it, although we can sit here and talk all day if you want to, but we're concerned that the support being shown for the City or by the council for HMP&L is premature because we simply haven't had a chance for you to hear us, and we know that HMP&L has had the opportunities in one way or another to visit with the City on these issues and there are two very important sides to this and so I would beg the indulgence of the council and ask that you table this, and not pass this until you've had the opportunity to visit with us and understand the issues here because we think it is too important to take quick action without understanding both sides of this. I'll be glad to answer any questions that you might have at this time and that would conclude my remarks at this time.

Mavor Davis:

Thank you, Mike. Does anybody on the council... would anyone else like to address the council at this time? Alright, any council members have any comments or questions at this time? Hearing none....

Mike Core:

Tom, I have one thing to add.

Mavor Davis:

Yes, Mike.

Mike Core:

I just wanted to point out to that the City is a party to these agreements as well. In other words, they're a party to the agreements. It's not like we're trying to pull them in from the outside and so they need to understand that they bear some responsibility as a part of the contract to work with those parties in that contract. Thank you.

Mayor Davis:

Thank you, Mike. Anybody else? Any other comments or questions? Roll call please.

Commissioner Kuerzi:

I want to make one comment. Mr. Core said that what's involved here are very complex issues, very complicated issues and I would say to those gathered that us here being non-professional in the particular industry it is very difficult for us to understand the complex and complicated issues that's why we want to turn the process or leave the process in the hands of HMP&L. The folks at HMP&L understand the issues, we don't. So, it doesn't behoove us to be arbitrators, mediators in this situation. We have to trust HMP&L. That's the people we hire. So, the complex issues is a damning comment in my opinion because it reinforces my opinion that we do need to leave it in the hands of the professionals, not leave it to a commission like this who don't have all the facts and don't understand all the facts.

Mayor Davis:

Yes, Mike...

Mike Core:

I understand your comment, but with all due respect, for you to take the side of one of the parties, which I read this Resolution as. You're taking the side of one of the parties, creates an issue that I think is inappropriate for discussion among all the parties in this contract. A contract which is complex, commissioner, but some of the issues are fairly straightforward too and there is a great deal of complexity, but there is some fairly straightforward issues in this that with a little discussion I think at least there's an understanding of some of that that's in there and the only thing we take any objections to is that the commission supports, it supports HMP&L, and it doesn't support Big Rivers and it doesn't support the other side and I understand what you're doing, but to me you're taking a side here instead of urging the parties to get forward on this. It's taking the side of one of the parties whose contract, who's a party to this contract.

Mayor Davis:

Any comments or questions? Roll call please.

Carolyn Williams called the roll call for voting Commissioners Farmer, White, Mills and Kuerzi responded with Aye. Upon call for Mayor Davis' vote, he chose to make a comment before voting.

Mayor Davis:

Well, I'm going to take the opportunity at this time to explain my vote, explain my feelings, which I have been very silent on for quite some time. As Mr. Core said, this has been an ongoing issue. The contract has been on the table, possibly for what, four years? Mike? Something like that?

Mike Core:

Well, the discussion between us started five years ago, but it's been at least 2 or 3 years in discussion.

Mayor Davis:

So, in the amount of paper that has been generated the contract...we'll not belabor that. Having only been in office for a year and a half, almost that whole time of my term so far, there has been discussions of the Unwind. Well probably, unlike my fellow Commissioners, I have taken the opportunity to speak with Big Rivers. I have taken the opportunity to speak with Western Kentucky Energy, E.ON. I have taken the opportunity to speak with our own Utility. Having a former background in the rural electric program, I do bring to the table a little bit more than a general understanding of some of the complexities, but I will not address that part of it here.

What I will address is my feelings, personally, as the Mayor of this community, right now, that we have so many things to think about with this resolution. Mike, you are probably somewhat correct in your assessment as to probably how this will be viewed by parts of the community, but I wish to make this public statement as to what my vote is for as far as this resolution. Yes, there are clear words on the paper, but the biggest word that comes to my mind there is the word, encouragement. My word of encouragement to the Henderson Municipal Utility Board of Directors, who I have appointed several of those members with my full faith and confidence and they have lived up to that full faith and confidence, is that they do continue to negotiate, continue to come to the table, continue to discuss this issue with both E.ON, Western Kentucky Energy and Big Rivers, with what I call the full faith and confidence that has been installed in them for the City of Henderson, but also for the entire Western Kentucky region, which they are a part of, even though they control our part of the utilities and represent us in that. They must understand that they are a part of the bigger picture and that they have that responsibility also lies with them. Even though they are elected to represent our utility, it is a part of a bigger issue than that especially in this. But, that's the key word. I will go back to it, encouragement.

Mayor Davis: (continued)

My viewpoint of this resolution. I am not taking a side. I am telling or asking, I'm not telling, as Mr. Kuerzi, so aptly said. We appointed this Utility Commission to act on our behalf to operate that commission and until they are replaced or removed or not there any more, they are acting on our behalf as required by Kentucky State Statute. So, my viewpoint is, yes, you will act on my behalf. I will not intercede. I will not cause undue influence, but I will encourage you to act on the best behalf of everybody concerned, continue to respond to requests from E.ON, Big Rivers, to come to the table and discuss this matter with the full faith and confidence that we have instilled in them, but also the full faith and confidence of a true open negotiation because that is my word of encouragement. I will vote for this resolution based on those facts. Aye.

Mike Core:

Tom, may I make a follow up.

Mayor Davis:

Yes, you can.

Mike Core:

I very much appreciate your attitude and I may call you Tom here because I think we know each other better as Mike and Tom, and I hope that those words don't ring hollow at HMP&L. We have been unable to meet with their board. We have requested numerous times to have a discussion with their full board on this and have been rebuffed. I hope they will negotiate. Negotiations mean give and take and so far the negotiations have been all no and it has been very frustrating for us and hopefully your message will be delivered to them that this is a negotiation, that it does take, give and take. We've made 3 or 4 different offers. All go back to the original offer that says no and so I don't want to negotiate in public here, but following on what you're saying and I appreciate that, that I truly hope that they will negotiate and their board should be willing to meet with us. I can understand your difficulty in meeting with us, Commissioner Kuerzi, and others because of the complexities here, but the HMP&L Board should be able to meet with us and they have yet to be able to do that and yet have not reached, and have not given any agreement. We've had the ability to talk to one or two of them, but never as a group. So, I would hope that that message gets delivered to the HMP&L Utility as well. Thank you.

Mayor Davis:

Thank you, Mike. If there is nothing else on the agenda, I'll entertain a motion to adjourn.

Motion was made and seconded.

Mayor Davis:

That concludes our meeting. Thanks everyone for being here this morning.

HMP&L HENDERSON MUNICIPAL POWER & LIGHT

RECEIVED SEP 16 2008

September 15, 2008

Mr. William Denton
Chairman of the Board of Directors
Big Rivers Electric Corporation
126 N. Main St.
Henderson, KY 42420

Dear Bill,

I hope you and the BREC Board members have discussed HMPL's recent proposal for our contract going forward. We would like to have BREC's formal response prior to September 25th. This will give HMP&L Commissioners and me time to review your response before the regular HMP&L meeting on September 29.

Also, have you given any further consideration to having the BREC Board meet with the HMP&L Commission? Please let me know. We would like to know the BREC Board's level of concern over the condition of the generating facilities which the BREC Board will be responsible for in the event the Unwind is approved.

Please let me have your response as soon as possible and thank you very much.

Sincerely,



Bill Smith, Chairman
Henderson Municipal Power & Light

SEPTEMBER 2, 2008 MEETING (5:00 PM)
BILL DENTON
BILL SMITH

Henderson's Annual Station Two "Megawatt Hour Fixed Cost" will be calculated as follows:

$$\frac{\text{Henderson's Annual Station Two Budget Capacity Payment}}{\text{Annual Gross Reserved Henderson Energy From Station Two}} = \text{Henderson's Average Megawatt Hour Fixed Cost}$$

Fixed Cost Example: $\frac{\$ 9,000,000}{* 832,200 \text{ MWH}} = \underline{\underline{\$10.81 / \text{Megawatt Hour}}}$

* Using 95 MW Capacity Reservation

"Gross Reserved Henderson Energy" will be calculated as follows:

$$\text{Henderson Capacity Reservation} \times 24 \text{ Hours} \times 365 \text{ Days} = \text{Gross Reserved Henderson Energy}$$

$$\text{Gross Reserved Henderson Energy Example: } 95 \text{ MW} \times 24 \text{ Hours} \times 365 \text{ Days} = \underline{\underline{832,200/\text{Megawatt Hours}}}$$

"Excess Henderson Energy" will be calculated as follows:

$$\text{Gross Reserved Henderson Energy} - \text{Actual Station Two Energy Taken by Henderson} = \text{Excess Henderson Energy}$$

$$\text{"Excess Henderson Energy" Example: } 832,200 \text{ MWH} - 670,000 \text{ MWH} = \underline{\underline{162,200 \text{ MWH}}}$$

Total Value of Excess Henderson Energy will be calculated as follows:

$$\text{Henderson's Megawatt Hour Fixed Cost} \times \text{Excess Henderson Energy} = \text{Total Value of Excess Henderson Energy}$$

$$\text{Total Value of Excess Henderson Energy Example: } \$10.81 \text{ MWH} \times 162,200 \text{ MWH} = \underline{\underline{\$1,753,382}}$$

DISCUSSION POINT:

- A. BREC and HMP&L Total System Net Capacity: ⁽¹⁾ 1,706 MW
- (1) Includes HMP&L Station Two @ 312 MW and Excludes Reid Station C.T. @ 65 MW

- B. Allocate the fixed cost expense of Excess Henderson Energy to the net energy of Big Rivers System, including HMP&L Station Two and excluding BREC Reid Station C.T.

Allocation Example:

\$1,753,382 HMP&L fixed cost expense
(for 162,200 megawatt hours of Excess Henderson Energy)

$$\frac{\$1,753,382}{14,944,560 \text{ MWH}} = \underline{\underline{\$0.12 \text{ MWH}}}$$

$$(1,706 \text{ MW} \times 24 \text{ Hours} \times 365 \text{ Days} = 14,944,560 \text{ MWH})$$

- C. In this example, the customers of Henderson and Big Rivers would pay \$0.12 per megawatt hour to offset the fixed cost of Henderson's Excess Energy.
- D. Henderson would pay Big Rivers \$0.12 per megawatt hour for all energy related to its Capacity Reservation.

Example: If Henderson's Annual Capacity Reservation is 95 megawatts, the Reserved Henderson Energy would be 832,200 megawatts and Henderson would pay Big Rivers \$99,864. In the event one or both Smelters do not take their total electric service requirements from Big Rivers, Henderson shall terminate this payment.

- E. Henderson will take a monthly credit on its Station Two Capacity Payment equal to 1/12 of the total value of the anticipated Excess Henderson Energy.

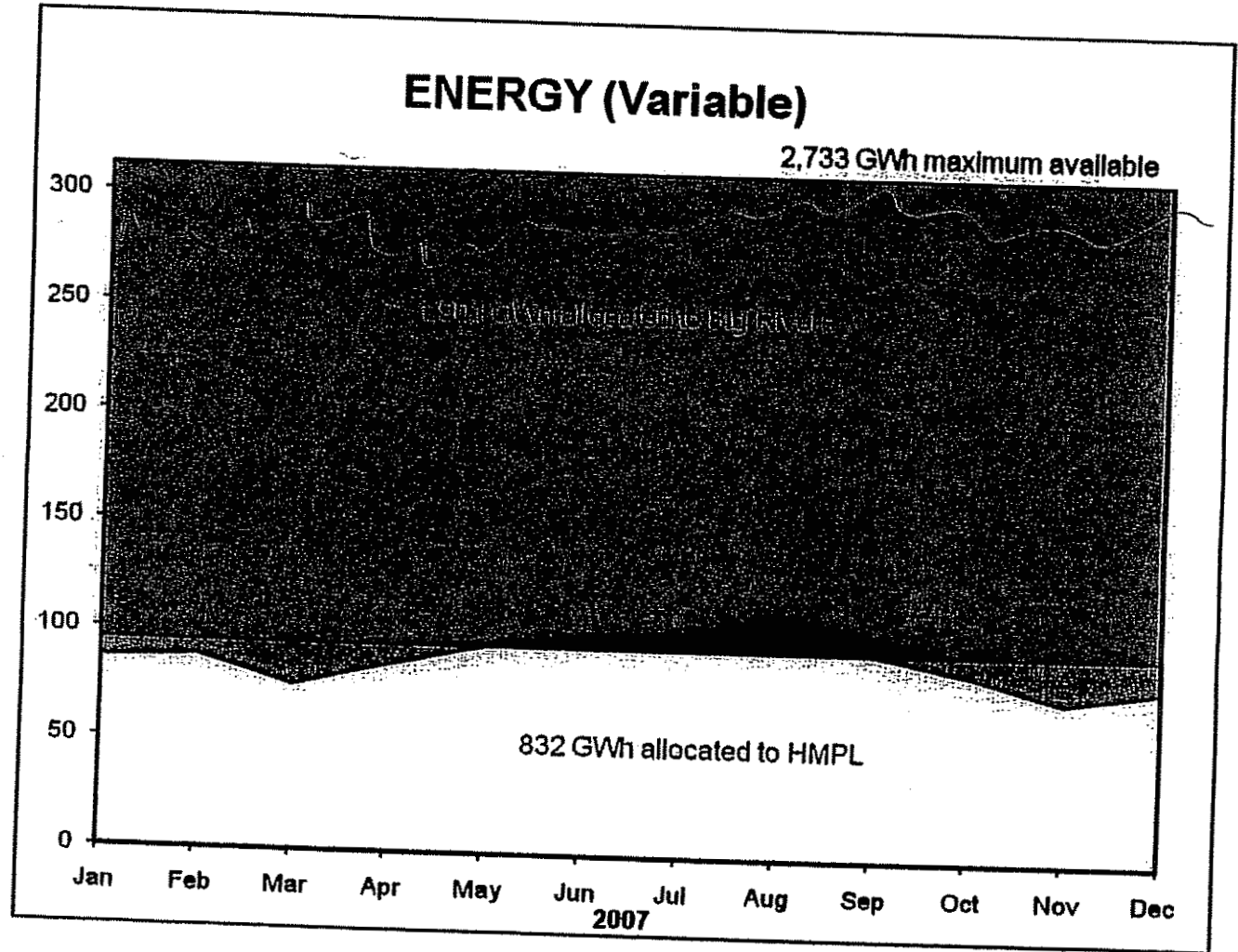
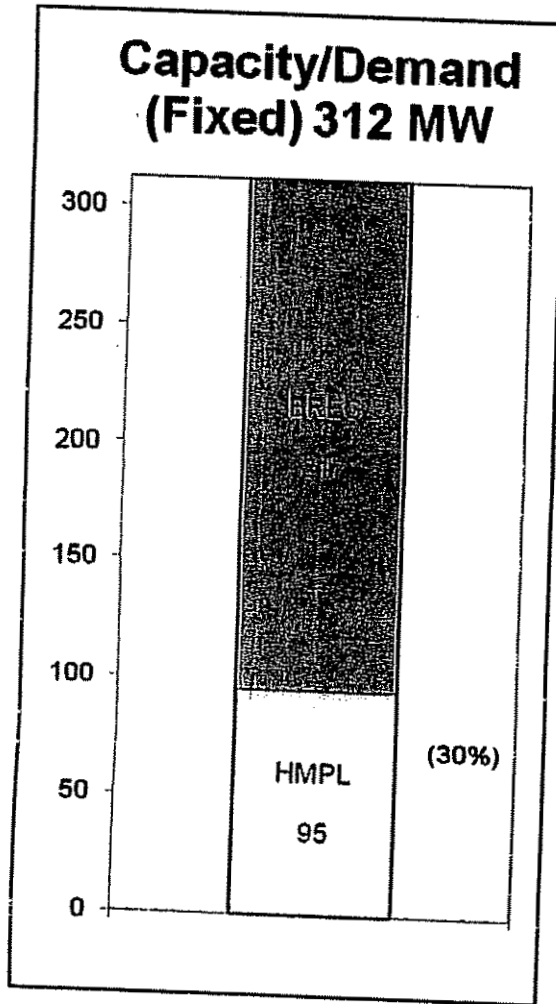
Note: The allocated HMP&L fixed cost expense will vary each year based upon the Station Two Budget and HMP&L's reserved capacity at Station Two.

The Henderson Utility Commission has no interest in placing the City and future Utility Commission members in the position which exists today with Big Rivers and the Unwind.

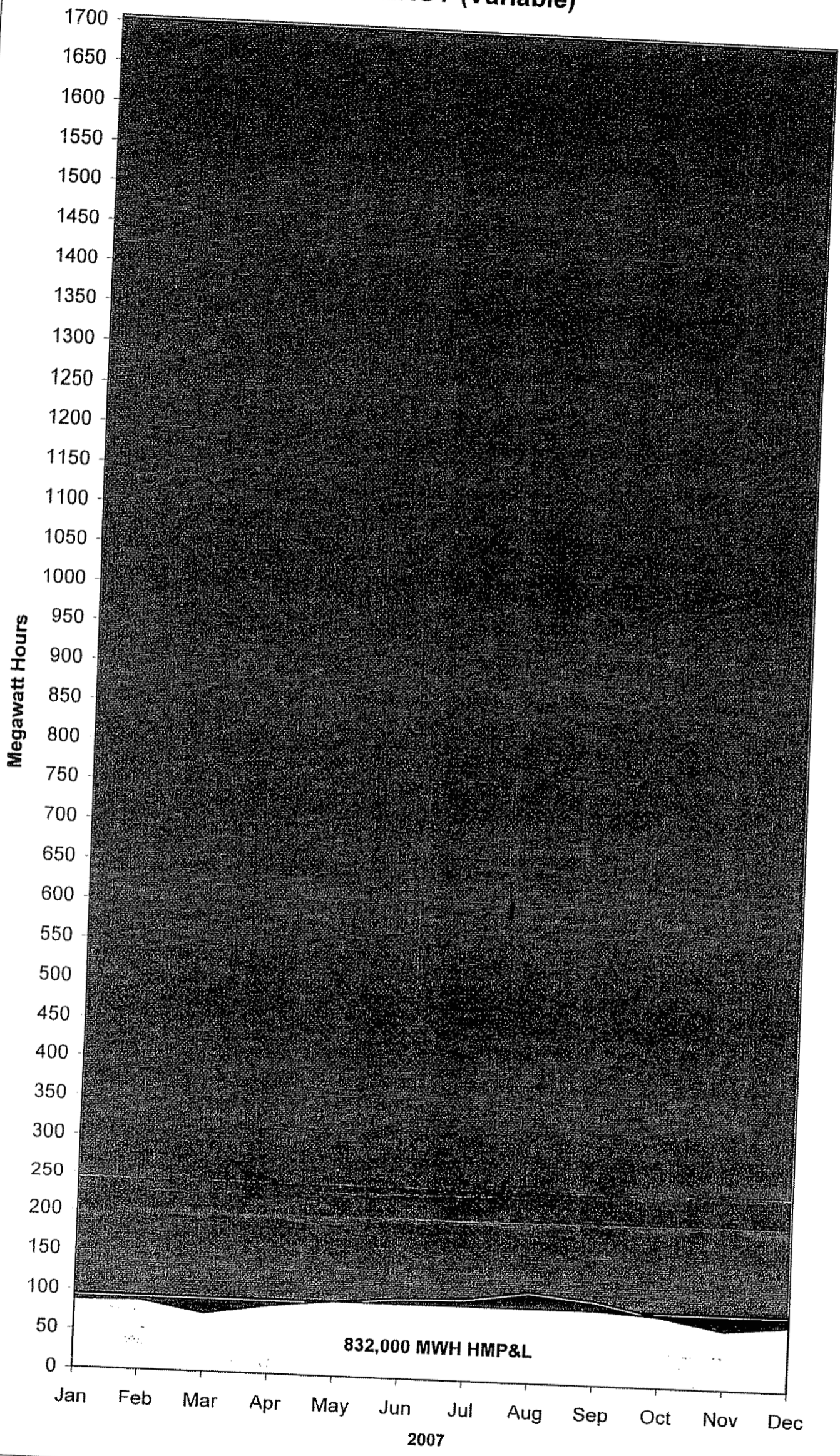
The Utility Commission wants the Station Two contracts amended to provide that in the event Big Rivers has financial problems after the Unwind and files bankruptcy, the City of Henderson will take over the operations of Station Two and Big Rivers will immediately transfer all operational rights and responsibilities to the City. All Station Two contracts and agreements will be voided.



Electricity Cost / Pricing Principles



ENERGY (Variable)





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

September 23, 2008

Dr. William L. Smith
1000 North Elm Street
Henderson, KY 42420

Dear Bill:

The Big Rivers' Board reviewed and discussed your letter at our regularly scheduled meeting on September 19. It was agreed that Mark Bailey would contact Gary Quick to discuss our response. I agree with your thoughts that a joint meeting might not be productive.

If you have any questions, please advise.

Sincerely,

BIG RIVERS ELECTRIC CORPORATION

A handwritten signature in cursive script that reads 'Bill'.

William C. Denton
Chair of the Board



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

September 24, 2008

Mr. Gary Quick
General Manager
Henderson Municipal Power & Light
P. O. Box 8
Henderson, KY 42419-0008

Dear Gary:

Big Rivers' management and Board have reviewed the proposal HMP&L's Chairman Bill Smith gave to Big Rivers' Chairman William Denton during a meeting held earlier this month. While we appreciate HMP&L's willingness to try to find a solution; unfortunately, the proposal does not work for Big Rivers because it shifts costs to our Members and substantially changes the Station Two agreements. As you are aware, Big Rivers and E.ON have made several proposals to HMP&L which were rejected. Each proposal offered incentives to HMP&L for its consent without materially changing the Agreements.

The contract amendment requested by HMP&L to void all Station Two contracts and agreements in the event of a Big Rivers' bankruptcy is also unworkable. Big Rivers has invested more than 80 percent in Station Two's debt retirement and capital costs and has a "life of the unit" contract which is of considerable value to Big Rivers and its Members. Big Rivers is, therefore, unwilling to transfer the contract obligations or benefits to anyone; especially without due compensation. Even if Big Rivers was willing to make such a change (which it is not), it would certainly be unacceptable to our creditors whose approvals would also be required.

We continue to be open to finding a solution to this dilemma and are hopeful one can be found. The matter is simply too important to our community not to do so.

Sincerely

BIG RIVERS ELECTRIC CORPORATION

A handwritten signature in black ink that reads 'Mark A. Bailey'.

Mark A. Bailey
Executive Vice President

c: Mr. William Denton
Mr. David Spainhowerd

HMP&L 2/27/08
Marked Against HMP&L
Draft of 11/7/07

STATION TWO
TERMINATION AND RELEASE
AGREEMENT

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STATION TWO TERMINATION AND RELEASE AGREEMENT

~~THIS~~This **STATION TWO TERMINATION AND RELEASE AGREEMENT** (THE "~~STATION TWO TERMINATION AND RELEASE~~the "Station Two Termination and Release""), dated as of [_____], 2008, by and among (a) BIG RIVERS ELECTRIC CORPORATION, a Kentucky rural electric generation and transmission cooperative ("**Big Rivers**"), (b) E.ON U.S. LLC ("**E.ON**"), a Kentucky limited liability company f/k/a LG&E Energy LLC, and the successor to LG&E Energy Corp., a Kentucky corporation ("**LEC**"), LG&E ENERGY MARKETING INC., an Oklahoma corporation ("**LEM**"), and WESTERN KENTUCKY ENERGY CORP., a Kentucky corporation ("**WKEC**") and the successor by merger with (i) WKE CORP., a Kentucky corporation ("**WKE**"), and (ii) WKE STATION TWO INC.Station Two Inc., a Kentucky corporation ("**Station Two Subsidiary**") (WKEC, together with E.ON and LEM, the "**E.ON Station Two Parties**"), and (c) the CITY OF HENDERSON, KENTUCKY (the "**City of Henderson**") and the CITY OF HENDERSON UTILITY COMMISSION, d/b/a Henderson Municipal Power & Light (the "**City Utility Commission**") (collectively, the "**Parties**").

RECITALS:

A. Prior to the effectiveness of the Plan of Reorganization (defined below), Big Rivers operated Station Two and the Joint Use Facilities, and purchased a certain portion of the output of Station Two.

B. In accordance with the First Amended Plan of Reorganization in Big River's bankruptcy proceeding, as modified and restated on June 9, 1997 (as so modified, the "**Plan of Reorganization**"), Big Rivers, LEM, Station Two Subsidiary and WKEC entered into a New

Participation Agreement, dated April 6, 1998 (as amended, the "*Participation Agreement*") and certain other documents.

C. In accordance with the Participation Agreement, Station Two Subsidiary assumed certain of Big Rivers' operational responsibilities with respect to Station Two and the Joint Use Facilities, and LEC, WKEC, LEM, Station Two Subsidiary, the City of Henderson, the City Utility Commission and Big Rivers executed and delivered certain agreements, including the Station Two Agreement, and created certain interests in favor of, and certain obligations assumed by, one or more of the E.ON Station Two Parties with respect to Station Two ~~and~~, the Joint Use Facilities and the Station Two Site.

D. Big Rivers and the E.ON Station Two Parties have concluded that it is in their mutual best interests to terminate and release the property interests and contractual relationships created by the Participation Agreement, the Station Two Agreement and the ~~certain~~ other operative documents, and have executed and delivered a Transaction Termination Agreement, dated as of March 26, 2007, as amended ~~on _____~~ as of November 1, 2007 (the "*Transaction Termination Agreement*"), setting forth the terms and conditions upon which Big Rivers and ~~certain~~ of the E.ON Station Two Parties are willing to terminate and release such property interests and contractual relationships. A condition precedent to the consummation of the transactions contemplated in the Transaction Termination Agreement is the execution and delivery of this Station Two Termination and Release by the City of Henderson, the City Utility Commission, Big Rivers and the E.ON Station Two Parties.

E. The City of Henderson and City Utility Commission are amenable to the termination of ~~the~~ property interests and contractual relationships with the E.ON Station Two

Parties created by the Station Two Agreement and the other agreements and instruments contemplated therein, and are willing to release the E.ON Station Two Parties from further liability, duties and responsibility under the Station Two Agreement, the Station Two Contracts and the other documents to which the City of Henderson and/or the City Utility Commission, on the one hand, and the E.ON Station Two Parties (or any of them), on the other hand, are parties, upon the terms and subject to the conditions set forth in this Station Two Termination and Release.

F. Prior to the date hereof, WKE and Station Two Subsidiary were merged with and into WKEC in accordance with Kentucky law, with WKEC being the surviving entity in that merger succeeding to all of the assets, properties, rights, debts, obligations and liabilities of WKE and Station Two Subsidiary, respectively.

G. Also prior to the date hereof, LEM assigned and transferred to WKEC, among other agreements and rights, all rights, title and interests of LEM under or pursuant to the Station Two Agreement, the Station Two Power Sales Agreement and certain other agreements or instruments with Big Rivers and/or the City of Henderson {or the City Utility Commission} relating to Station Two and/or the Joint Use Facilities. However, LEM was not, by reason of such assignments and transfers, relieved from its debts, obligations or liabilities under or pursuant to those agreements or instruments.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements set forth below, the E.ON Station Two Parties, Big Rivers, the City of Henderson and the City Utility Commission each agree as follows:

ARTICLE 1~~ARTICLE 1~~

DEFINITIONS

Section 1.1 Definitions. Capitalized terms used in this Station Two Termination and Release (including the Recitals, Exhibits and Schedules hereto) and not otherwise defined herein shall have the meanings set forth in Exhibit A to this Station Two Termination and Release. The rules of interpretation set forth in Exhibit A to this Station Two Termination and Release shall apply to this Station Two Termination and Release and to the Parties' respective rights and obligations hereunder.

ARTICLE 2~~ARTICLE 2~~

CLOSING

Section 2.1 Closing. ~~The Parties shall mutually agree in writing upon a date~~Closing shall take place on the date of the closing of the transactions under the Transaction Termination Agreement, provided that such date shall be satisfactory to the City Utility Commission and provided further that all conditions precedent to the Closing set forth in Article 1720 have been satisfied or waived and all other obligations of the Parties set forth in this Station Two Termination and Release have been performed (the “Unwind Closing Date”). The Closing shall take place at the offices of Henderson Municipal Power & Light, 100 Fifth Street, Henderson, Kentucky, commencing at 10:00 a.m. local time on the Unwind Closing Date.

ARTICLE 3————

ARTICLE 3~~STATION TWO~~

TERMINATION PAYMENT

Section 3.1 ~~Station Two Termination Payment to Henderson.~~ At the Closing, E.ON~~WKEC~~ shall pay to the City Utility Commission the sum of _____ (\$ _____) in immediately available funds (the "~~Station Two Henderson Termination Payment~~") in consideration of the City of Henderson's and the City Utility Commission's release of the E.ON Station Two Parties and Big Rivers from their respective liabilities, responsibilities and obligations as provided in ~~Sections~~Section 4.4, 5-25.2, and 5.6 pertaining to the operation and maintenance of Station Two and the Joint Use Facilities and the purchase of Station Two power by the E.ON~~On~~ Station Two Parties or any of them. The ~~Station Two Henderson Termination Payment~~ shall be in addition to and shall not affect the environmental indemnities provided as set forth in Article 7 ~~below or any of the obligations as to~~or any of the other obligations of the E.ON Station Two Parties or Big Rivers under the Station Two Termination and Release, including the payment of amounts payable to the City of Henderson or the City Utility Commission to satisfy conditions to the Closing as set forth in Section 4-7-20.1

ARTICLE 4~~ARTICLE 4~~

STATION TWO TERMINATED AGREEMENTS

Section 4.1 Station Two Terminated Agreements. As of the Closing, each of Big Rivers, the City of Henderson, the City Utility Commission and the E.ON Station Two Parties, for themselves and their respective successors, predecessors and assigns, and for all other persons or entities claiming by, through or under them, hereby collectively and irrevocably

terminate, discharge and render null and void and of no further force or effect whatsoever each of the agreements, letter agreements, guaranties, easements, mortgage and security agreements, implementing letters, directives and other instruments and documents set forth or identified on Schedule 2.1 hereto (collectively, the "*Station Two Terminated Agreements*") to which such Parties are signatories or beneficiaries.

Section 4.2 Filing of Releases and Termination Statements. As of the Closing, the relevant Party or Parties agree to execute and deliver to the appropriate Party or Parties for purposes of recording or filing the same: (a) termination and releases of Deeds of Easement and Rights-of-Way in substantially the forms attached hereto as ~~Exhibits~~ Exhibit B-1 and Exhibit B-2, respectively, and the termination of the Assignment of Easements in substantially the form attached hereto as Exhibit B-3, (b) releases of mortgage liens and security interests in substantially the forms attached hereto as ~~Exhibits~~ Exhibit B-4 and Exhibit B-5, respectively, and terminations of security interests under Financing Statements filed under the Kentucky Uniform Commercial Code, in substantially the forms attached hereto as ~~Exhibits~~ Exhibit B-6 and Exhibit B-7, respectively, and (c) all such other instruments of termination, discharge or release (in form reasonably satisfactory to the relevant Parties) as shall be required by or otherwise provided for any *Station Two Terminated Agreement*, or as shall be reasonably requested by any Party to evidence such termination, discharge or release or for the purpose of updating the real estate records of Henderson County, Kentucky, in respect of the terminations, releases and discharges of the *Station Two Terminated Agreements* as contemplated herein, including without limitation, such forms as may be required to be filed in Henderson County, Kentucky, and in the office of the Secretary of State of the Commonwealth of Kentucky, in order to terminate, release and discharge any fixture filings, any assignment as security of rights and interests under the *Station*

Two Contracts, or other security interests created by any of the Station Two Terminated Agreements.

Section 4.3 Releases by Big Rivers. As of the Closing, Big Rivers, for itself and its successors, predecessors and assigns, and for all other persons or entities claiming by, through or under any of them: ~~(a)~~(a) hereby fully, irrevocably and forever remises, releases, acquits, waives and discharges any possessory interest in real or personal property and any lien, security interest, charge or encumbrance whatsoever created in favor of Big Rivers by any one or more of the Station Two Terminated Agreements at any time prior to the execution and delivery hereof; and ~~(b)~~(b) hereby fully, irrevocably and forever remises, releases, acquits and discharges each of the City of Henderson, the City Utility Commission, LEC, E.ON, LEM, WKEC, WKE and Station Two Subsidiary, and their respective members, shareholders, directors, officers, employees, agents, representatives, advisors, successors, predecessors and assigns, and each of them (collectively, the "Big Rivers Released Parties"), of and from any and all manner of actions, causes of action, suits, sums of money, accounts, reckonings, covenants, controversies, agreements, promises, remedies, amounts paid in settlement, compromises, losses, levies, rights of contribution, rights of set-off, other rights, damages, judgments, executions, debts, obligations, liabilities, claims and demands of any nature whatsoever, whether or not in contract, in equity, in tort or otherwise whether pursuant to any statute, ordinance, regulation, rule of common law or otherwise, whether direct or indirect, whether punitive or compensatory, whether known or unknown, whether presently discoverable or undiscoverable, whether threatened, pending, suspected or claimed, and whether fixed, accrued, contingent or otherwise (collectively, "Claims"), which Big Rivers ever had, now has, may now have or may hereafter have against any one or more of the Big Rivers Released Parties, resulting from, arising out of or in any

manner relating to: ~~(i)~~(i) any Station Two Terminated Agreement; or ~~(ii)~~(ii) any performance or non-performance by a Big Rivers Released Party under or pursuant to any Station Two Terminated Agreement; or ~~(iii)~~(iii) any breach or default by a Big Rivers Released Party under or pursuant to any Station Two Terminated Agreement howsoever caused and whenever occurring; or ~~(iv)~~(iv) in the case of ~~the each~~ E.ON Station Two Parties, ~~their respective~~ Party (including without limitation, ~~their respective~~ any of its employees², officers², agents², representatives², advisors² and/or contractors² ~~respective~~), its operation, maintenance, repair, upkeep, occupation, generation, use, closure, abandonment, retirement, replacement or possession of, or the condition or ~~state~~ state of repair of, Station Two or any component(s) thereof (including without limitation, any components installed or constructed following the date of the Station Two Agreement), the Joint Use Facilities or any component(s) thereof, the Station Two Site (and any other real property of Big Rivers, the City of Henderson or the City Utility Commission operated, maintained, repaired, kept up, occupied or used by an E.ON Station Two Party (or its employees, officers, agents, representatives, advisors and/or contractors)), any electric energy generated by or capacity associated with Station Two, or any tangible or intangible properties, inventories, spare parts, tools, materials or supplies of, relating to or used in connection with the operation, maintenance, repair, upkeep, occupation, generation, use, closure, abandonment, retirement, replacement or possession of Station Two (or any components thereof), the Joint Use Facilities (or any components thereof), such real property or such electric energy or capacity, in each case whether pursuant to a Station Two Terminated Agreement, a "Released Station Two Contract" (as hereinafter defined) or otherwise; provided, however, that nothing contained in this Section 4.3 shall be deemed to affect, limit, waive or eliminate any other covenant or agreement on the part of any E.ON Station Two Party set forth in, or expressly contemplated as surviving the

"Closing" (used as defined in the Transaction Termination Agreement) ~~or~~ under any other Definitive Document (used as defined in the Transaction Termination Agreement) or contemplated in the Transaction Termination Agreement, it being understood that such other covenants and agreements shall survive the execution and delivery hereof and the transactions contemplated in this Station Two Termination and Release as between Big Rivers and the relevant E.ON Station Two Parties; and provided further, that Big Rivers does not hereby remise, release, acquit, waive or discharge the E.ON Station Two Parties, the City of Henderson or the City Utility Commission of or from performance of and compliance with any obligations under this Station Two Termination and Release to be performed or complied with by the E.ON Station Two Parties (or any of them), or by the City of Henderson or the City Utility Commission.

Section 4.4 Releases by City of Henderson and City Utility Commission. As of the Closing, the City of Henderson and the City Utility Commission, for themselves and their respective successors, predecessors and assigns, and for all other persons or entities claiming by, through or under any of them, hereby fully, irrevocably and forever remise, release, acquit, waive and discharge each of Big Rivers, LEC, E.ON, LEM, WKEC, WKE and Station Two Subsidiary, and their respective members, shareholders, directors, officers, employees, agents, representatives, advisors, successors, predecessors and assigns, and each of them (collectively, the "*City Released Parties*"), of and from any and all Claims which the City of Henderson or the City Utility Commission ever had, now have, may now have or may hereafter have against any one or more of the City Released Parties, resulting from, arising out of or in any manner relating to: ~~(i)~~(i) any Station Two Terminated Agreement; or ~~(ii)~~(ii) any performance or non-performance by a City Released Party under or pursuant to any Station Two Terminated Agreement; or

~~(iii)~~(iii) any breach or default by a City Released Party under or pursuant to any Station Two Terminated Agreement howsoever caused and whenever occurring; or ~~(iv)~~(iv) in the case of the E.ON Station Two Parties, their respective (including without limitation, their respective employees', officers', agents', representatives', advisors' and/or contractors' respective) operation, maintenance, repair, upkeep, occupation, generation, use, closure, abandonment, retirement, replacement or possession of, or the condition or state of repair of, Station Two or any component(s) thereof (including without limitation, any components installed or constructed following the date of the Station Two Agreement), the Joint Use Facilities or any component(s) thereof, the Station Two Site (and any other real property of Big Rivers, the City of Henderson or the City Utility Commission operated, maintained, repaired, kept up, occupied or used by an E.ON Station Two Party (or its employees, officers, agents, representatives, advisors and/or contractors)), any electric energy generated by or capacity associated with Station Two, or any tangible or intangible properties, inventories, spare parts, tools, materials or supplies of, relating to or used in connection with the operation, maintenance, repair, upkeep or use of Station Two (or any components thereof), the Joint Use Facilities (or any components thereof), ~~such real property~~the Station Two Site or such electric energy or capacity, in each case whether pursuant to a Station Two Terminated Agreement, a Released Station Two Contract or otherwise; provided, however, that the City of Henderson and ~~the~~ City Utility Commission do not hereby remise, release, acquit, waive or discharge (x) the E.ON Station Two Parties from their indemnification obligations provided in Section 7.1 and Section 13.1, (y) Big Rivers from its obligations under Section ~~7.2~~7.2, or (z) the E.ON Station Two Parties or Big Rivers from performance of and compliance with the ~~closing~~Closing conditions set forth in Article ~~17~~20 or with any liabilities hereunder or other obligations under this Station Two Termination and

Release to be performed or complied with by the E.ON Station Two Parties (or any of them) or by Big Rivers.

Section 4.5 Releases by the E.ON Station Two Parties. As of the Closing, each E.ON Station Two Party, for itself and its successors, predecessors and assigns, and for all other persons or entities claiming by, through or under any of them: ~~(a)~~(a) hereby fully, irrevocably and forever remises, releases, acquits, waives and discharges any possessory interest in real or personal property and any lien, security interest, charge or encumbrance whatsoever created in favor of such E.ON Station Two Party by any one or more of the Station Two Terminated Agreements at any time prior to the date of the execution and delivery hereof; and ~~(b)~~(b) hereby fully, irrevocably and forever remises, releases, acquits, waives and discharges each of the City of Henderson, the City Utility Commission and Big Rivers, and their respective members, directors, officers, employees, agents, representatives, advisors, successors, predecessors and assigns, and each of them (collectively, the "***E.ON Released Parties***"), of and from any and all Claims which such E.ON Station Two Party ever had, now has, may now have or may hereafter have against any one or more of the E.ON Released Parties, resulting from, arising out of or in any manner relating to: ~~(i)~~(i) any Station Two Terminated Agreement; or ~~(ii)~~(ii) any performance or non-performance by an E.ON Released Party under or pursuant to any Station Two Terminated Agreement; or ~~(iii)~~(iii) any breach or default by an E.ON Released Party under or pursuant to any Station Two Terminated Agreement howsoever caused and whenever occurring; provided, however, that nothing contained in this Section 4.5 shall be deemed to affect, limit, waive or eliminate any other covenant or agreement on the part of Big Rivers set forth in, or expressly contemplated as surviving the "Closing" (used as defined in the Transaction Termination Agreement ~~or~~ under any ~~other~~ Definitive Document (used as defined in the

Transaction Termination Agreement) or contemplated in the ~~Transaction~~transaction Termination Agreement, it being understood that such other covenants and agreements shall survive the execution and delivery hereof and the transactions contemplated in this Station Two Termination and Release as between Big Rivers and the relevant E.ON Station Two Parties; and provided further, that the E.ON Station Two Parties do not hereby remise, release, acquit, waive or discharge the City of Henderson, the City Utility Commission or Big Rivers of or from performance of and compliance with any obligations under this Station Two Termination and Release to be performed or complied with by the City of Henderson, the City Utility Commission or Big Rivers.

ARTICLE 5~~ARTICLE 5~~

RELEASED STATION TWO CONTRACTS

Section 5.1 Released Station Two Contracts. Schedule 3.1 attached hereto sets forth or identifies various contracts, agreements or other instruments to which Big Rivers or the City of Henderson or the City Utility Commission is a party as of the date of execution and delivery hereof, certain of which contracts, agreements or instruments were partially assigned to and assumed by, or were entered into by, one or more of the E.ON Station Two Parties (or their predecessors) prior to the date of the execution and delivery hereof, or under certain of which contracts, agreements or instruments one or more E.ON Station Two Parties may have become a beneficiary, in either case pursuant to the transactions contemplated in one or more of the Station Two Terminated Agreements or other transactions entered into by such E.ON Station Two Parties since the date of the Station Two Agreement (collectively, the “**Released Station Two Contracts**”). The Parties acknowledge that, by reason of the transactions contemplated in this Station Two Termination and Release, the relevant E.ON Station Two Parties shall be released as

of the Closing from the Released Station Two Contracts to which they are a party to the extent and as provided below in this Article 5, but that those Released Station Two Contracts shall hereafter continue in full force and effect as between Big Rivers, on the one hand, and the City of Henderson and/or the City Utility Commission, on the other hand (and with such other parties thereto), in accordance with their respective terms (unless otherwise amended, modified, terminated or replaced by the separate agreement of Big Rivers, the City of Henderson and/or the City Utility Commission). In light of the fact, as contemplated in the Station Two Agreement, that Big Rivers has remained a party to and beneficiary of certain of the Released Station Two Contracts throughout the period during which the relevant E.ON Station Two Parties (as assignees of Big Rivers, or as assignees of one or more other E.ON ~~U.S.~~ Station Two Parties or of Station Two Subsidiary or WKE) may have been parties to or beneficiaries of such Released Station Two Contracts, the City of Henderson and the City Utility Commission acknowledge and agree that Big Rivers remains possessed of all ~~such~~ rights and interests as against the City of Henderson and/or the City Utility Commission (as applicable) under and pursuant to such Released Station Two Contracts, whether such rights and interests were heretofore held by Big Rivers or assigned by Big Rivers to any E.ON Station Two Party, with full right and entitlement, following the execution and delivery of this Station Two Termination and Release, to exercise and enjoy all such rights and interests in accordance with the respective terms of such contracts. Big Rivers acknowledges and agrees that Big Rivers shall remain obligated to the City of Henderson and the City Utility Commission (as applicable) under or pursuant to such Released Station Two Contracts in accordance with their respective terms. No E.ON Station Two Party shall have any interest in any of the Released Station Two Contracts following the execution and delivery of this Station Two Termination and Release by the Parties, unless expressly provided

otherwise elsewhere in this Station Two Termination and Release. Except as provided in Section 5.6, Big Rivers agrees that the City of Henderson and the City Utility Commission remain possessed of all rights and interests, and nothing contained in this Article 5 shall be deemed to affect, limit, waive or eliminate any rights or interests, that the City of Henderson or the City Utility Commission may have as against Big Rivers under or pursuant to any Released Station Two Contract in accordance with its terms.

Section 5.2 Release of E.ON Station Two Parties by City of Henderson and City Utility Commission. As of the Closing, the City of Henderson and the City Utility Commission, for themselves and their respective successors, predecessors and assigns, and for all other persons or entities claiming by, through or under any of them, hereby fully, irrevocably and forever remise, release, acquit, waive and discharge each of LEC, E.ON, LEM, WKEC, WKE and Station Two Subsidiary, and their respective members, shareholders, directors, officers, employees, agents, representatives, advisors, successors, predecessors and assigns, and each of them (collectively, the "**Section 5.2 Released Parties**"), of and from any and all Claims which the City of Henderson or the City Utility Commission ever had, now have, may now have or may hereafter have against any one or more of the Section 5.2 Released Parties, resulting from, arising out of or in any manner relating to: ~~(i)~~(i) any Released Station Two Contract; or ~~(ii)~~(ii) any performance or non-performance by a Section 5.2 Released Party under or pursuant to any Released Station Two Contract; or (iii) any breach or default by a Section 5.2 Released Party under or pursuant to any Released Station Two Contract howsoever caused and whenever occurring; provided, however, that the City of Henderson and the City Utility Commission do not hereby remise, release, acquit, waive or discharge the E.ON Station Two Parties of or from their indemnification obligations provided in Section 7.1 and Section 13.1. or performance of

and compliance with the ~~closing~~Closing conditions set forth in Article ~~1720~~, or with any other obligations under this Station Two Termination and Release to be performed or complied with by the E.ON Station Two Parties (or any of them).

Section 5.3 Release of E.ON Station Two Parties by Big Rivers. As of the Closing, Big Rivers, for itself and its successors, predecessors, and assigns, and for all other persons or entities claiming by, through or under any of them, hereby fully, irrevocably and forever remises, releases, acquits, waives and discharges each of the Section 5.2 Released Parties of and from any and all Claims which Big Rivers ever had, now has, may now have or may hereafter have against any one or more of the Section 5.2 Released Parties, resulting from, arising out of or in any manner relating to: ~~(i)~~(i) any Released Station Two Contract; or ~~(ii)~~(ii) any performance or non-performance by a Section 5.2 Released Party under or pursuant to any Released Station Two Contract; or ~~(iii)~~(iii) any breach or default by a Section 5.2 Released Party under or pursuant to any Released Station Two Contract howsoever caused and whenever occurring; provided, however, that nothing contained in this Section 5.3 shall be deemed to affect, limit, waive or eliminate any other covenant or agreement on the part of any E.ON Station Two Party set forth in, or expressly contemplated as surviving the “Closing” (used as defined in, the Transaction Termination Agreement or under any other Definitive Document (used as defined in the Transaction Termination Agreement) or contemplated in the Transaction Termination Agreement, it being understood that such other covenants and agreements shall survive the execution and delivery hereof and the transactions contemplated in this Station Two Termination and Release as between Big Rivers and the relevant E.ON Station Two Parties; and provided further, that Big Rivers does not hereby remise, release, acquit, waive or discharge the E.ON Station Two Parties of or from performance of and compliance with any obligations under this

Station Two Termination and Release to be performed or complied with by the E.ON Station Two Parties (or any of them).

Section 5.4 Release of City of Henderson and City Utility Commission by E.ON Station Two Parties. As of the Closing, each E.ON Station Two Party, for itself and its successors, predecessors, and assigns, and for all other persons or entities claiming by, through or under any of them, hereby fully, irrevocably and forever remises, releases, acquits, waives and discharges each of the City of Henderson and the City Utility Commission, and their respective members, directors, officers, employees, agents, representatives, advisors, successors, predecessors and assigns, and each of them (collectively, the "**Section 5.4 Released Parties**"), of and from any and all Claims which such E.ON Station Two Party ever had, now has, may now have or may hereafter have against any one or more of the Section 5.4 Released Parties, resulting from, arising out of or in any manner relating to (i) any Released Station Two Contract, or (ii) any performance or non-performance by a Section 5.4 Released Party under or pursuant to any Released Station Two Contract, or (iii) any breach or default by a Section 5.4 Released Party under or pursuant to any Released Station Two Contract howsoever caused and whenever occurring; provided, that the E.ON Station Two Parties do not hereby remise, release, acquit, waive or discharge the City of Henderson or the City Utility Commission of or from performance of and compliance with any obligations under this Station Two Termination and Release to be performed or complied with by the City of Henderson or the City Utility Commission.

Section 5.5 Release of Big Rivers by E.ON Station Two Parties. As of the Closing, each E.ON Station Two Party, for itself and its successors, predecessors, and assigns, and for all

other persons or entities claiming by, through or under any of them, hereby fully, irrevocably and forever remises, releases, acquits, waives and discharges Big Rivers, and its members, directors, officers, employees, agents, representatives, advisors, successors, predecessors and assigns, and each of them (collectively, the "**Section 5.5 Released Parties**"), of and from any and all Claims which such E.ON Station Two Party ever had, now has, may now have or may hereafter have against any one or more of the Section 5.5 Released Parties, resulting from, arising out of or in any manner relating to ~~(i)~~(i) any Released Station Two Contract, or ~~(ii)~~(ii) any performance or non-performance by a Section 5.5 Released Party under or pursuant to any Released Station Two Contract, or (iii) any breach or default by a Section 5.5 Released Party under or pursuant to any Released Station Two Contract howsoever caused and whenever occurring; provided, however, that nothing contained in this Section 5.5 shall be deemed to affect, limit, waive or eliminate any other covenant or agreement on the part of Big Rivers set forth in, or expressly contemplated as surviving the "Closing" (used as defined in the Transaction Termination Agreement or) under any other Definitive Document (used as defined in the Transaction Termination Agreement) or contemplated in the Transaction Termination Agreement, it being understood that such other covenants and agreements shall survive the execution and delivery hereof and the transactions contemplated in this Station Two Termination and Release as between Big Rivers and the relevant E.ON Station Two Parties; and provided further, that the E.ON Station Two Parties do not hereby remise, release, acquit, waive or discharge Big Rivers of or from performance of and compliance with any obligations under this Station Two Termination and Release to be performed or complied with by Big Rivers.

Section 5.6 Release of Big Rivers by City of Henderson and City Utility Commission.

EachAs of the Closing, each of the City of Henderson and the City Utility Commission, for

themselves and their respective successors, predecessors and assigns, and for all other persons or entities claiming by, through or under any of them, hereby fully, irrevocably and forever remise, release, acquit and discharge Big Rivers and its members, directors, officers, employees, agents, representatives, advisors, successors, predecessors and assigns, and each of them, of and from any and all Claims which the City of Henderson or the City Utility Commission ever had, now has, may now have or may hereafter have against Big Rivers or such other persons or entities, resulting from, arising out of or in any manner relating to: ~~(a)~~(a) any performance or non-performance by any E.ON Station Two Party (or by Station Two Subsidiary or WKE) under or pursuant to any Station Two Terminated Agreement or any Released Station Two Contract (including without limitation, Claims attributable to the “Terms of General Applicability” contemplated in the Station Two Agreement); ~~(b)~~(b) any breach or default on the part of any E.ON Station Two Party (or on the part of Station Two Subsidiary or WKE) under or pursuant to any Station Two Terminated Agreement or any Released Station Two Contract arising or accruing at any time through the date hereof (including without limitation, any such breach or default that may have given rise to a breach or default on the part of Big Rivers, or an obligation on the part of Big Rivers to reimburse, defend, indemnify and/or hold harmless the City of Henderson or the City Utility Commission, under or pursuant to any Station Two Terminated Agreement or Released Station Two Contract) howsoever caused and whenever occurring; or ~~(e)~~(c) the operation, maintenance, repair, upkeep, occupation, generation, use, closure, abandonment, retirement, replacement or possession by any E.ON Station Two Party (or by Station Two Subsidiary or WKE), or by any of their respective employees, officers, agents, representatives, advisors and/or contractors, of Station Two or any component(s) thereof (including without limitation, any components installed or constructed following the date of the

Station Two Agreement), of the Joint Use Facilities or any component(s) thereof, of the Station Two Site (and any other real property of Big Rivers, the City of Henderson or the City Utility Commission operated, maintained, repaired, kept up, occupied or used by an E.ON Station Two Party (or its employees, officers, agents, representatives, advisors and/or contractors)), of any electric energy generated by or capacity associated with Station Two, or of any tangible or intangible properties, inventories, spare parts, tools, materials or supplies of, relating to or used in connection with the operation, maintenance, repair, upkeep, occupation, generation, use, closure, abandonment, retirement, replacement or possession of Station Two (or any components thereof), the Joint Use Facilities (or any components thereof), ~~such real property~~ the Station Two Site or such electric energy or capacity; provided, however, that the City of Henderson and the City Utility Commission do not remise, release, acquit, waive or discharge Big Rivers from its indemnification obligations under Section 7.2 or the performance of and compliance with the closing conditions set forth in Article 4720 or with any liabilities hereunder or other obligations under this Station Two Termination and Release to be performed or complied with by Big Rivers.

Section 5.7 Filing of Releases. As of the Closing, the relevant Party or Parties agree to execute and deliver to the appropriate Party or Parties for purposes of recording or filing the same: (a) releases of Deed of Easement and Grant of Rights and Easements in substantially the forms attached hereto as Exhibit B-8 and Exhibit B-9, respectively, and (b) all such other instruments of release or discharge (in form reasonably satisfactory to the relevant Parties) as shall be required by or otherwise provided for any Released Station Two Contract, or as shall be reasonably requested by any Party to evidence such release or discharge or for the purpose of updating the real estate records of Henderson County, Kentucky, in respect of the releases and

discharges of the Released Station Two Contracts as contemplated herein, including without limitation, such forms as may be required to be filed in Henderson County Kentucky, and in the Office of Secretary of State of the Commonwealth of Kentucky, in order to release and discharge any fixture filings, any assignment as security of rights and interests under the Section Two Contracts, or other security interests created by any of the Released Station Two Contracts.

ARTICLE 6~~ARTICLE 6~~

REPAIRS AND IMPROVEMENTS TO STATION TWO

Section 6.1 Station Two Maintenance, Repairs and Improvements. ~~Following the Closing,~~The City of Henderson and the City Utility Commission agree with Big River that following the Unwind Closing Date Big Rivers agrees to will make and perform or cause to be made and performed the maintenance, repairs, replacements and improvements of Station Two and the Joint Use Facilities as and when set forth in the ~~BREC Budget~~Station Two Work Plan for Station Two and the Joint Use Facilities, as approved by the City Utility Commission, attached as Exhibit C, except as otherwise agreed to by the City Utility Commission and Big Rivers. Big River and the City Utility Commission each agrees to preserve and maintain the reports, plans, studies, analyses and related information and data in its possession that describes and supports the estimated costs of such maintenance, repairs and improvements set forth in Exhibit C and agrees to furnish a copy thereof to the other Party, if, as and to the extent requested in connection with the budgeting or undertaking thereof. Big Rivers and the City of Henderson and the City Utility Commission acknowledge that the costs of such maintenance, repairs, replacements and improvements shall be payable by the City Utility Commission and Big Rivers, respectively, in accordance with the Station Two Contracts.

ARTICLE 7

ENVIRONMENTAL INDEMNITIES

Section 7.1 Indemnification by E.ON Station Two Parties. Notwithstanding any other provision in this Station Two Termination and Release, following the Closing, the E.ON Station Two Parties shall indemnify and hold harmless the City of Henderson and the City Utility Commission from and against any claims, demands, losses, damages, liabilities, costs, expenses and penalties arising from any Disclosed Environmental Conditions and any Environmental Releases, environmental conditions—or—other, emissions, discharges, material, conditions, materials, or other matters, or failure to obtain permits or licenses that are not so identified for the City of Henderson or the City Utility Commission as of the Closing (including those set forth in Article 15 of the Transaction Termination Agreement or any environmental audit report referred to therein or any failure of Station Two or the Joint Use Facilities to comply with the New Source Review Provisions of the Clean Air Act as a result of changes in the method of operating, maintaining, repairing or replacing Station Two or the Joint Use Facilities) that relates relate to Station Two or the Joint Use Facilities that were caused by or due to or otherwise occurred during the operation of Station Two and the Joint Use Facilities by the E.ON Station Two Parties or any of them (collectively, the “*Station Two Environmental Claims*”).

Section 7.2 Indemnification by Big Rivers. Notwithstanding any other provision in this Station Two Termination and Release, following the Closing, Big Rivers shall indemnify and hold harmless the City of Henderson and the City Utility Commission from and against any Station Two Environmental Claims, but only to the extent that the E.ON Station Two Parties fail to comply with Section 7.1.

ARTICLE 8
ARTICLE 8
ASSIGNMENT OF CONTRACTS

Section 8.1 Consent to Approval of Assignment. The City Utility Commission shall be entitled to review upon its request any contract, agreement, lease, sublease, license, sublicense or any other instrument relating to Station Two or the Joint Use Facilities ~~that~~which shall be assigned by ~~any~~an E.ON Station Two Party to Big Rivers pursuant to Section 3.2 (d) and Article 5 of the Transaction Termination Agreement (collectively, the “Assigned Station Two Contracts”) ~~and such.~~ Such assignment of Assigned Station Two Contracts shall be subject to the reasonable acceptance and approval of ~~thereof~~ by the City Utility Commission.

ARTICLE 9
ARTICLE 9
INVENTORY AND PERSONAL PROPERTY

Section 9.1 Approval of Inventory. The City Utility Commission shall be entitled to inspect upon its request any inventories of spare parts, materials, reagents and other supplies (other than coal, petroleum coke and fixation and hydrated lime) relating to Station Two or the Joint Use Facilities which shall be conveyed by an E.ON Station Two Party to Big Rivers pursuant to Section 3.2 (b) and Article 4 of the Transaction Termination Agreement (collectively the “Station Two Inventory”). Payments for any of such inventories by Big Rivers shall not include any values thereof previously reimbursed as operating and maintenance costs or other expenses relating to Station Two or the Joint Use Facilities under the Station Two Contracts. Such conveyance of the Station Two Inventory and any values to be paid therefor shall be subject to the reasonable approval of the City Utility Commission.

Section 9.2 Approval of Personal Property. The City Utility Commission shall be entitled to inspect upon its request any tangible personal property relating to Station Two or the Joint Use Facilities (other than Station Two Inventory) which shall be conveyed by an E.ON Station Two Party to Big Rivers pursuant to Section 3.2 (c) and Article 4 of the Transaction Termination Agreement (collectively the "Station Two Personal Property"). Payments for any such personal property by Big Rivers shall not include any values thereof previously reimbursed as operating and maintenance costs or other expenses relating to Station Two or the Joint Use Facilities under the Station Two Contracts. Such conveyance of Station Two Personal Property and the values to be paid therefore shall be subject to the reasonable approval of the City Utility Commission.

ARTICLE 10

INTELLECTUAL PROPERTY

Section 10.1 Approval of License Agreements. The City Utility Commission shall be entitled to review upon its request any intellectual property license agreements relating to Station Two or the Joint Use Facilities which shall be assigned or sublicensed by an E.ON Station Two Party to Big Rivers pursuant to Section 3.2 (f) and Article 6 of the Transaction Termination Agreement (collectively the "Station Two Intellectual Property"). Such assignment or sublicensing of the Station Two Intellectual Property shall be subject to the reasonable approval of the City Utility Commission.

ARTICLE 11

PERMITS

Section 11.1 Approval of Permits. The City Utility Commission shall be entitled to review upon its request any permit or license issued or allocated by any Governmental Entity to or in respect of Station Two or the Joint Use Facilities which shall be assigned by an E.ON Station Two Party to Big Rivers pursuant to Section 3.2 (g) and Article 7 of the Transaction Termination Agreement (collectively, the "Station Two Permits"). Such assignment of Station Two Permits shall be subject to the reasonable approval of the City Utility Commission.

ARTICLE 12

SO2 ALLOWANCES AND NOx ALLOWANCES

Section 12.1 ~~Section 9.1 Allowances Under Station Two Contracts.~~ The Big Rivers and the E.ON Station Two Parties agree with the City of Henderson and the City Utility Commission that, following the date hereof (a) the City of Henderson and the City Utility Commission shall receive the Station Two SO₂ allowances and Station Two NO_x allowances to which they the City of Henderson and the City Utility Commission are entitled as provided for in the Station Two Contracts. In, and (b) in the case of any such allowances accruing or arising with respect to periods prior to the Closing hereof which are to be allocated in accordance with the Station Two Contracts subsequent to the Closing, the City of Henderson and the City Utility Commission shall receive such allowances to which they shall be entitled upon allocation thereof following the Closing date hereof in accordance with the Station Two Contracts.

ARTICLE 13~~ARTICLE 10~~

TAX MATTERS

Section 13.1 ~~Section 10.1 Apportionment~~ Payment of Sales and Use Taxes. WKEC shall pay any and all sales and use Taxes assessed or imposed on the transfers of inventory, personal property or assignments of Station Two Inventory, Station Two Personal Property, Assigned Station Two Contracts, real property, permits, Station Two Permits, SO₂ allowances and NO_x allowances relating to Station Two and the Joint Use Facilities and any other property relating to Station Two and the Joint Use Facilities pursuant to Article 3 of the Transaction Termination Agreement, and WKEC shall indemnify and hold harmless the City of Henderson

and the City Utility Commission from and against any claims, demands, losses, liabilities, costs, expenses and penalties with respect to such Taxes.

Section 13.2 ~~Section 10.2~~ Apportionment of Property Taxes. Taxes assessed, levied or exacted on the Station Two Site, the Joint Use Facilities, any personal property or the real property relating to Station Two or the Joint Use Facilities accruing for the Closing Year shall be apportioned between the portion of the Closing Year prior to and including the Unwind Closing Date and the portion of the Closing Year after the Unwind Closing Date, based on the number of days in each such period. At or prior to the Unwind Closing Date WKEC shall pay to Big Rivers an amount equal to all ~~such~~ accrued property Taxes multiplied by a fraction, the numerator of which is the number of days in the portion of the Closing Year up to and including the Unwind Closing Date and the denominator of which is 365. ~~The~~ Payment of the remainder of such property Taxes for the Closing Year shall be ~~payable by~~ the responsibility of Big Rivers. The apportionment provided by this ~~Section 10.2~~ Section 13.2 of property taxes shall be effected ~~regardless of when notwithstanding that~~ such property Taxes are invoiced or ~~paid~~ payable after the Closing Unwind Date. Big Rivers shall be ~~solely~~ responsible for the payment of all such property Taxes assessed, levied or exacted on the above described assets and properties for all periods following the Closing Year. ~~Any property Taxes assessed, levied or exacted on any of the above described assets or properties for any periods prior to the Closing Year, to the extent not paid by WKEC prior to the Closing, shall continue to be the obligation of such WKEC following the Closing, which obligation(s) shall survive the Closing and shall continue to be binding on WKEC until satisfied or discharged in full for the Closing Year, including such Taxes for the portion of the Closing Year following the Unwind Closing Date.~~

Section 13.3 Treatment of Taxes. The Parties agree that any sales and use Taxes and any amounts with respect to accrued property Taxes payable by WKEC as provided in Section 13.1 and 13.2 shall not construe or be treated as operating or maintenance costs or other expenses recoverable under Section 16.2 of the Station Two Operating Agreement.

Section 13.4 Section 10.3 Unemployment and Worker's Compensation Taxes. LEM and WKEC shall be responsible for the payment of all unemployment Taxes and workers' compensation premiums accruing for the period from July 15, 1998 through the up to and including the Unwind Closing Date in respect of all employees hired by any of the E.ON Station Two Parties for Station Two or the Joint Use Facilities regardless of when such Taxes and premiums are invoiced or paid. Big Rivers shall be responsible for the payment of all unemployment Taxes and worker's compensation premiums for the period from and after the Unwind Closing Date in respect of all employees hired by Big Rivers for Station Two or the Joint Use Facilities, regardless of when such Taxes and premiums are invoiced or paid. Any such taxes or premiums accruing for the period prior to and including the Unwind Closing Date, to the extent not paid by WKEC at or prior to the Closing, shall continue to be the obligation of WKEC following the Closing, which obligation(s) shall survive the Closing and shall continue to be binding on WKEC until satisfied or discharged in full.

Section 13.5 Section 10.4 Review of Requests for Tax Rulings. Each of LEM and WKEC, on the one hand, and Big Rivers, on the other hand (each a "Filing Party") shall permit the other of those Party or Parties (the "Non-Filing Parties") and the City Utility Commission to review and comment upon any ruling requests to be filed by the Filing Party for local, state or federal tax rulings in connection with the transactions contemplated by this Station Two

Termination and Release Taxes referred to in Section 13.1 and 13.2 and the Taxes and premiums referred to in Section 13.4 prior to filing such requests, provided, that in the event the Filing Party shall not have received the Non-Filing Party's or the City Utility Commission's comment(s) with respect to such requests within ten (10) business days after the delivery of the same by the Filing Party or the City Utility Commission to the Non-Filing Party, the Filing party may proceed in its discretion to file such requests with the relevant Governmental Entities without further delay.

ARTICLE 14~~ARTICLE 11~~

E.ON GUARANTY

Section 14.1 ~~Section 11.1~~ E.ON Guarantee. (a) E.ON hereby guarantees to the City of Henderson and the City Utility Commission (the "Guaranteed Parties") that each of the E.ON Station Two Parties will perform all of their respective present and future payment and performance obligations arising under this Station Two Termination and Release (the "Guaranteed Obligations"). E.ON agrees that if any of the E.ON Station Two Parties shall fail to perform any of its Guaranteed Obligations, E.ON shall immediately perform such obligations. This is an irrevocable and continuing guarantee and this ~~Section 11.1~~Section 14.1 shall remain in full force and effect and be binding upon E.ON and its successors until all of the Guaranteed Obligations have been satisfied in full.

Section 14.2 ~~Section 11.2~~ Waivers. E.ON expressly waives the acceptance of this guarantee by the Guaranteed Parties, protest, notice of protest and notice of dishonor or nonpayment of any instrument evidencing debt of any of the E.ON Station Two Parties, any right to require the pursuit of any remedies against any of the E.ON Station Two Parties, including commencement of suit, before enforcing this guarantee, any right to have any security or the right of set-off applied before enforcing this guarantee, and all diligence in collection and enforcement and failure or delay by the Guaranteed Parties in protection or exercise of their respective rights against any of the E.ON Station Two Parties.

Before enforcing this Guarantee against E.ON, the Guaranteed Parties shall give E.ON written notice of default by any of such E.ON Station Two Parties, default Party under this Station Two Termination and Release, and shall initiate the giving of such notice to E.ON at the

same time and in the same manner as notice is provided to the applicable E.ON Station Two Party.

E.ON hereby waives and agrees not to assert or to take advantage of any defense based upon: (1) any incapacity, lack of authority, death or disability of E.ON or any other person or entity (other than the Guaranteed Parties); (ii) any lack of notice to which E.ON might be entitled (other than such notices as E.ON is entitled to receive under or by virtue of this Section ~~11.214.2~~); (iii) the inaccuracy of any representation by any of the E.ON Station Two Parties contained in this Station Two Termination and Release; (iv) any assertion or claim that the *automatic stay provided by 11 U.S.C. §362 (arising upon the voluntary or involuntary bankruptcy proceeding of any of the E.ON Station Two Parties)*, or any other stay relating to the Guaranteed Obligations provided under any other debtor relief law (whether statutory, common law, case law or otherwise) of any jurisdiction whatsoever, now or hereafter in effect, which may be or become applicable, which operates to stay, interdict, condition, reduce or inhibit the ability of the Guaranteed Parties to enforce any rights, whether now existing or hereafter acquired, which the Guaranteed Parties may have against E.ON; or (v) any action, occurrence, event or matter consented to by E.ON under this Article ~~11~~14 or otherwise.

~~ARTICLE 15~~ARTICLE 12

PERSONNEL

Section 15.1 ~~Section 12.1~~ Personnel Matters. Big Rivers and the E.ON Station Two Parties hereby ~~agrees~~agree with the City Utility Commission that ~~each of them~~ will perform and carry out such obligations and responsibilities relating to personnel matters with respect to Station Two and the Joint Use Facilities in the manner and as and to the extent provided in

Section 14.4 of the Transaction Termination Agreement. Big Rivers agrees to furnish the City Utility Commission with a list of the employees to whom it intends to offer employment relating to the operation and maintenance of Station Two and the Joint Use Facilities promptly upon notification of WKEC pursuant to Section 14.4 of the Transaction Termination Agreement of its intent to offer such employment. Each list shall provide the identification, classification and job description for each of such employees.

ARTICLE 16~~ARTICLE 13~~

REPORTS

Section 16.1 ~~Section 13.1~~ Delivery of Materials and Documents. Not later than a date that is 30 days prior to the Closing, the E.ON Station Two Parties and Big Rivers, respectively, shall furnish the City Utility Commission with copies of all work plans, capital budgets, engineering and other assessments with respect to the condition and operational viability of Station Two and the Joint Use Facilities, together with the environmental audits and all other environmental reports, statements, violations, orders or other proceedings or events applicable to Station Two or the Joint Use Facilities, including the environmental audit report provided for in Article 15 of the Transaction Termination Agreement (collectively, the “Station Two Documents”), which have been prepared and received on or prior to the aforesaid date. Thereafter and prior to the Closing, the E.ON Station Two Parties and Big Rivers shall furnish the City Utility Commission with copies of all Station Two Documents upon their preparation and receipt.

ARTICLE 17~~ARTICLE 14~~

REIMBURSEMENT OF COSTS AND EXPENSES

Section 17.1 ~~Section 14.1~~ Payment by E.ON. E.ON shall reimburse the City of Henderson and the City Utility Commission, respectively, for all their costs and expenses relating to the Unwind, including, without limitation, all general and administration costs allocable to the Unwind, and all legal fees and disbursements, accounting charges, and fees of consulting engineers and other experts, all to the extent incurred in connection with the Unwind. Such payment shall be made on or prior to the Closing in accordance with ~~Section 17.1~~~~(e)~~20.1(l) upon invoices therefor submitted by the City of Henderson and the City Utility Commission, respectively .

ARTICLE 15——

STATION TWO O&M AND R&R FUNDS

~~Section 15.1~~ Transfers at Closing. ~~At the Closing the amounts on deposit in the Station Two O&M Funds and the Station Two R&R Funds held under the Station Two Agreement shall be remitted to the E.ON Station Two Parties entitled thereto and the City Utility Commission. Contemporaneously, Big Rivers and the City Utility Commission, respectively, shall make deposits in the Station Two O&M Funds in accordance with Section 19.3 of the Power Sales Contract (\$400,000 for the Big Rivers O&M Fund and \$100,000 for the City of Henderson O&M Fund) and in the Station Two R&R Funds in accordance with Section 19.2 of the Power Sales Contract (\$600,000 for the Big Rivers R&R Fund and \$150,000 for the City of Henderson R&R Fund).~~

ARTICLE 18

RECONCILIATIONS; TRUE-UPS; DISTRIBUTIONS; FUNDING

Section 18.1 Reconciliation Between Big Rivers and LEM/WKEC. Big Rivers, LEM and WKEC agree with each other that, notwithstanding any provisions of this Station Two Termination and Release, the Transaction Termination Agreement or the Termination and Release (used as defined in the Transaction Termination Agreement) to the contrary, the provisions of Subsection 10.1(a) of the Station Two Agreement (solely to the extent they relate to the “date of termination or expiration of the Term” and to the period of operation of Station Two during the Term (used as defined in the Station Two Agreement)), and the provisions of Subsections 10.1(c) and 10.1(d) of the Station Two Agreement, shall each survive the Closing, and shall continue to be binding on and to inure to the benefit of Big Rivers, LEM and WKEC (as the successor to Station Two Subsidiary and the assignee of LEM) until satisfied or discharged in full; provided, that:

(i) the provisions of the concluding sentence of Subsection 10.1(c) shall not so survive the execution and delivery hereof, and shall as of such execution and delivery immediately become null and void; and

(ii) all references in any of the above-described provisions of Section 10.1 to the “date of termination or expiration of the Term,” to the “date of expiration or termination of this Agreement,” to the “termination or expiration date,” to the “expiration or termination of the Term,” or to the “date of that expiration or termination,” shall be deemed to be references to the Unwind Closing Date; and

(iii) by way of clarification and not of limitation, for purposes of the reconciliation to be undertaken following the date hereof by Big Rivers, LEM and

WKEC pursuant to Section 10.1 of the Station Two Agreement, the operating and maintenances costs actually paid or accrued by WKEC in the Partial Year (used in this Section 18.1 as defined in the Station Two Agreement) shall be deemed to include, without limitation, all general and administrative expenses for the Partial Year permitted, immediately prior to the Closing, to be charged by Station Two Subsidiary to Station Two pursuant to Section 4.3 of the G&A Allocation Agreement (including any general and administrative expenses for the Partial Year permitted to be charged by Big Rivers to Station Two pursuant to Section 4.1 of the G&A Allocation Agreement but which were paid by WKEC to Big Rivers pursuant to Section 5.2 of that agreement prior to the date hereof).

Big Rivers, LEM and WKEC hereby further agree with each other that attached to this Station Two Termination and Release as Schedule 5.1 and incorporated herein by reference is a true, correct and complete copy of those provisions (or portions thereof) of Section 10.1 of the Station Two Agreement that shall survive the Unwind Closing Date and continue to be binding on and to inure to the benefit of Big Rivers, LEM and WKEC as contemplated in the preceding sentence, all other provisions (or portions thereof) of that Section 10.1 becoming null, void and of no further force or effect as of the execution and delivery hereof. In light of the reconciliation contemplated above in this Subsection (a), Big Rivers, LEM and WKEC agree with each other that the reconciliation and associated payment between WKEC and Big Rivers contemplated in Subsection 5.2(b) of the G&A Allocation Agreement is not required and shall not be undertaken. Consistent with the last sentence of Subsection 10.1(d) of the Station Two Agreement, the City of Henderson and City Utility Commission agree to reasonably cooperate with Big Rivers, LEM and WKEC in determining, as soon as practicable following the Closing, the actual and

estimated charges and costs paid, payable or accrued for the Partial Year of operation of Station Two ending on the Unwind Closing Date, as contemplated in Section 10.1 of the Station Two Agreement.

Section 18.2 Reconciliation Between City Utility Commission and WKEC/LEM

(a) In connection with the Closing transactions, the reconciliation of current Station Two capacity charges under the Power Sales Contract shall take place and consist of the following:

(i) if the Unwind Closing Date shall be prior to the payment by WKEC and LEM of Station Two capacity charges for the then current Monthly Billing Period as required under Section 9.1 of the Power Sales Contract, WKEC and LEM agree to pay to the City Utility Commission at the Closing an amount equal to the total amount of Station Two capacity charges payable for the then current Monthly Billing Period pursuant to Section 9.1 of the Power Sales Contract multiplied by a fraction, the numerator of which is the number of days of such Monthly Billing Period up to and including the Unwind Closing Date and the denominator of which is the total number of days in such Monthly Billing Period; or

(ii) if the Unwind Closing Date shall be subsequent to the payment by WKEC and LEM of the Station Two capacity charges for the then current Monthly Billing Period as required by Section 9.1 of the Power Sales Contract, the City Utility Commission agrees to refund to WKEC or LEM at the Closing an amount equal to such Station Two capacity charges paid by WKEC and LEM

multiplied by a fraction, the numerator of which is the number of days of the then current Monthly Billing Period occurring after the Unwind Closing Date and the denominator of which is the total number of days in such Monthly Billing Period.

(b) In connection with the Closing transactions, the reconciliation of current payments for Station Two operating and maintenance costs and expenses under the Station Two Operating Agreement shall take place and consist of the following:

(i) if the Unwind Closing Date shall be prior to the payment by the City Utility Commission of the Station Two operating and maintenance costs and expenses for the then current Monthly Billing Period as required under Section 16.2 of the Station Two Operating Agreement, the City Utility Commission agrees to pay to WKEC and LEM at the Closing an amount equal to the total amount of Station Two operating and maintenance costs and expenses payable by the City Utility Commission for the then current Monthly Billing Period pursuant to Section 16.2 of the Station Two Operating Agreement multiplied by a fraction, the numerator of which is the number of days of the then current Monthly Billing Period up to and including the Unwind Closing Date and the denominator of which is the total number of days in such Monthly Billing Period; or

(ii) if the Unwind Closing Date shall be subsequent to the payment by the City Utility Commission of the Station Two operating and maintenance costs and expenses for the then current Monthly Billing Period as required by Section 16.2 of the Station Two Operating Agreement, WKEC and LEM shall refund to the City Utility Commission at the Closing an amount equal to such Station Two

operating and maintenance costs and expenses paid by the City Utility Commission multiplied by a fraction, the numerator of which is the number of days of the then current Monthly Billing Period occurring after the Unwind Closing Date and the denominator of which is the total number of days in such Monthly Billing Period.

(c) In making payments under this Section 18.2 each Party shall have the right to set-off any account payable to it under this Section 18.2.

Section 18.3 Initial Monthly Payments by Big Rivers and City Utility Commission.

(a) Notwithstanding anything in Section 9.1 of the Power Sales Contract to the contrary, as payment of Station Two capacity charges for Station Two Capacity for the Monthly Billing Period that includes the Unwind Closing Date, Big Rivers shall pay to the City Utility Commission at the Closing an amount equal to the total amount of Station Two capacity charges payable to the City Utility Commission for the then current Monthly Billing Period pursuant to Section 9.1 of the Power Sales Contract multiplied by a fraction, the numerator of which is the number of days of the then current Monthly Billing Period occurring after the Unwind Closing Date and the denominator of which is the total number of days in such Monthly Billing Period.

(b) Notwithstanding anything in Section 16.2 of the Station Two Operating Agreement to the contrary, as payment of Station Two operating and maintenance costs and expenses for the Monthly Billing Period that includes the Unwind Closing Date, the City Utility Commission shall pay to Big Rivers at the Closing an amount equal to the total amount of Station Two operating and maintenance costs and expenses payable to Big Rivers for the then current Monthly Billing Period pursuant to Section 16.2 of the Power Sales Contract multiplied by a fraction, the numerator of which is the number of days of such Monthly Billing Period occurring after the Unwind Closing Date and the denominator of which is the total number of days in such Monthly Billing Period.

Section 18.4 True-Ups as Between Henderson and WKEC/LEM.

(a) Notwithstanding anything in Section 9.4 of the Power Sales Contract to the contrary, (i) WKEC and LEM agree with the City Utility Commission and the City of

Henderson that the Power Sales True-Up between them with respect to Station Two capacity charges for the Contract Year in which the Closing occurs shall be completed within 120 days following the Unwind Closing Date and shall be conducted, the amounts thereof calculated and the payments due in connection therewith determined in the manner and in accordance with the methodology provided in Section 9.4 of the Power Sales Contract, but such Power Sales True-Up shall be applicable only to those Monthly Billing Periods (including with respect to the Monthly Billing Period in which the Closing occurs, only the portion thereof up to and including the Unwind Closing Date) of such Contract Year occurring on and prior to the Unwind Closing Date; and (ii) if the audit of accounts pursuant to subsection (c) of this Section 18.4 pertaining to such Power Sales True-Up shall state results that are not consistent with those of such Power Sales True-Up, such Parties agree to adjust payments under such Power Sales True-Up so that the same shall be consistent with such audit of accounts.

(b) Notwithstanding anything in Section 16.6 of the Station Two Operating Agreement to the contrary, (i) the City Utility Commission agrees with WKEC that the Operating True-Up between them with respect to Station Two operating and maintenance costs and expenses for the Contract Year in which the Closing occurs shall be completed within 120 days following the Unwind Closing Date and shall be conducted, the amounts thereof calculated and payments due in connection therewith determined in the manner and in accordance with the methodology provided in Section 16.6 of the Station Two Operating Agreement, but such Operating True-Up shall be applicable only to those Monthly Billing Periods (including with respect to the Monthly Billing Period in which the Closing occurs, only the portion thereof up to and including the Unwind Closing

Date) of such Contract Year occurring on and prior to the Unwind Closing Date; and (ii) if the audit of accounts pursuant to subsection (c) of this Section 18.4 pertaining to such Operating True-Up shall state results that are not consistent with those of such Operating True-Up, such Parties agree to adjust payments under such Operating True-Up so that the same shall be consistent with such audit of accounts.

(c) For the purposes of the Power Sales True-Up pursuant to Section 18.4 (a) and the Operating True-Up pursuant to Section 18.4 (b), there shall be an audit of the applicable financial accounts of Station Two for that portion of the Contract Year in which the Closing occurs that includes all of the Monthly Billing Periods (including, with respect to the Monthly Billing Period in which the Closing occurs, only the portion thereof up to and including the Unwind Closing Date) of such Contract Year occurring on and prior to the Unwind Closing Date. Such audit shall be conducted by an independent certified public accountant or firm of certified public accountants of recognized standing selected by the City Utility Commission and shall be completed as soon as practicable following the Unwind Closing Date. The cost of such audit shall be paid by WKEC and each of the Parties shall be entitled to receipt of copies of the report of such audit.

Section 18.5 Initial True-Ups as Between Henderson and Big Rivers.

(a) Notwithstanding anything in Section 9.4 of the Power Sales Contract to the contrary, Big Rivers agrees with the City Utility Commission and the City of Henderson that the Power Sales True-Up between them with respect to Station Two capacity charges for the Contract Year in which the Closing occurs shall be conducted, the amounts thereof calculated and the payment due in connection therewith shall be

determined in the manner and in accordance with the methodology provided in Section 9.4 of the Power Sales Contract, but such Power Sales True-Up shall be applicable only to those Monthly Billing Periods (including, with respect to the Monthly Billing Period in which the Closing occurs, only the portion thereof occurring after the Unwind Closing Date) of such Contract Year occurring after the Unwind Closing Date.

(b) Notwithstanding anything in Section 16.6 of the Station Two Operating Agreement to the contrary, the City Utility Commission agrees with Big Rivers that the Operating True-Up between them with respect to Station Two operating and maintenance costs and expenses for the Contract Year in which the Closing occurs shall be conducted, the amounts thereof calculated and payment due in connection therewith shall be determined in the manner and in accordance with the methodology provided in Section 16.6 of the Station Two Operating Agreement, but such Operating True-Up shall be applicable only to those Monthly Billing Periods (including with respect to the Monthly Billing Period in which the Closing occurs, only the portion thereof occurring after the Unwind Closing Date) of such Contract Year occurring after the Unwind Closing Date.

Section 18.6 Distributions and Funding.

(a) At the Closing, amounts in the Station Two Replacement O & M Funds shall be distributed as follows:

(i) the amount then remaining on deposit in the Big Rivers Station Two Replacement O & M Fund held under the Station Two Agreement, together with accrued but unpaid interest thereon, shall be remitted to WKEC as provided under Section 10.3 (f)(4) of the Station Two Agreement.

(ii) the amount then remaining on deposit in the Henderson Station Two Replacement O & M Fund, held under the Station Two Agreement, together with accrued but unpaid interest thereon, shall be remitted to the City Utility Commission.

(b) At the Closing, the City Utility Commission shall release and pay over to WKEC and LEM amounts, if any, then held by the City Utility Commission that were paid to it by WKEC or LEM pursuant to Section 10.3 (g)(2) of the Station Two Agreement to fund any major renewals or replacements with respect to Station Two. In addition, amounts, if any, held by the City Utility Commission that were allocated by the City Utility Commission pursuant to Section 10.3 (g)(3) of the Station Two Agreement for funding of any such major renewal and replacement with respect to Station Two shall be contemporaneously released to the City Utility Commission.

Section 18.7 Acceptance of Annual Budget. The City Utility Commission and the City of Henderson agree with Big Rivers that the Annual Budget in force and effect on the Unwind Closing Date shall constitute and be treated as the Annual Budget for the purposes of this Article 18 and for the purposes of the Station Two Contracts, unless and until thereafter amended in accordance with the provisions of the Station Two Contracts.

ARTICLE 19~~ARTICLE 16~~

REPRESENTATIONS AND WARRANTIES

Section 19.1 ~~Section 16.1~~ Representations and Warranties of the E.ON Station Two Parties. Each of the E.ON Station Two Parties hereby severally represents and warrants to Big Rivers, the City of Henderson and the City Utility Commission ~~(but not to Big Rivers, it being~~

understood and agreed that any representations and warranties of the E.ON Station Two Parties to or for the benefit of Big Rivers are set forth solely in the Transaction Termination Agreement or in another Definitive Document (used as defined in the Transaction Termination Agreement) that on the Effective Date and as of the Closing Date that Unwind Date, except as otherwise specified:

(a) Organization and Existence. Each of the E.ON Station Two Parties is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization; and WKEC is duly qualified to transact business as a foreign corporation in any jurisdiction where the nature of its business and its activities require it to be so qualified. LEM is qualified to transact business as a foreign corporation in (i) any jurisdiction where the nature of its business and its activities require it to be so qualified; and (ii) in the Commonwealth of Kentucky. Each of the E.ON Station Two Parties has the requisite power and authority to conduct its business as presently conducted, to own or hold under lease its properties, and to enter into and perform its obligations under this Station Two Termination and Release in accordance with its terms. Station Two Subsidiary and WKE have effectively merged with and into WKEC in accordance with the general corporate law of Kentucky, and all rights, obligations and liabilities of Station Two Subsidiary and WKE as of the time of that merger have become rights, obligations and liabilities of WKEC.

(b) Execution, Delivery and Binding Effect. This Station Two Termination and Release has been duly authorized, executed and delivered by each E.ON Station Two Party and, assuming the due authorization, execution and delivery hereof by Big Rivers,

the City of Henderson and the City Utility Commission, constitutes a legal, valid and binding obligation of each E.ON Station Two Party, enforceable against each such E.ON Station Two Party in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, arrangement, moratorium or other laws relating to or affecting the rights of creditors generally and by general principles of equity.

(c) No Violation. The execution and delivery of this Station Two Termination and Release by each E.ON Station Two Party, the consummation by each E.ON Station Two Party of the transactions contemplated hereby, and the compliance by each E.ON Station Two Party with the terms and provisions hereof, do not and will not (i) contravene any Applicable Laws or its organizational documents or by-laws, or (ii) contravene the provisions of, or constitute a default (or an event which, with notice or the passage of time, or both, would constitute a default) by it under, any indenture, mortgage or other material contract, agreement or instrument to which any E.ON Station Two Party is a party or by which any E.ON Station Two Party, or its property, is bound, or result in the creation of any ~~lien~~Lien on the property of any E.ON Station Two Party.

(d) No Required Consents or Approvals. ~~AllAs of the closing.~~ all consents, approvals, resolutions, authorizations, actions or orders, including those which must be obtained from any Governmental ~~Entities or regulatory bodies~~Entity, required for the authorization, execution and delivery of, and for the consummation of the transactions contemplated by, this Station Two Termination and Release by any E.ON Station Two Party shall have been obtained, ~~except the consent of the KPSC.~~

(e) Absence of Litigation. There is no pending or, to the knowledge of any E.ON Station Two Party, threatened ~~action, suit or proceeding~~ against any E.ON Station Two Party by any ~~other person or entity (other than Big River, the City of Henderson or the City Utility Commission)~~ before any Governmental Entity which: (i) questions the validity of this Station Two Termination and Release or the ability of any E.ON Station Two Party to perform its obligations hereunder; ~~or~~ (ii) if determined adversely to any E.ON Station Two Party, would materially adversely affect the ability of such E.ON Station Two Party to perform its obligations under this Station Two Termination and Release or would materially adversely affect Station Two, the Joint Use Facilities, the Station Two Site, or any interest ~~therein~~thereon or part thereof.

(f) Liens. Station Two, the Station Two Site, the ~~inventory and personal property relating to Station Two or~~Station Two Inventory, the Station Two Personal Property, the Station Two Intellectual Property, the Station Two Permits, the Joint Use Facilities, the Station Two Contracts and the Assigned Station Two Contracts ~~relating to Station Two or the Joint Use Facilities~~ are free of any liens created by, through or on behalf of; any E.ON Station Two Party.

(g) Assigned Station Two Contracts. ~~No E.ON Station Two Party has knowledge of any intent on the part of any party to any Assigned Station Two Contract to cancel any such Assigned Station Two Contract prior to its expiration in accordance with its terms, nor to the knowledge of any E.ON Station Two Party is any party (other than an E.ON Station Two Party) to any Assigned Station Two Contract in material default under such Assigned Station Two Contract. Except as shall be released, settled or discharged as~~

~~of the Closing Date, no E.ON Station Two Party is in default under any Assigned Station Two Contract as would permit any other party thereto to terminate, curtail its performance under or make a claim for damages under such Assigned Station Two Contract. The Assigned Station Two Contracts include each and every contract, agreement, lease, sublease, license, sublicense and other instrument (other than Station Two Terminated Agreements, Released Station Two Contracts, Station Two Intellectual Property and Station Two Permits) relating to Station Two, the Station Two Site or the Joint Use Facilities under which any E.ON Station Two Party has any right, interest or obligation in force and effect on the Effective Date or which was entered into by any E.ON Station Two Party after the Effective Date and on or prior to the Unwind Closing Date, except any such contract, agreement, lease, sublease, license, sublicense or other instrument, the exclusion of which shall be approved by the City Utility Commission.~~

(h) ~~Assigned Equipment Leases.~~ Each lease or sublease of equipment, furniture or fixtures that is included in the Assigned Station Two Contracts is in full force and effect, (ii) no E.ON Station Two Party is in material default under any such lease or sublease and (iii) the E.ON Station Two Parties hold their respective interest in each such lease or sublease free and clear of any liens. ~~Station Two Inventory.~~ The Station Two Inventory includes an inventory of all the spare parts, materials, reagents and other supplies (other than coal, petroleum coke, and fixation and hydrated lime) relating to Station Two, the Station Two Site or the Joint Use Facilities in the possession of or otherwise held for any E.ON Station Two Party as to which any E.ON Station Two Party has any right, interest or obligation in force and effect on the Effective Date or which was acquired by or for any E.ON Station Two Party after the Effective Date and on or prior to

the Unwind Closing Date, except any such inventory, the exclusion of which shall be approved by the City Utility Commission.

(i) Station Two Personal Property. The Station Two Personal Property includes all tangible personal property (other than Station Two Inventory) relating to Station Two, the Station Two Site or the Joint Use Facilities in the possession of or otherwise held for any E.ON Station Two Party as to which any E.ON Station Two Party has any right, interest or obligation in force and effect on the Effective Date or which was acquired by or for any E.ON Station Two Party after the Effective Date and on or prior to the Unwind Closing Date, except any such personal property, the exclusion of which shall be approved by the City Utility Commission.

(j) Station Two Intellectual Property. The Station Two Intellectual Property includes each and every intellectual property, license or sublicense agreement relating to Station Two, the Station Two Site or the Joint Use Facilities as to which any E.ON Station Two Party is a party or is granted a right or interest in force and effect on the Effective Date or which was obtained and entered into by any E.ON Station Two Party after the Effective Date and on or prior to the Unwind Closing Date, except any such intellectual property, license or sublicense agreement, the exclusion of which shall be approved by the City Utility Commission.

(k) Station Two Permits. The Station Two Permits include each and every permit or license issued or allocated by any Governmental Entity to or in respect of Station Two or the Joint Use Facilities under which any E.ON Station Two Party is granted rights or exemptions that are in existence on the Effective Date or which was

issued or allocated to any E.ON Station Two Party after the Effective Date and on or prior to the Unwind Closing Date, except such permit or license, the exclusion of which shall be approved by the City Utility Commission.

(l) ~~(i)~~ Zoning and Condemnation. ~~The~~No E.ON Station Two Parties ~~have~~Party has received ~~no~~any written notice of any pending or threatened proceeding to modify the zoning classification of, or to condemn or take by power of eminent domain, all or any part of Station Two, the Joint Use Facilities or the Station Two Site, which, if decided adversely, would be reasonably likely to result in a material adverse effect with respect thereto.

(m) ~~(j)~~ Infringement. The E.ON Station Two Parties have not infringed or violated any patent, copyright, license or other similar legal right of any vendor under any Assigned Station Two Contract or Station Two Intellectual Property.

(n) ~~(k)~~ Environmental Conditions. As of the Closing, to the knowledge of the E.ON Station Two Parties, ~~and except for Disclosed Environmental Conditions,~~ ~~(A:~~ (i) Schedule 4.1 contains a listing of all material permits required as of the Closing for the operation, maintenance, repair and upkeep of Station Two and the Joint Use Facilities, ~~(B:~~ (j) each of those permits is in full force and effect and is held by or in the name of the City of Henderson or the City Utility Commission, or constitute Station Two Permits, and ~~(C:~~ (iii) there are no above ground or underground storage tanks at Station Two, or on or under the Station Two Site, in each case other than underground storage tanks that were at Station Two, or on or under the Station Two Site on July 15, 1998, or that were installed in connection with the construction and installation at Station Two of the

selective catalytic reduction system at Station Two. As of the Closing, except to the extent constituting, attributable to, resulting from or arising out of Environmental Releases, conditions, events, circumstances, actions, omissions, proceedings, operations, violations, failures to comply and other matters existing or occurring as of or prior to July 15, 1998 which, to the knowledge of the E.ON Station Two Parties, have not been materially aggravated and have not materially expanded following July 15, 1998:

(i) to the knowledge of the E.ON Station Two Parties, Station Two and the Joint Use Facilities are in compliance with the terms of each permit relating to the operation or maintenance of Station Two or the Joint Use Facilities, except for such noncompliance the continuation or correction of which does not and will not materially interfere with the operation of Station Two or the Joint Use Facilities and which does not and will not result in the imposition of any material civil or criminal fines or penalties against Big Rivers or any E.ON Station Two Party, the City of Henderson or the City Utility Commission;

(ii) to the knowledge of the E.ON Station Two Parties, the E.ON Station Two Parties' operation of Station Two and the Joint Use Facilities and use of Station Two, the Station Two Site and the Joint Use Facilities are in material compliance with all Applicable Laws, except for such noncompliance the continuation or correction of which does not and will not materially interfere with the operation of Station Two or the Joint Use Facilities and which does not and will not result in the imposition of any material civil or criminal fines or penalties

on Big Rivers-~~or~~, any E.ON Station Two Party, the City of Henderson or the City Utility Commission;

(iii) no E.ON Station Two Party has received any notice of material violation or notice of material noncompliance with Applicable Laws with respect to Station Two, the Station Two Site or the Joint Use Facilities, or the operation or condition thereof, other than violations or noncompliances which have been remedied or cured in compliance with Applicable Laws and with respect to which there are no continuing obligations or conditions imposed upon any E.ON Station Two Party-~~or~~, Big Rivers, the City of Henderson or the City Utility Commission;

(iv) to the knowledge of the E.ON Station Two Parties, (A) there is no pending agency investigation, administrative or judicial proceeding or action or any outstanding claim, demand, order, administrative or legal proceeding or settlement or consent decree or order under or relating to any Environmental Law and relating to or involving Station Two or Joint Use Facilities, and (B) there is not now, nor has there been, any pattern of violations that would lead to any of the foregoing; and

(v) to the knowledge of the E.ON Station Two Parties, no Environmental Release has occurred at, on, under or from Station Two, including the Station Two Site, or any other properties, other than (x) such Environmental Releases as would not reasonably be expected to result in a material liability for any remediation under Environmental Laws, and (z) such Environmental Releases

which have been cured, remediated, removed and disposed of in compliance with Applicable Laws.

(o) ~~(l)~~ No Material Dispute. To the knowledge of the E.ON Station Two Parties after reasonable inquiry, no material dispute or proceeding relating to Station Two or the Joint Use Facilities exists between any E.ON Station Two Party and (i) the City of Henderson or the City Utility Commission or (ii) Big Rivers, other than such disputes or proceedings as shall be released and discharged as of the Closing;

~~(m) Inventory and Personal Property. Prior to Closing, title to all inventory and personal property including, without limitation, intellectual property, related to Station Two and Joint Use Facilities owned by the City of Henderson or the City Utility Commission shall be held by and in the name of the City of Henderson or the City Utility Commission, as the case may be.~~

(n) ~~(n)~~ Termination of Non-Disturbance Agreement. As of the Closing, the Non-Disturbance Agreement, together with each and every agreement or instrument assigning or transferring any ~~rights~~right, title, ~~interests~~interest or ~~obligations~~obligation of any party thereunder, shall have been terminated, discharged, released and rendered null and void and of no further force and effect by the parties thereto.

(q) ~~(o)~~ Termination of Participation Agreement. As of the Closing, the Participation Agreement, together with each and every agreement or instrument assigning or transferring any ~~rights~~right, title, ~~interests~~interest or ~~obligations~~obligation of any party thereunder, shall have been terminated, discharged, released and rendered null and void and of no further force and effect by the parties thereto.

(r) ~~(p)~~ Agreements, Instruments and Documentation Included. All agreements, instruments and other documents by, under or pursuant to which any real or personal property, or any lien, encumbrance, charge, right or interest with respect to real or personal property, whether tangible or intangible, relating to Station Two or the Joint Use Facilities, is conveyed, transferred or assigned to any E.ON Station Two Party, or any right or interest in or to any Station Two Contract or Assigned Station Two Contract is transferred or assigned to or otherwise created in favor of any E.ON Station Two Party, are set forth in or included under Schedule 2.1 hereto, the provisions of ~~Section 4.2, 4.2~~ Section 5.7, including the Exhibits referred to therein, or Schedule 3.1 hereto.

~~Section 19.2~~ Section 16.2 Representations and Warranties of Big Rivers. Big Rivers hereby represents and warrants to each of the ~~E.ON Station Two Parties, the City of Henderson and the City Utility Commission~~ that (but not to the E.ON Station Two Parties, it being understood and agreed that any representations and warranties of Big Rivers to or for the benefit of the E.ON Station Two Parties are set forth solely in the Transaction Termination Agreement or in another Definitive Document (used as defined in the Transaction Termination Agreement) that on the Effective Date and as of the Closing Unwind Date, except as otherwise specified:

(a) Organization and Existence. Big Rivers is a rural electric cooperative duly organized, validly existing, and in good standing under the laws of the Commonwealth of Kentucky, and is duly licensed or qualified and in good standing in each jurisdiction where the nature of its business and its activities requires it to be so qualified. Big Rivers has the requisite cooperative power and authority to carry on its business as now

conducted, to own or hold under lease its property and to enter into and perform its obligations under this Station Two Termination and Release.

(b) Authorization, Execution, and Binding Effect. This Station Two Termination and Release has been duly authorized, executed and delivered by all necessary cooperative action by Big Rivers and, assuming the due authorization, execution and delivery of this Station Two Termination and Release hereof by each E.ON Station Two Party, the City of Henderson and the City Utility Commission, constitutes the legal, valid and binding obligation of Big Rivers, enforceable against Big Rivers in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, arrangement, moratorium or other laws relating to or affecting the rights of creditors generally and by general principles of equity.

(c) No Violation. The execution, delivery and performance by Big Rivers of this Station Two Termination and Release, the consummation by Big Rivers of the transactions contemplated hereby, and the compliance by Big Rivers with the terms and provisions hereof, do not and will not (i) contravene any Applicable Law ~~Laws~~ or Big Rivers' Articles of Incorporation or By-Laws, or (ii) contravene the provisions of or constitute a default (or an event which, with notice or the passage of time, or both, would constitute a default) by Big Rivers ~~it~~ under, any indenture, mortgage or other material contract, agreement or instrument to which Big Rivers is a party or by which Big Rivers, or ~~any of its property,~~ is bound, or result in the creation of any lien upon ~~lien upon~~ the property of Big Rivers.

(d) ~~No Required Consents~~ All or Approvals. As of the Closing, all consents, approvals, resolutions, authorizations, actions or orders, including, those which must be obtained from any ~~governmental entities or regulatory bodies~~ Governmental Entity, required for the authorization, execution and delivery of, and for the consummation of the transactions contemplated by, this Station Two Termination and Release by Big Rivers ~~shall have been obtained prior to the date hereof.~~

~~(e) Governmental Approvals~~. No authorization or approval or other action by, and no notice to or filing or registration with, or license or permit from any Governmental Entity or under any Applicable Law is required for the due execution, delivery or performance by Big Rivers of this Station Two Termination and Release, except the consent of the KPSC.

~~(e)~~ ~~(f) Absence of Litigation~~. There is no pending or, to the knowledge of Big Rivers, threatened action, suit, investigation or proceeding against Big Rivers by any person ~~(other than the E.ON Station Two Parties)~~ before any Governmental Entity which (i) questions the validity of this Station Two Termination and Release or the ability of Big Rivers to perform its obligations under this Station Two Termination and Release or (ii) if determined adversely to it, would materially adversely affect Big Rivers' ability to perform its obligations under this Station Two Termination and Release.

~~(g) Inventory and Personal Property~~. Prior to Closing, all inventory and personal property including, without limitation, intellectual property, related to Station Two, the Joint Use Facilities and the Station Two Site will be held by or in the name of the City of Henderson.

~~(f)~~ ~~(h) Termination of Non-Disturbance Agreement~~. As of the Closing, the Non-Disturbance Agreement, together with each and every agreement or instrument assigning or transferring any ~~rights~~ right, title, ~~interests~~ interest or ~~obligations~~ obligation of

any party thereunder, shall have been terminated, discharged, released and rendered null and void and of no further force and effect by the parties thereto.

(g) ~~(i) Termination of Participation Agreement~~ As of the Closing, the Participation Agreement, together with each and every agreement or instrument assigning or transferring any ~~rights~~right, title, ~~interests~~interest or ~~obligations~~obligation of any party thereunder, shall have been terminated, discharged, released and rendered null and void and of no further force and effect by the parties thereto.

(h) ~~(j) Agreements, Instruments and Documentation Included~~ All agreements, instruments and other documents by, under or pursuant to which any real or personal property, or any lien, encumbrance, charge, right or interest with respect to real or personal property, whether tangible or intangible, relating to Station Two or the Joint Use Facilities, is conveyed, transferred or assigned by Big Rivers to any E.ON Station Two Party, or any right or interest in or to any Station Two Contract or Assigned Station Two Contract is transferred or assigned by Big Rivers to or otherwise created by Big Rivers in favor of any E.ON Station Two Party, are set forth in or included under Schedule 2.1 hereto, the provisions of ~~Section 4.2, 4.2 or Section 5.7~~, including the Exhibits referred to therein, or Schedule 3.1 hereto.

~~Section 19.3 Section 16.3~~ Representations and Warranties of the City of Henderson and the City Utility Commission. The City of Henderson and the City Utility Commission hereby severally represent and warrant to each of the E.ON Station Two Parties and Big Rivers that on the Effective Date and as of the Closing Unwind Date, except as otherwise specified:

(a) Organization and Existence. The City of Henderson is a municipal corporation and city of the second class duly organized and existing under the laws of the Commonwealth of Kentucky. The City Utility Commission is a public body politic and corporate duly organized and existing under Kentucky Revised Statutes § 96.530 and related statutes. The City of Henderson and the City Utility Commission each has all requisite power and authority to carry on its business as now conducted, to own its property and to enter into and perform its respective obligations under this Station Two Termination and Release.

(b) Authorization, Execution, Binding Effect. This Station Two Termination and Release has been duly authorized, executed and delivered by the City of Henderson and the City Utility Commission, and, assuming the due authorization, execution and delivery hereof by each E.ON Station Two Party and Big Rivers, constitutes the legal, valid and binding obligation of the City of Henderson and the City Utility Commission, enforceable against the City of Henderson and the City Utility Commission in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, arrangement, moratorium or other laws relating to or affecting the rights of creditors generally and by general principles of equity.

(c) No Violation. The execution, delivery and performance by the City of Henderson and the City Utility Commission of this Station Two Termination and Release, the consummation by the City of Henderson and the City Utility Commission of the transactions contemplated hereby, and the compliance by the City of Henderson and

the City Utility Commission with the terms and provisions hereof, do not and will not contravene any Applicable Law.

(d) No Required Consents. ~~All~~As of the Closing, all consents, approvals, resolutions, authorizations, actions or orders, including, those which must be obtained from any ~~governmental entities or regulatory bodies,~~Governmental Entity required for the authorization, execution and delivery of, and for the consummation of the transactions contemplated by, this Station Two Termination and Release by the City of Henderson and the City Utility Commission have been obtained ~~prior to the execution and delivery~~ hereof.

ARTICLE 20, ARTICLE 17

CLOSING CONDITIONS

Section 20.1 ~~Section 17.1~~ Closing Conditions. The obligation of the City of Henderson and the City Utility Commission to consummate the ~~transaction~~transactions under ~~the~~this Station Two Termination and Release shall be subject to the performance by the E.ON Station Two Parties and Big Rivers of and their compliance with their respective obligations, requirements and conditions to be performed and complied with under the provisions of this Station Two Termination and Release at and prior to the Closing Date, and to the following conditions under ~~this Section 17.1~~20.1 to be performed, completed or complied with to the satisfaction of the City Utility Commission:

(a) Replacement Contracts. The City of Henderson, the City Utility Commission and Big Rivers shall have entered into certain contracts replacing those terminated in connection with the Unwind including, without limitation, the Station Two

~~G&A Allocation Agreement, the Agreement with respect to Operating Reserves and Amendment No. 1 to the Systems Reserves Agreement, the Supplementary Agreement on SO₂ Emission Allowances and the Designated Representative Appointment Agreement. In addition, all required assignments of contracts, licenses, permits and other instruments affecting Station Two and the Joint Use Facilities shall have been completed.~~

(b) Additional Agreements. The City Utility Commission, the City of Henderson (as necessary) and Big Rivers shall have entered into agreements or amendments of agreements that give effect to the matters set forth in the letter, dated August 3, 2007, by the City Utility Commission to Big Rivers.

~~(c) True Up Payments. The settlement of all true ups of Station Two operating budgets, for the 2007-08 budget to the Unwind Closing Date, including the pro-ration of any accruals of costs and expenses, shall be completed to the reasonable satisfaction of City Utility Commission. These should include the SCR account true-up from May 1, 2005 to the Closing Date.~~

(c) ~~(d)~~ Alstom Claims. All outstanding settlement claims against Alstom Power Inc. ("Alstom") shall have been settled and funds with respect to the SCR Station Two selective catalytic reduction system shall have been allocated or, if not settled and funds allocated, an appropriate agreement with regard to the Alstom Power Inc issues shall have been entered into by the Parties.

~~(e) Other Capital Costs. The True-ups of any other capital costs of Station Two and the Joint Use Facilities shall have been completed.~~

(d) ~~(f)~~ Big Rivers Debt Rating Rating. The debt obligations of Big Rivers secured by a first lien and security interest in assets of Big Rivers shall be rated at least “BBB” by S&P Standard and Poor’s and “Baa2” by Moody’s Investor Service.

(e) ~~(g)~~ E.ON Debt Rating. The corporate credit rating and long term issuer rating of E.ON shall be at least the minimum “investment grade” rating, issued by S&P Standard and Poor’s and Moody’s Investor Service.

(f) ~~(h)~~ Covenants. The E.ON Station Two Parties and Big Rivers shall have complied with all their respective covenants and agreements for the benefit of City of Henderson and the City Utility Commission under the Station Two Agreement, the Station Two Contracts and all Definitive Documents (used as defined in the Transaction Termination Agreement).

(g) ~~(i)~~ Open Issues. The following open issues shall have been resolved and any necessary payments made:

(i) ~~(i)~~ — The appropriate charges by LEM to the City Utility Commission for energy under Amendment No. 1 to the System Reserves Agreement;

(ii) ~~(ii)~~ — The City Utility Commission’s liability for 30.45% of the \$200,000 deductible under the ~~H~~ Station Two, Unit 1 boiler insurance policy;

(iii) ~~(iii)~~ The E.ON Station Two Parties' obligation to pay the City Utility Commission for Excess Henderson Energy from Station Two up to the Unwind Closing Date;

(iv) ~~(iv)~~ The turbine controls issue with respect to Unit 2 of Station Two and the allocation of the related Siemen's payment; and

(v) ~~(v)~~ Provision ~~shall have been made~~ by the E.ON Station Two Parties for the funding of the cost of the repair of damage to the Station Two Unit 1 boiler as a result of the January 29, 2007 heat excursion.

(h) ~~(j)~~ Inventory. The inventories of coal and lime for Station Two shall have been reconciled as between the City Utility Commission and the E.ON Station Two Parties.

(i) ~~(k)~~ No Casualty. No casualty shall have occurred at Station Two or the Joint Use Facilities from and after the ~~execution~~ Effective Date of the Station Two Termination and Release and prior to and including the Unwind Closing Date that has not been repaired or otherwise corrected by the E.ON Station Two Parties.

(j) ~~(l)~~ SO2 and NOx Allowances. All SO2 and NOx allowances to which City of Henderson and the City Utility Commission are entitled under the Station Two Contracts shall have been transferred to the City of Henderson or the City Utility Commission or provision made under the Station Two Contracts for their transfer to ~~City of Henderson or the City Utility Commission.~~

(k) ~~(m)~~ No Unresolved Disputes. There shall be no outstanding unresolved disputes or proceedings between either any of the E.ON Station Two Parties or Big Rivers on the one hand and City of Henderson or the City Utility Commission on the other hand, other than any such disputes or proceedings as shall be discharged or released as of the Unwind Closing Date.

(l) ~~(n)~~ Payment of Certain Amounts. E.ON shall have reimbursed the City of Henderson and the City Utility Commission, respectively, for all costs and expenses pursuant Section ~~14.1.17.1.~~

(m) ~~(o)~~ Inability to Consummate Unwind. There shall not have been any action taken by any Governmental Entity, or pursuant to Applicable Laws, that would render any Party unable to consummate the Unwind, or that would make the Unwind illegal, or that would otherwise prohibit the consummation of the Unwind.

(n) ~~(p)~~ Representations and Warranties. All representations and warranties of the E.ON Station Two Parties and Big Rivers, respectively, as set forth in Sections ~~16.1~~19.1 and ~~16.2~~19.2 shall be true and correct in all material respects on and as of the Effective Date and as of the Unwind Closing Date, except as otherwise specified in Sections 19.1 and 19.2, respectively. and the City of Henderson and the City Utility Commission shall have received certificates of an authorized officer of each of the E.ON Station Two Parties and of Big Rivers to such effect.

(o) ~~(q)~~ Governmental Approvals. All consents and approvals of Governmental Entities required for the consummation of the Unwind by each of the E.ON Station Two Parties, Big Rivers and any member cooperative of Big Rivers, shall

have been obtained and any required filings with or waivers from any Governmental Entity shall have been made and received.

(p) ~~(r) The Transaction Termination Agreement~~. The Transaction Termination Agreement shall be in full force and effect and there shall not be any additional amendment or supplement thereof which affects Station Two, the Joint Use Facilities or the Station Two Site except as shall have been approved by the City Utility Commission and the Closing thereunder shall take place on the Unwind Closing Date.

(q) ~~(s) Environmental Conditions~~. The City of Henderson and the City Utility Commission, respectively, shall not, in their sole and absolute discretion, by written notice delivered to the E.ON Station Two Parties and to Big Rivers: (A) at any time more than 20 days prior to the scheduled Unwind Closing Date have refused to consummate the Closing of the transactions contemplated by this Station Two Termination and Release, on the basis of one or more facts or circumstances described in the following sentence; or (B) at any time 20 days or less prior to the scheduled Unwind Closing Date, have refused to consummate the Closing of the transactions contemplated by this Station Two Termination and Release, on the basis of one or more facts or circumstances described in the following sentence as to which neither the City of Henderson nor the City Utility Commission had knowledge at any time prior to 20 days prior to the scheduled Unwind Closing Date. The facts or circumstances that would permit delivery of the notice described in the preceding sentence are as follows: (i) any actual, alleged or perceived violation of any Environmental Law occurring at any time, howsoever caused, and associated in any manner with Station Two, the Joint Use

Facilities or the Station Two Site, or the use, operation, maintenance or repair thereof; (ii) the actual, alleged or perceived Environmental Release occurring at any time, howsoever caused, and associated with Station Two, the Joint Use Facilities or the Station Two Site or the use or operation, maintenance or repair thereof; (iii) any Baseline Environmental Condition (used as defined in the Transaction Termination Agreement), Disclosed Environmental Condition or other Excepted Condition (used as defined in the Transaction Termination Agreement); (iv) any actual, alleged or perceived violation of any permit occurring at any time, howsoever caused, and associated with Station Two, the Joint Use Facilities and the Station Two Site or the use, operation, maintenance or repair thereof; or (v) any other actual alleged or perceived condition, release, circumstance, transaction, omission, proceeding, operation, maintenance, failure to comply, violation or other event occurring at any time, and associated with Station Two, the Joint Use Facilities or the Station Two Site, or the use, operation, maintenance or repair thereof, which that, if known to any Governmental Entity, would or could reasonably be expected to give rise to any liability for fines, penalties, modifications of plant, facilities or equipment, or any remediation or compensation for damages under any Environmental Law; in each case relating to Station Two, the Joint Use Facilities or the Station Two Site or the use, operation, maintenance or repair thereof, and regardless of whether any claims, losses, liabilities, damages, costs, expenses, obligations or deficiencies associated with or resulting from or arising out of any of the foregoing could be the subject of indemnification in favor of the City of Henderson or the City Utility Commission under Article 7.

(r) ~~(t)~~ Generating Capability. Within 30 days prior to the scheduled Unwind Closing Date, WKEC shall have demonstrated to the City Utility Commission through actual performance data ~~or~~ and physical testing, that Station Two and the Joint Use Facilities are ~~physically~~ capable of generating net output of at least 311 MW. The ~~demonstration contemplated above shall be at WKEC's sole cost and expense. The scope and method of such testing shall be acceptable to the City Utility Commission in its reasonable discretion.~~ Measurement Such testing shall include sustained operation for at least 24 hour's duration under actual load carrying condition at rated pressure and temperature with all auxiliary equipment in service and at a power factor of 90%. Such measurement and testing of net output shall otherwise ~~be measured~~ in accordance with East Central Area Reliability (ECAR) "Procedures for the Uniform Rating and Testing of Generation Equipment" dated May, 1998. The scope and method of such testing shall be acceptable to the City Utility Commission in its reasonable discretion. The testing will utilize coal having characteristics that meet the fuel box design for Station Two. The City Utility Commission shall be provided the opportunity to have a representative or representatives present to observe the testing. The operation of Station Two and the Joint Use Facilities during the testing shall conform to all permits and licenses from Governmental Entities and comply with other Applicable Laws.

(s) ~~(u)~~ No Forced Outage. No forced outage of Station Two or the Joint Use Facilities shall have occurred for a period greater than 5 consecutive days during the 30 day period immediately proceeding the Unwind Closing Date, and no forced outage of Station Two or the Joint Use Facilities shall be pending.

(t) ~~(v)~~ Opinions of Counsel. The City of Henderson and the City Utility Commission shall have received such opinions of counsel for each of the E.ON Station Two Parties, and such opinion or opinions of counsel for Big Rivers, each dated the Unwind Closing Date, reasonably satisfactory in form and substance to the City Utility Commission.

~~ARTICLE 21~~ ARTICLE 18

TERMINATION

Section 21.1 ~~Section 18.1~~ Effective Date; Termination of Agreement. This Station Two Termination and Release shall become effective on the date (“Effective Date”) on which each of the Parties shall have executed and delivered this Agreement. This Station Two Termination and Release, including the obligations of the Parties to use their respective reasonable best efforts to cause the Closing to occur and to cause any conditions precedent set forth in Article ~~17~~20 to be satisfied or waived, may be terminated at the option of the City of Henderson or the City Utility Commission on the one hand, or the E.ON Station Two Parties or Big Rivers on the other hand, if the Closing shall not have occurred on or prior to _____, April 30, 2008, upon two Business Days prior notice given to the other Parties to this Station Two Termination and Release. If this Station Two Termination and Release shall be terminated in accordance with this Section ~~18.1~~21.1, this Station Two Termination and Release shall immediately become null and void and of no further force or effect whatsoever, and each Party shall be fully released and discharged from its obligations hereunder; provided that the E.ON Station Two Parties shall promptly reimburse the City of Henderson and the City Utility Commission, respectively, for all their costs and expenses relating to the Unwind, including, without limitation, all general and administrative costs allocable to the Unwind, and all legal fees

and disbursements, accounting charges, and fees and disbursements of engineers and other experts, all to the extent incurred in connection with the Unwind. Such payment shall be made within 30 days following receipt of invoices therefor submitted by the City of Henderson and the City Utility Commission, respectively.

ARTICLE 22

WOODWARD-CLYDE AGREEMENT

Section 22.1 No Affect on City's Rights and Remedies. The Parties agree that nothing contained in this Station Two Termination and Release or in the Transaction Termination Agreement shall limit, or otherwise affect any rights or remedies of the City of Henderson or the City Utility Commission under, pursuant to or otherwise arising out of the Agreement For Professional and Environmental Services, dated as of October 15, 1997, among WKEC, Big Rivers and Woodward-Clyde International-Americas (the "WCI Agreement"). WKEC and Big Rivers further agree that they will not take any action or allow any action to be taken to terminate the WCI Agreement without the prior consent of the City Utility Commission and each of them agrees that it will not take any action pursuant to this Station Two Termination and Release Agreement or the Transaction Termination Agreement or other Definitive Documents (used as defined in the Transaction Termination Agreement) which would adversely affect any rights or remedies which the City of Henderson or the City Utility Commission may have under, pursuant to or otherwise arising out of the WCI Agreement.

ARTICLE 23~~ARTICLE 19~~

MISCELLANEOUS

Section 23.1 ~~Section 19.1~~ Successors and Assigns. This Station Two Termination and Release shall be binding upon, and shall inure to the benefit of and be enforceable by, the Parties named herein and their respective members, shareholders, directors, officers, employees, agents, representatives, advisors, successors, predecessors and permitted assigns, and all other persons or entities claiming by, through or under any of them. No Party may assign either this Station Two

Termination and Release or any of its rights or interests hereunder, nor delegate any of its obligations hereunder, without the prior written consent of the other Parties (which consent shall not be unreasonably withheld, conditioned or delayed), and any attempt to make any such transfer, assignment or delegation without such consent shall be null and void.

Section 23.2 ~~Section 19.2~~ Notices. All notices, requests, demands, claims or other communications required or permitted to be given or made under this Station Two Termination and Release shall be in writing and shall be deemed duly given or made if it is sent by registered or certified mail, return receipt requested, postage prepaid, and addressed to the intended recipient as set forth below:

<u>If to any E.ON Station Two Party:</u>	E.ON U.S. LLC 220 West Main Street Louisville, KY 40202 Facsimile: 502-627-4622 Telephone: 502-627-3665 Attn: Executive Vice President, General Counsel & Corporate Secretary
<u>With a Copy to:</u>	Patrick R. Northam, Esq. Greenebaum Doll & McDonald PLLC 3500 National City Tower 101 South Fifth Street Louisville, Kentucky 40202 Facsimile: 502-587-3695 Telephone: 502-587-3774
<u>If to Big Rivers:</u>	Big Rivers Electric Corporation 201 Third Street P.O. Box 24 Henderson Kentucky 42419 Attention: President & Chief Executive Officer Facsimile: 270-827-2558 Telephone: 270-827-2561
<u>With a Copy to:</u>	James M. Miller, Esq. Sullivan, Mountjoy, Stainback & Miller, P.S.C.

	100 St. Ann Building Post Office Box 727 Owensboro, Kentucky 42302-0727 Facsimile: 270-683-6694 Telephone: 270-691-1640
<u>If to the City of Henderson or the City Utility Commission:</u>	The City of Henderson, Kentucky 222 First Street Henderson, Kentucky 42419 Attn: City Attorney Facsimile: (270) 831-1206 Telephone: (270) 831-1200
	Henderson Municipal Power & Light 100 Fifth Street Henderson, Kentucky 42419 Attn: General Manager Facsimile: (270) 826-9650 Telephone: (270) 826-2726
<u>With a Copy to:</u>	C. B. West, Esq. Stoll, Keenon & Ogden 201C North Main Street Henderson, Kentucky 42420 Facsimile: (270) 827-4060 Telephone: (270) 831-1900

Any Party may send any notice, request, demand, claim or other communication hereunder to the intended recipient at the address set forth above using any other means (including personal delivery, expedited courier, messenger service, telecopy, telex, ordinary mail, or electronic mail), but no such notice, request, demand, claim, or other communication shall be deemed to have been duly given unless and until it actually is received by the intended recipient. Any Party may change the address to which notices, requests, demands, claims, and other communications hereunder are to be delivered by giving the other Party notice in the manner herein set forth.

~~Section 19.3 Governing Law. THIS STATION TWO TERMINATION AND RELEASE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE COMMONWEALTH OF KENTUCKY.~~

Section 23.3 Governing Law. This Station Two Termination and Release shall be governed by and construed in accordance with the laws of the Commonwealth of Kentucky.

Section 23.4 ~~Section 19.4 Amendments and Waivers.~~ This Station Two Termination and Release shall not be modified or amended except pursuant to an instrument in writing executed and delivered on behalf of each of the E.ON Station Two Parties, Big Rivers, the City of Henderson and the City Utility Commission. No waiver of any of the provisions of this Station Two Termination and Release shall be deemed to or shall constitute a continuing waiver or a waiver of any other provision hereof (whether or not similar). No delay on the part of any Party in exercising any right, power or privilege hereunder shall operate as a waiver thereof.

Section 23.5 ~~Section 19.5 Severability.~~ Any term or provision of this Station Two Termination and Release which is invalid or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective only to the extent of such invalidity or unenforceability, without rendering invalid or unenforceable the remaining terms and provisions of this Station Two Termination and Release or affecting the validity or enforceability of any of the terms or provisions of this Station Two Termination and Release in any other jurisdiction.

Section 23.6 ~~Section 19.6 Construction.~~ The Parties have participated jointly in the negotiation and drafting of this Station Two Termination and Release. In the event an ambiguity or question of intent or interpretation arises, this Station Two Termination and Release shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise

favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Station Two Termination and Release.

Section 23.7 ~~Section 19.7~~ Incorporation. The Exhibits and Schedules identified in this Station Two Termination and Release are incorporated herein by reference and made a part hereof.

Section 23.8 ~~Section 19.8~~ WAIVER OF JURY TRIAL. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS STATION TWO TERMINATION AND RELEASE OR THE TRANSACTIONS CONTEMPLATED HEREBY.

Section 23.9 ~~Section 19.9~~ Headings. The article and section headings contained in this Station Two Termination and Release are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Station Two Termination and Release.

Section 23.10 ~~Section 19.10~~ Counterparts. This Station Two Termination and Release may be executed in one or more counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument.

Section 23.11 ~~Section 19.11~~ Further Assurances. Each of the Parties shall, at all times, and from time to time, upon the request of the appropriate Party, do, execute, acknowledge and deliver, or will cause to be done, executed, acknowledged and delivered, all such further acts as may be required to consummate the transactions contemplated in this Station Two Termination and Release as they are herein contemplated. Each Party shall, and shall use its commercially

reasonable efforts to assure that any necessary third party shall, execute and deliver such documents and do such other acts and things as any other Party may reasonably require for the purpose of giving to that other Party the full benefit of all the provisions of this Station Two Termination and Release, and as may be reasonably required to complete the transactions contemplated in this Station Two Termination and Release.

Section 23.12 ~~Section 19.12~~ Third Party Beneficiaries. This Station Two Termination and Release is entered into for the sole benefit of the Parties hereto and the other persons and entities expressly contemplated herein, and except as specifically provided herein, shall not confer any rights or remedies upon any person or entity other than the Parties, such other identified persons and entities and their respective successors and permitted assigns.

Section 23.13 ~~Section 19.13~~ No Other Representations. Each Party represents to the others that it has not executed this Station Two Termination and Release upon the basis of any agreement, promise, representation or warranty not specifically contained herein or, in the case of Big Rivers and the E.ON Station Two Parties, in the Transaction Termination Agreement or the Definitive Documents contemplated therein (used as defined in the Transaction Termination Agreement).

Section 23.14 ~~Section 19.14~~ Time of the Essence. Time shall be of the essence in the Parties' performance of their respective obligations under this Station Two Termination and Release.

Section 23.15 ~~Section 19.15~~ Survival. The provisions of this Station Two Termination and Release shall survive the execution and delivery hereof and the consummation of the

transactions contemplated herein, and shall continue to be binding on and enforceable by the Parties hereto in accordance with its terms.

Section 23.16 ~~Section 19.16~~ Acknowledgment and Representation. Each Party has fully read the terms of this Station Two Termination and Release and has been represented by competent legal counsel in connection with the negotiation and execution hereof, and the effect and legal consequences of this Station Two Termination and Release have been fully explained to each Party by its legal counsel. Each Party hereby further represents and warrants to the other Parties that such Party has not at any time assigned or transferred to any other person or entity in any manner, including by way of subrogation, operation of law or otherwise, any Claim or portion thereof that it may have had, has, may now have or may hereafter have, against any other Party hereto of the type(s) contemplated in this Station Two Termination and Release to be released and discharged by this Station Two Termination and Release (other than such Claims as any E.ON Station Two Party may have against or in respect of any other E.ON Station Two Party but not against Big Rivers, the City of Henderson or the City Utility Commission).

WESTERN KENTUCKY ENERGY CORP.

By: _____

Name:
Title:

CITY OF HENDERSON, KENTUCKY

By: _____

_____ Name:
_____ Title:

CITY OF HENDERSON UTILITY
COMMISSION, D/B/A, HENDERSON
MUNICIPAL POWER & LIGHT

By: _____

_____ Name:
_____ Title:

EXHIBIT A

RULES OF INTERPRETATION AND DEFINITIONS

RULES OF INTERPRETATION. In this Station Two Termination and Release, unless otherwise expressly provided herein:

1. Any term defined in this Station Two Termination and Release (including this Exhibit A and any other Exhibit or Schedule hereto) by reference to another document, instrument or agreement shall continue to have the meaning ascribed thereto whether or not such other document, instrument or agreement remains in effect;

2. Words importing the singular include the plural and vice versa;

3. Words importing a gender include either gender;

4. A reference in this Station Two Termination and Release to a part, clause, recital, section, ~~paragraph~~subsection, article, party, annex, appendix, exhibit, schedule or other attachment is a reference to a part, clause, recital, section, ~~paragraph~~subsection, or article of, or a party, annex, appendix, exhibit, schedule or other attachment to, this Station Two Termination and Release unless, in any such case, otherwise expressly provided herein;

5. A definition of or reference to any document, instrument or agreement set forth in this Station Two Termination and Release (including without limitation, in any Exhibit or Schedule hereto) includes all amendments and/or supplements to, and any restatements, replacements, modifications or novations of, any such document, instrument or agreement unless otherwise specified in such definition or in the context in which such reference is used;

6. A reference to any person or entity includes such person's or entity's successors and permitted assigns (in the designated capacity);

7. Any reference to "days" shall mean calendar days unless Business Days are expressly specified;

8. If the date as of which any right, option or election is exercisable, or the date upon which any amount is due and payable, is stated to be on a date or day that is not a Business Day, such right, option or election may be exercised, and such amount shall be deemed due and payable, on the next succeeding Business Day with the same effect as if the same was exercised or made on such date or day (without, in the case of any such payment, the payment or accrual of any interest or other late payment or charge, provided such payment is made on such next succeeding Business Day);

9. Words such as "hereunder", "hereto", "hereof" and "herein" and other words of similar import shall, unless the context clearly requires otherwise, refer to the whole of the applicable document and not to any particular article, section, subsection, paragraph or clause thereof; and

10. A reference to "including" means including without limiting the generality of any description preceding such term, and for purposes hereof the rule of *ejusdem generis* shall not be applicable to limit a general statement, followed by or referable to an enumeration of specific matters, to matters similar to those specifically mentioned.

DEFINITIONS

~~“Alstom” shall have the meaning provided in Section 17.1(e).~~

“Annual Budget” means the budget for each Contract Year prepared pursuant to the Station Two Contracts

“*Applicable Laws*” means all federal, state and local laws, rules, regulations, ordinances, codes, orders and directives of any court or other governmental entity or regulatory body, or any office or agency thereof.

“*Assigned Station Two Contracts*” shall have the meaning provided in Section 8.1.

“*Big Rivers Released Parties*” shall have the meaning provided in Section 4.3.

“*Business Day*” means 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 or Louisville, Kentucky.

“*Capacity*” means the net electrical energy output which can be generated from Station Two expressed in megawatts (MW).

“*City Released Parties*” shall have the meaning provided in Section 4.4.

“*Claims*” shall have the meaning provided in Section 4.3.

“*Closing*” means the closing of the transactions contemplated by this Station Two Termination and Release.

~~“*Closing Date*” shall have the meaning provided in Section 2.1.~~

“*Closing Year*” means the year in which the Closing occurs.

“Contract Year” means the successive 12 month period beginning June 1 and ending on May 31.

“Disclosed Environmental Conditions” means any Environment Releases, conditions, facts, events, circumstances, actions, omissions, proceedings, operations, violations, failures to comply and other matters: (i) identified or disclosed in ~~Schedule 4.1~~ or in an environmental audit report referred to in Article 15 of the Transaction Termination Agreement or otherwise referred to in Article 15 of the Transaction Termination Agreement or in any Schedule referred to in Article 15; or (ii) otherwise identified or disclosed in writing by WKEC and delivered to Big Rivers, ~~or by Big Rivers and delivered to WKEC,~~ the City Utility Commission on or prior to the Closing.

“Effective Date” means the date on which each of the Parties shall have executed and delivered this Agreement as set forth in Section ~~48.1.21.1~~.

~~“Energy” means electricity output expressed as kilowatt hours (kWh).~~

“Environmental Law” means any federal, state or local statute, regulation or ordinance pertaining to the environment or to the control, handling, treatment and disposal of Hazardous Substances, as the same was in effect on July 15, 1998 (or enacted after July 15, 1998) and as the same may be amended, modified or reinterpreted after July 15, 1998, including but not limited to, the Clean Air Act; the Federal Water Pollution Control Act, 33 U.S.C. Section 1251 et seq.; the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. Section 9601 et seq.; the Resource Conservation and Recovery Act, 42 U.S.C. §§ 6901 et seq.; the Toxic Substances Control Act, 15 U.S.C. Section 2601 et seq.; and any regulations under those statutes.

“Environmental Releases” means any release as defined under Section 101(22) of the Comprehensive Environmental Response, Compensation, and Liability Act of ~~1980~~, 1980, 42 U.S.C. Section 9601 et. seq., of a Hazardous Substance or other waste (including, without limitation, garbage and refuse), at, on, under or from Station Two, the Joint Use Facilities or the Station Two Site.

“E.ON Guarantee” means the Guarantee Agreement [Station Two Obligations] dated July 15, 1998, from E.ON (as successor to LG&E Energy Corp.) in favor of the City of Henderson and the City Utility Commission.

“E.ON Released Parties” shall have the meaning provided in Section 4.5.

“Excess Henderson Energy” means Energy associated with the City of Henderson’s reserved Capacity from Station Two that is in excess of the amount of such Energy scheduled or taken by the City of Henderson or the City Utility Commission.

“Filing Party” shall have the meaning provided in Section 10.4.

“Governmental Entity” means any ~~national~~federal, state or local government, any political subdivision thereof or any other governmental, quasi-governmental, judicial, public or statutory instrumentality, authority, body, agency, bureau or entity.

“Guaranteed Obligations” shall have the meaning provided in Section ~~11.1~~.14.1.

“Guaranteed Parties” shall have the meaning provided in Section ~~11.1~~.14.1.

“Hazardous Substances” means any water or air pollutant and hazardous, toxic, radioactive or infectious substance, material or waste as defined, listed or regulated under any Environmental Law.

“Henderson Termination Payment” shall have the meaning provided by Section 3.1.

“Joint Facilities Agreement” means the Joint Facilities Agreement between the City of Henderson and Big Rivers dated August 1, 1970, as amended.

“Joint Use Facilities” means the auxiliary facilities ~~under~~which was the subject of the Joint Facilities Agreement.

~~**“KPSC”** means the Kentucky Public Service Commission or any successor thereto.~~

“Lien” means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind, or any other type of preferential arrangement that has substantially the same practical effect as a security interest, in respect of such asset.

“Monthly Billing Period” means each calendar month of any Contract Year.

“Non-Disturbance Agreement” means the Third Amended and Restated Subordination, Non Disturbance, Attornment and Intercreditor Agreement, dated August 1, 2001, by and among Big Rivers, Western Kentucky Energy Corp., LG&E Energy Marketing Inc., WKE Station Two, Inc., WKE Corp. and other creditors of Big Rivers parties thereto, as amended.

“Non-Filing Parties” shall have the meaning provided in Section 10.4.

“Operating True-Up” means, with respect to the Station Two operating and maintenance costs and expenses for the Contract Year in which the Closing occurs, the final settlement of accounts between the applicable Parties.

“Participation Agreement” shall have the meaning provided in Recital B.

“Plan of Reorganization” shall have the meaning provided in Recital B.

“Power Sales Contract” means the Power Sales Contract, dated August 1, 1970, among Big Rivers, the City of Henderson and the City Utility Commission, as amended.

“Power Sales True-Up” means, with respect to Station Two capacity charges for the Contract Year in which the Closing occurs, the final settlement of accounts between the applicable Parties.

“Released Station Two Contracts” shall have the meaning provided in Section 5.1.

“Section 5.2 Released Parties” shall have the meaning provided in Section 5.2.

“Section 5.4 Released Parties” shall have the meaning provided in Section 5.4.

“Section 5.5 Released Parties” shall have the meaning provided in Section 5.5.

“Station Two” means the two generating units and related facilities owned by the City of Henderson and located on a site near the Green River in Henderson County, Kentucky.

“Station Two Agreement” means the Agreement and Amendments to Agreement dated as of July 15, 1998, as amended, among the City of Henderson, the City Utility Commission, Big Rivers, LEM, WKEC, WKE and Station Two Subsidiary, including without limitation, as amended by the Amendatory Agreement, dated as of April 1, 2005, among the City of Henderson, the City Utility Commission, Big Rivers, Station Two Subsidiary, WKEC, LEM and WKE.

“Station Two Contracts” means the Power Plant Construction and Operating Agreement, the Power Sales Contract and the Joint Facilities Agreement, each dated August 1, 1970, together with all the amendments thereof and, contracts, letters and other agreements relating to the operation of Station Two.

“Station Two Documents” shall have the meaning provided in Section ~~13.1.16.1.~~

“Station Two Environmental Claims” shall have the meaning provided in Section 7.1.

“Station Two Intellectual Property” shall have the meaning provided in Section 10.1.

“Station Two Inventory” shall have the meaning provided in Section 9.1.

“Station Two Operating Agreement” shall mean the Power Plant Construction and Operating Agreement, dated August 1, 1970, as amended.

“Station Two Permits” shall have the meaning provided in Section 11.1.

“Station Two Personal Property” shall have the meaning provided in Section 9.2.

“Station Two Site” means the real property on which Station Two and the Joint Use Facilities are situated.

“Station Two Terminated Agreements” shall have the meaning provided in Section 4.1.

“Station Two Termination Payment” shall have the meaning provided in Section 3.1.

“Taxes” means all income, profits, gains, gross receipts, net worth, utility gross receipts license, premium, value added, ad valorem, sales, use, excise, stamp, transfer, franchise, withholdings, payroll, employment, occupation, social security, property, environmental, license, privilege, alternative minimum calculation, severance, fuel and all other taxes of any kind whatsoever, or any amounts imposed in lieu of any of the foregoing, together with any interest, penalties, and additions thereto, in each case imposed by any federal, state, local, or foreign government or any agency or political subdivision thereof, including all amounts imposed as a result of being a member of a consolidated, affiliated, combined, or unified group.

“Transaction Termination Agreement” shall have the meaning provided in Recital D.

“Unwind” means ~~the~~ transactions contemplated by the Transaction Termination Agreement and this Station Two Termination and Release.

“Unwind Closing Date” means ~~the date upon which the closing of the Transaction Termination Agreement shall occur.~~ shall have the meaning provided in Section 2.1.

~~{Note: Other definition references may be added prior to execution of document.}~~

“WCI Agreement” shall have the meaning provided in Section 22.1.

EXHIBIT B-1

TERMINATION AND RELEASE OF DEED OF EASEMENT

On July 15, 1998, the CITY OF HENDERSON, KENTUCKY, a municipal corporation, and the CITY OF HENDERSON UTILITY COMMISSION, a body politic and corporate (hereinafter collectively referred to as "Henderson") granted to WKE STATION TWO, INC., formerly known as LG&E Station Two, Inc., a Kentucky corporation, LG&E ENERGY MARKETING, INC., an Oklahoma corporation, and WESTERN KENTUCKY ENERGY CORP., a Kentucky Corporation, (hereinafter collectively referred to as the "LG&E Parties") an unexclusive easement for access to Henderson's property for the purpose of enabling the LG&E Parties to perform and fulfill their respective obligations under certain agreements relating to the operation and maintenance of Henderson's Station Two Power Plant, all in accordance with the rights, privileges, reservations, exceptions and limitations recited therein, and

WHEREAS, the LG&E Parties will, upon the effective date of this Termination and Release cease to operate, maintain and control Henderson's Station Two Power Plant, and will thereupon cease to use the easement and right-of-way granted to them by Henderson by the terms of the Deed of Easement and Right-of-Way dated July 15, 1998, of record in Miscellaneous book 6, at page 373, in the Henderson County Clerk's Office, Henderson County, Kentucky.

NOW, THEREFORE, in consideration of the premises, the said WKE Station Two, Inc., LG&E Energy Marketing, Inc. and Western Kentucky Energy Corp. do hereby bargain, sell, and convey, and by these presents release, remise and quit-claim unto the said City of Henderson, Kentucky and City of Henderson Utility Commission, their respective successors

and assigns, any and all right, title and interest in and to the property described in said Deed of Easement, and all and any other interest the said WKE Station Two, Inc., LG&E Energy Marketing, Inc. and Western Kentucky Energy Corp., their respective successors and assigns, may have in and to the said property of City of Henderson, Kentucky and City of Henderson Utility Commission.

Prior to the date hereof, WKE Station Two, Inc., formerly known as LG&E Station Two, Inc., a Kentucky corporation, was merged with and into Western Kentucky Energy Corp. in accordance with Kentucky law, with Western Kentucky Energy Corp. being the surviving entity in that merger succeeding to all of the assets, properties, rights, debts, obligations and liabilities of WKE Station Two, Inc., whereby the execution of this document by Western Kentucky Energy Corp. will transfer and convey all right, title and interest of WKE Station Two, Inc. in the Deed of Easement herein referred to.

IN TESTIMONY WHEREOF, the said parties to this Termination and Release of Deed of Easement have hereunto executed this document by their respective duly authorized representatives to be effective the ____ day of _____, 2008.

LG&E

ENERGY MARKETING, INC.

WESTERN
KENTUCKY ENERGY CORP.

CITY OF
HENDERSON, KENTUCKY

CITY OF
HENDERSON UTILITY COMMISSION

COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF JEFFERSON)

The foregoing Termination and Release of Deed of Easement was acknowledged before me this ____ day of _____, 2008, by LG&E Energy Marketing, Inc., an Oklahoma corporation, for and on behalf of said corporation.

My commission expires: _____.

Notary Public

(SEAL)

COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF JEFFERSON)

The foregoing Termination and Release of Deed of Easement was acknowledged before me this ____ day of _____, 2008, by Western Kentucky Energy Corp., a Kentucky corporation, for and on behalf of said corporation.

My commission expires: _____.

Notary Public

(SEAL)

COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF HENDERSON)

The foregoing Termination and Release of Deed of Easement was acknowledged before me this ____ day of _____, 2008, by City of Henderson, Kentucky, a municipal corporation, for and on behalf of said municipal corporation.

My commission expires: _____.

Notary Public

(SEAL)

COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF HENDERSON)

The foregoing Termination and Release of Deed of Easement was acknowledged before me this ____ day of _____, 2008, by City of Henderson Utility Commission, a Kentucky municipal commission, for and on behalf of said commission.

My commission expires: _____.

Notary Public

(SEAL)

This Instrument Was Prepared By:

CHARLES B. WEST, JR.
Stoll Keenon Ogden PLLC

201 C North Main Street
Henderson, KY 42420
270-831-1900
LEX 102300/108916/3528352.2

IN WITNESS WHEREOF, the Parties have caused this Station Two Termination and Release to be duly executed by their respective authorized officers as of the day and year first above written.

BIG RIVERS ELECTRIC CORPORATION

By: _____

Name:
Title:

E.ON U.S. LLC

By: _____

Name:
Title:

LG&E ENERGY MARKETING INC.

By: _____

Name:
Title:

EXHIBIT B-2

TERMINATION AND RELEASE OF DEED OF EASEMENT

On July 15, 1998, BIG RIVERS ELECTRIC CORPORATION, a Kentucky rural electric cooperative (hereinafter referred to as "Big Rivers") granted to WKE STATION TWO, INC., formerly known as LG&E Station Two, Inc., a Kentucky corporation, LG&E ENERGY MARKETING, INC., an Oklahoma corporation, and WESTERN KENTUCKY ENERGY CORP., a Kentucky Corporation, (hereinafter collectively referred to as the "LG&E Parties") an unexclusive easement for access to Big Rivers' property for the purpose of enabling the LG&E Parties to perform and fulfill their respective obligations under certain agreements relating to the operation and maintenance of Big Rivers Green Station and Reid Station Power Plants and Henderson's Station Two Power Plant, all in accordance with the rights, privileges, reservations, exceptions and limitations recited therein, and

WHEREAS, the LG&E Parties will, upon the effective date of this Termination and Release cease to operate, maintain and control Big Rivers Green Station and Reid Station Power Plants and Henderson's Station Two Power Plant, and will thereupon cease to use the easement and right-of-way granted to them by Big Rivers by the terms of the Deed of Easement and Right-of-Way dated July 15, 1998, of record in Miscellaneous Book 6, at page 378, in the Henderson County Clerk's Office, Henderson County, Kentucky.

NOW, THEREFORE, in consideration of the premises, the said WKE Station Two, Inc., LG&E Energy Marketing, Inc. and Western Kentucky Energy Corp. do hereby bargain, sell, and convey, and by these presents release, remise and quit-claim unto the said Big Rivers Electric Corporation, its successors and assigns, any and all right, title and interest in and to the property described in said Deed of Easement, and all and any other interest the said WKE

Station Two, Inc., LG&E Energy Marketing, Inc. and Western Kentucky Energy Corp., their respective successors and assigns, may have in the said property of Big Rivers.

Prior to the date hereof, WKE Station Two, Inc., formerly known as LG&E Station Two, Inc., a Kentucky corporation, was merged with and into Western Kentucky Energy Corp. in accordance with Kentucky law, with Western Kentucky Energy Corp. being the surviving entity in that merger succeeding to all of the assets, properties, rights, debts, obligations and liabilities of WKE Station Two, Inc., whereby the execution of this document by Western Kentucky Energy Corp. will transfer and convey all right, title and interest of WKE Station Two, Inc. in the Deed of Easement herein referred to.

IN TESTIMONY WHEREOF, the said parties to this Termination and Release of Deed of Easement have hereunto executed this document by their respective duly authorized representatives to be effective on the _____ day of _____, 2008.

LG&E

ENERGY MARKETING, INC.

WESTERN

KENTUCKY ENERGY CORP.

By: _____

COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF JEFFERSON)

The foregoing Termination and Release of Deed of Easement was acknowledged before me this ____ day of _____, 2008, by LG&E Energy Marketing, Inc., an Oklahoma corporation, for and on behalf of said corporation.

My commission expires: _____.

Notary Public

(SEAL)

COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF JEFFERSON)

The foregoing Termination and Release of Deed of Easement was acknowledged before me this ____ day of _____, 2008, by Western Kentucky Energy Corp., a Kentucky corporation, for and on behalf of said corporation.

My commission expires: _____.

Notary Public

(SEAL)

COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF HENDERSON)

The foregoing Termination and Release of Deed of Easement was acknowledged before me this _____ day of _____, 2008, by Big Rivers Electric Corporation, a Kentucky rural electric cooperative, for and on behalf of said cooperative.

My commission expires: _____.

Notary Public

(SEAL)

This Instrument Was Prepared By:

CHARLES B. WEST, JR.
Stoll Keenon Ogden PLLC
201 C North Main Street
Henderson, KY 42420
270-831-1900

~~LEX-102300/108916/3528405-2~~

EXHIBIT B-3

TERMINATION AND RELEASE OF ASSIGNMENT OF EASEMENTS

By ASSIGNMENT OF EASEMENTS entered into on April 30, 2006 by and among WKE STATION TWO, INC., a Kentucky corporation, LG&E ENERGY MARKETING, INC., an Oklahoma corporation (hereinafter referred to as "Assignors") and WESTERN KENTUCKY ENERGY CORP., a Kentucky corporation (hereinafter referred to as "Assignee"), which Assignment of Easements is of record in Miscellaneous Book 8, beginning at page 902 in the Office of the Henderson County Court Clerk, Henderson County, Kentucky, Assignors assigned to Assignee (1) a Deed of Easement and Right-of-Way by and among the City of Henderson, Kentucky, and the City of Henderson Utility Commission, as Grantors, and WKE Station Two, Inc., LG&E Energy Marketing, Inc. and Western Kentucky Energy Corp., as Grantees, which Deed of Easement is of record in Miscellaneous Book 6, beginning at page 373 in the Office of the Henderson County Court Clerk, and (2) a Deed of Easement and Right-of-Way by and among Big Rivers Electric Corporation, as Grantor, and WKE Station Two, Inc., LG&E Energy Marketing, Inc. and Western Kentucky Energy Corp., as Grantees, which Deed of Easement is of record in Miscellaneous Book 6, beginning at page 378 in the Office of the Henderson County Court Clerk, Henderson County, Kentucky, and

WHEREAS, the purposes for which such Deeds of Easements and Rights-of-Way were granted, and thereafter assigned to Assignee have terminated as of the effective date of this Termination and Release. It is the desire of the Assignors and Assignee to return said easements and rights-of-way to the original Grantors, free and clear of all claims of the Assignors and the Assignee herein.

NOW, THEREFORE, the Assignors and the Assignee do hereby bargain, sell and convey, and do by these presents release, remise and quit-claim unto the said City of Henderson and City of Henderson Utility Commission, their respective successors and assigns, any and all right, title and interest in and to the easement and right-of-way referred to in that certain Deed of Easement and Right-of-Way dated July 15, 1998 and of record in Miscellaneous Book 6, beginning at page 373 in the Office of the Henderson County Court Clerk, and do by these presents release, remise and quit-claim unto the said Big Rivers Electric Corporation its successors and assigns, any and all right, title and interest in and to the easement and right-of-way referred to in that certain Deed of Easement and Right-of-Way dated July 15, 1998 and of record in Miscellaneous Book 6, beginning at page 378 in the Office of the Henderson County Court Clerk, Henderson County, Kentucky.

Prior to the date hereof, WKE Station Two, Inc., formerly known as LG&E Station Two, Inc., a Kentucky corporation, was merged with and into Western Kentucky Energy Corp. in accordance with Kentucky law, with Western Kentucky Energy Corp. being the surviving entity in that merger succeeding to all of the assets, properties, rights, debts, obligations and liabilities of WKE Station Two, Inc., whereby the execution of this document by Western Kentucky Energy Corp. will transfer and convey all right, title and interest of WKE Station Two, Inc. in the Deeds of Easement herein referred to.

———**IN WITNESS WHEREOF**, the Assignors and the Assignee have caused this instrument to be executed by their respective duly authorized representatives to be effective as of the ____ day of _____, 2008.

ENERGY MARKETING, INC. LG&E

By: _____

Title:

KENTUCKY ENERGY CORP. WESTERN

By: _____

Title:

COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF JEFFERSON)

The foregoing Termination and Release of Assignment of Easements was acknowledged before me this ____ day of _____, 2008, by LG&E Energy Marketing, Inc., an Oklahoma corporation, for and on behalf of said corporation.

My commission expires: _____

Notary Public

(SEAL)

COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF JEFFERSON)

The foregoing Termination and Release of Assignment of Easements was acknowledged before me this ____ day of _____, 2008, by Western Kentucky Energy Corp., a Kentucky corporation, for and on behalf of said corporation.

My commission expires: _____.

Notary Public

(SEAL)

This Instrument Was Prepared By:

CHARLES B. WEST, JR.
Stoll Keenon Ogden PLLC
201 C North Main Street
Henderson, KY 42420
270-831-1900

~~LEX 102300/108916/3528675-2~~

EXHIBIT B-4

DEED OF RELEASE OF MORTGAGE AND SECURITY AGREEMENT

This DEED OF RELEASE between WESTERN KENTUCKY ENERGY CORP., a Kentucky corporation, LG&E ENERGY MARKETING, INC., an Oklahoma corporation, and WKE STATION TWO, INC., a Kentucky corporation, parties of the First Part, and BIG RIVERS ELECTRIC CORPORATION, a Kentucky rural electric cooperative, Party of the Second Part.

WITNESSETH:

THAT WHEREAS, by Mortgage and Security Agreement dated the 15th day of July, 1998, and recorded in Mortgage Book 559, beginning at page 123, in the Office of the Henderson County Court Clerk, Henderson County, Kentucky, Second Party did convey by Mortgage and Security Agreement the property described in said Mortgage and Security Agreement to the said Parties of the First Part, and did transfer and convey to Parties of the First Part a security interest in certain real and personal, and tangible and intangible properties as described therein, as security for the payment of obligations and performance of the Secured Agreements referred to therein, and

WHEREAS, upon the effective date of this Deed of Release the Second Party shall have fully paid all of its said obligations to First Parties, and shall have fully performed all of its covenants and agreements as referred to in the Secured Agreements, and shall otherwise have fully performed the terms and provisions of the said Mortgage and Security Agreement to have been performed by Second Party.

———**NOW, THEREFORE**, in consideration of the premises, the said Parties of the First Part, Western Kentucky Energy Corp., LG&E Energy Marketing, Inc., and WKE Station Two, Inc., do hereby bargain, sell and convey, and do by these presents release, remise and quit-claim unto the said Big Rivers Electric Corporation, its successors and assigns, any and all right, title and interest in and to the real estate, personal property, tangible property, intangible property and all other property interests secured by said Mortgage and Security Agreement, by reason of its execution, and all and any other interests the said First Parties may have in the said real properties, personal properties, tangible and intangible properties, Secured Agreements and other tangible and intangible assets.

Prior to the date hereof, WKE Station Two, Inc., formerly known as LG&E Station Two, Inc., a Kentucky corporation, was merged with and into Western Kentucky Energy Corp. in accordance with Kentucky law, with Western Kentucky Energy Corp. being the surviving entity in that merger succeeding to all of the assets, properties, rights, debts, obligations and liabilities of WKE Station Two, Inc., whereby the execution of this document by Western Kentucky Energy Corp. will transfer and convey all right, title and interest of WKE Station Two, Inc.

IN TESTIMONY WHEREOF, the said Western Kentucky Energy Corp. and LG&E Energy Marketing, Inc. have caused this Deed of Release to be executed by their duly authorized representatives to be effective on the _____ day of _____, 2008.

WESTERN
KENTUCKY ENERGY CORP.

By: _____

Title:

LG&E

ENERGY MARKETING, INC.

By: _____

Title:

COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF JEFFERSON)

The foregoing Deed of Release of Mortgage and Security Agreement and Amendment to Mortgage and Security Agreement was acknowledged before me this ____ day of _____, 2008, by Western Kentucky Energy Corp., a Kentucky corporation, for and on behalf of said corporation.

My commission expires: _____.

Notary Public

(SEAL)

COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF JEFFERSON)

The foregoing Deed of Release of Mortgage and Security Agreement and Amendment to

Mortgage and Security Agreement was acknowledged before me this ____ day of _____, 2008, by LG&E Energy Marketing, Inc., an Oklahoma corporation, for and on behalf of said corporation.

My commission expires: _____.

Notary Public

(SEAL)

This Instrument Prepared By:

CHARLES B. WEST
Stoll Keenon Ogden PLLC
201-C North Main Street
Henderson, KY 42420
270-831-1900

LEX 102300/108916/3528443-3

EXHIBIT B-5

**DEED OF RELEASE OF MORTGAGE AND SECURITY AGREEMENT
AND AMENDMENT TO MORTGAGE AND SECURITY AGREEMENT**

THIS DEED OF RELEASE OF MORTGAGE AND SECURITY AGREEMENT between LG&E ENERGY MARKETING, INC., an Oklahoma Corporation, and WESTERN KENTUCKY ENERGY CORP., a Kentucky corporation, Parties of the First Part, and BIG RIVERS ELECTRIC CORPORATION, a Kentucky rural electric cooperative, Party of the Second Part,

WITNESSETH,

THAT WHEREAS, by Mortgage Deed and Security Agreement dated the 15th day of July, 1998 and recorded in Mortgage Book 559, beginning at page 199 in the Office of the Henderson County Clerk, Henderson County, Kentucky, the said Party of the Second Part did convey and mortgage the property described in said Mortgage and Security Agreement to the said Parties of the First Part, and

WHEREAS, by First Amendment to Mortgage and Security Agreement dated August 22, 2002, and of record in Mortgage Book 749, beginning at page 805, in the Office of the Henderson County Clerk, Henderson County, Kentucky, the terms and provisions of the said Mortgage and Security Agreement were amended, and WKE Station Two, Inc. and WKE Corp. were added as Mortgagees, and

WHEREAS, the payments secured by said Mortgage and Security Agreement, as amended, have been fully paid or provided for and the covenants and agreements on the part of the Mortgagor have been fully performed and/or provided for.

NOW, THEREFORE, in consideration of the premises, the said LG&E Energy Marketing, Inc., Western Kentucky Energy Corp., WKE Corp. and WKE Station Two, Inc. do hereby bargain, sell, and convey, and do by these presents release, remise and quit-claim unto the said Big Rivers Electric Corporation, its successors and assigns, any and all right, title and interest in and to the said property described in said Mortgage and Security Agreement, as amended, by reason of their execution, and all and any other interest the said First Parties and WKE Corp. and WKE Station Two, Inc. may have in the said property, real, personal, and mixed.

Prior to the date hereof, WKE Station Two, Inc., formerly known as LG&E Station Two, Inc., a Kentucky corporation, and WKE Corp. were merged with and into Western Kentucky Energy Corp. in accordance with Kentucky law, with Western Kentucky Energy Corp. being the surviving entity in that merger succeeding to all of the assets, properties, rights, debts, obligations and liabilities of WKE Station Two, Inc. and WKE Corp., whereby the execution of this document by Western Kentucky Energy Corp. will transfer and convey all right, title and interest of WKE Station Two, Inc. and WKE Corp.

IN TESTIMONY WHEREOF, the said LG&E Energy Marketing, Inc. and Western Kentucky Energy Corp. have caused this Deed of Release of Mortgage and Security Agreement to be executed by their duly authorized officers or representatives to be effective on the ____ day of _____, 2008.

ENERGY MARKETING, INC. LG&E

By:

Title:

KENTUCKY ENERGY CORP. WESTERN

By:

Title:

COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF JEFFERSON)

The foregoing Deed of Release of Mortgage and Security Agreement was acknowledged before me this ____ day of _____, 2008, by LG&E Energy Marketing, Inc., an Oklahoma corporation, for and on behalf of said corporation.

My commission expires: _____.

Notary Public

(SEAL)

COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF JEFFERSON)

The foregoing Deed of Release of Mortgage and Security Agreement was acknowledged before me this ____ day of _____, 2008, by Western Kentucky Energy Corp., a Kentucky corporation, for and on behalf of said corporation.

My commission expires: _____.

Notary Public

(SEAL)

This Instrument Prepared By:

CHARLES B. WEST
Stoll Keenon Ogden PLLC
201-C North Main Street
Henderson, KY 42420
(270) 831-1900

~~LEX 102300/108916/3828735.3~~

UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

Charles B. West
Stoll Keenon Ogden PLLC
201 C North Main Street
Henderson, KY 42420

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE # _____ 1b. This FINANCING STATEMENT AMENDMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS.

Fixture Filing Book 3, page 270, Henderson Co. Clerk (7/17/98)

2. TERMINATION: Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.

3. CONTINUATION: Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law.

4. ASSIGNMENT (full or partial): Give name of assignee in item 7a or 7b and address of assignee in item 7c; and also give name of assignor in item 8.

5. AMENDMENT (PARTY INFORMATION): This Amendment affects Debtor or Secured Party of record. Check only one of these two boxes. Also check one of the following three boxes and provide appropriate information in items 6 and/or 7.

CHANGE name and/or address: Please refer to the detailed instructions in regards to changing the name/address of a party.

DELETE name: Give record name to be deleted in item 6a or 6b.

ADD name: Complete item 7a or 7b, and also item 7c; also complete items 7e-7g (if applicable).

6. CURRENT RECORD INFORMATION:

6a. ORGANIZATION'S NAME

OR

6b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
----------------------------	------------	-------------	--------

7. CHANGED (NEW) OR ADDED INFORMATION:

7a. ORGANIZATION'S NAME

OR

7b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
----------------------------	------------	-------------	--------

7c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
---------------------	------	-------	-------------	---------

7d. SEE INSTRUCTIONS	ADD'L INFO RE ORGANIZATION DEBTOR	7e. TYPE OF ORGANIZATION	7f. JURISDICTION OF ORGANIZATION	7g. ORGANIZATIONAL ID #, if any
----------------------	-----------------------------------	--------------------------	----------------------------------	---------------------------------

NONE

8. AMENDMENT (COLLATERAL CHANGE): check only one box.

Describe collateral deleted or added, or give entire restated collateral description, or describe collateral assigned.

9. NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT (name of assignor, if this is an Assignment). If this is an Amendment authorized by a Debtor which adds collateral or adds the authorizing Debtor, or if this is a Termination authorized by a Debtor, check here and enter name of DEBTOR authorizing this Amendment.

9a. ORGANIZATION'S NAME

OR SEE: UCC FINANCING STATEMENT AMENDMENT ADDENDUM

9b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
----------------------------	------------	-------------	--------

10. OPTIONAL FILER REFERENCE DATA

UCC FINANCING STATEMENT AMENDMENT ADDENDUM

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

11. INITIAL FINANCING STATEMENT FILE # (same as item 1a on Amendment form)

Fixture Filing Book 3, page 270, Henderson Co. Clerk

12. NAME OF PARTY AUTHORIZING THIS AMENDMENT (same as item D on Amendment form)

12a. ORGANIZATION'S NAME

SEE BELOW

OR

12b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME, SUFFIX

13. Use this space for additional information

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. Western Kentucky Energy Corp.

By: _____
Authorized Representative

2. LG&E Energy Marketing, Inc.

By: _____
Authorized Representative

Prior to the date hereof, WKE Station Two, Inc., formerly known as LG&E Station Two, Inc., a Kentucky corporation, was merged with and into Western Kentucky Energy Corp. in accordance with Kentucky law, with Western Kentucky Energy Corp. being the surviving entity in that merger succeeding to all of the assets, properties, rights, debts, obligations and liabilities of WKE Station Two, Inc., whereby the execution of this document by Western Kentucky Energy Corp. will transfer and convey all right, title and interest of WKE Station Two, Inc.

Signed by: Western Kentucky Energy Corp.

By: _____
Authorized Representative

UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

Charles B. West
Stoll Keenon Ogden PLLC
201 C North Main Street
Henderson, KY 42420

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE #

1b. This FINANCING STATEMENT AMENDMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS.

Fixture Filing Book 3, page 332, Henderson Co. Clerk (7/17/98)

2. TERMINATION: Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.

3. CONTINUATION: Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law.

4. ASSIGNMENT (full or partial): Give name of assignee in item 7a or 7b and address of assignee in item 7c; and also give name of assignor in item 8.

5. AMENDMENT (PARTY INFORMATION): This Amendment affects Debtor or Secured Party of record. Check only one of these two boxes. Also check one of the following three boxes and provide appropriate information in items 6 and/or 7

CHANGE name and/or address: Please refer to the detailed instructions in regards to changing the name/address of a party. DELETE name: Give record name to be deleted in item 6a or 6b. ADD name: Complete item 7a or 7b, and also item 7c; also complete items 7e-7f (if applicable).

6. CURRENT RECORD INFORMATION:

6a. ORGANIZATION'S NAME

OR

6b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
----------------------------	------------	-------------	--------

7. CHANGED (NEW) OR ADDED INFORMATION:

7a. ORGANIZATION'S NAME

OR

7b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
----------------------------	------------	-------------	--------

7c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
---------------------	------	-------	-------------	---------

7d. SEE INSTRUCTIONS	ADD'L INFO RE ORGANIZATION DEBTOR	7e. TYPE OF ORGANIZATION	7f. JURISDICTION OF ORGANIZATION	7g. ORGANIZATIONAL ID #, if any
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NONE

8. AMENDMENT (COLLATERAL CHANGE): check only one box. Describe collateral deleted or added, or give entire recited collateral description, or describe collateral assigned.

9. NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT (name of assignor, if this is an Assignment). If this is an Amendment authorized by a Debtor which adds collateral or adds the authorizing Debtor, or if this is a Termination authorized by a Debtor, check here and enter name of DEBTOR authorizing this Amendment.

9a. ORGANIZATION'S NAME

OR

SEE UCC FINANCING STATEMENT AMENDMENT ADDENDUM

9b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
----------------------------	------------	-------------	--------

10. OPTIONAL FILER REFERENCE DATA

UCC FINANCING STATEMENT AMENDMENT ADDENDUM

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

11. INITIAL FINANCING STATEMENT FILE # (same as item 1a on Amendment form)

Fixture Filing Book 3, page 332, Henderson Co. Clerk

12. NAME OF PARTY AUTHORIZING THIS AMENDMENT (same as item 9 on Amendment form)

12a. ORGANIZATION'S NAME

SEE BELOW

OR

12b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME, SUFFIX

13. Use this space for additional information

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

- 1. Western Kentucky Energy Corp.

By: _____
Authorized Representative

- 2. LG&E Energy Marketing, Inc.

By: _____
Authorized Representative

Prior to the date hereof, WKE Station Two, Inc., formerly known as LG&E Station Two, Inc., a Kentucky corporation, was merged with and into Western Kentucky Energy Corp. in accordance with Kentucky law, with Western Kentucky Energy Corp. being the surviving entity in that merger succeeding to all of the assets, properties, rights, debts, obligations and liabilities of WKE Station Two, Inc., whereby the execution of this document by Western Kentucky Energy Corp. will transfer and convey all right, title and interest of WKE Station Two, Inc.

Signed by: Western Kentucky Energy Corp.

By: _____
Authorized Representative

EXHIBIT B-8

**PARTIAL TERMINATION AND RELEASE OF
DEED OF EASEMENT**

On August 12, 2003 the City of Henderson, Kentucky and the City of Henderson Utility Commission granted unto WKE Station Two, Inc., LG&E Energy Marketing, Inc., Western Kentucky Energy Corp., WKE Corp. and Big Rivers Electric Corporation a non-exclusive, irrevocable easement for access to, and ingress and egress over, Grantors' property for the construction, operation, maintenance and removal of an 8 inch diameter high pressure natural gas line and related valves, fittings and ancillary facilities, all as more particularly described in said Deed of Easement which is of record in Deed Book 527, at page 421, in the office of the Henderson County Court Clerk.

By the terms of paragraph 7 of said Deed of Easement it is provided that the rights and privileges of WKE Station Two, Inc., LG&E Energy Marketing, Inc., Western Kentucky Energy Corp. and WKE Corp., their successors and assigns will terminate at such time as they shall cease to operate and maintain Big Rivers Electric Corporation's Reid Station and Big Rivers Electric Corporation's combustion turbine generating unit, both located in Henderson County, Kentucky.

Prior to the date hereof, WKE Station Two, Inc. and WKE Corp. were merged with and into Western Kentucky Energy Corp. in accordance with Kentucky law, with Western Kentucky Energy Corp. being the surviving entity in that merger succeeding to all of the assets, properties, rights, debts, obligations and liabilities of WKE Station Two, Inc. and WKE Corp. At the same time LG&E Energy Marketing, Inc. assigned all of its rights and interests in said gasline easement to Western Kentucky Energy Corp.

Prior to the execution of this Partial Termination and Release of Deed of Easement, WKE Station Two, Inc., LG&E Energy Marketing, Inc., WKE Corp. and Western Kentucky Energy Corp. ceased to operate and maintain Big Rivers Electric Corporation's Reid Station and Big Rivers Electric Corporation's combustion turbine generating unit, whereby all rights and interests granted to them pursuant to the terms and provisions of this Deed of Easement terminated in their entirety.

NOW THEREFORE pursuant to the requirements of paragraph 7 of said Deed of Easement, WKE Station Two, Inc. and WKE Corp. acting by and through Western Kentucky Energy Corp., LG&E Energy Marketing, Inc. and Western Kentucky Energy Corp. hereby permanently and irrevocably release and discharge all rights and interests created by the terms and provisions of the said Deed of Easement, upon which termination they shall have no further easement rights or rights of ingress or egress over or with respect to the Grantors' property under said Deed of Easement, and shall be deemed to be fully and forever remised, released and discharged by Grantors and Big Rivers Electric Corporation of and from any and all obligations, liabilities, rights and privileges arising under or pursuant to such Deed of Easement.

IN WITNESS WHEREOF the said Western Kentucky Energy Corp., acting for itself and WKE Station Two, Inc. and WKE Corp., and LG&E Energy Marketing, Inc. hereby execute this Partial Termination and Release of Deed of Easement this day of , 2008.

LG&E ENERGY MARKETING, INC.

By: _____

Title: _____

WESTERN KENTUCKY ENERGY CORP.,
acting for itself and for WKE Station Two, Inc.
and WKE Corp.

By: _____

Title: _____

COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF JEFFERSON)

The foregoing Partial Termination and Release of Deed of Easement was acknowledged before me this day of , 2008, by LG&E Energy Marketing, Inc., an Oklahoma corporation, for and on behalf of said corporation.

Notary Public

My commission expires: _____

COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF JEFFERSON)

The foregoing Partial Termination and Release of Deed of Easement was acknowledged before me this day of , 2008, by Western Kentucky Energy Corp., a Kentucky corporation, for and on behalf of said corporation, acting also for WKE Station Two, Inc. and WKE Corp.

Notary Public

My commission expires: _____

This instrument prepared by:

Charles B. West
STOLL KEENON OGDEN PLLC
201-C North Main Street
Henderson, KY 42420

EXHIBIT B-9

PARTIAL RELEASE OF GRANTORS' RIGHTS
TO RIGHTS AND EASEMENTS

Effective on April 1, 2005, Big Rivers Electric Corporation and Western Kentucky Energy Corp. granted and conveyed to the City of Henderson, Kentucky and the City of Henderson Utility Commission certain rights of access, easements of location and use, and easements of ingress and egress across lands owned by Big Rivers Electric Corporation, and leased to Western Kentucky Energy Corp., located in Henderson County, Kentucky, for use in connection with the City's Station Two Power Plant and the construction and addition thereto of selective catalytic recovery systems, such Grant of Rights and Easements is of record in Deed Book 548, at page 169, in the office of the Henderson County Court Clerk. Big Rivers Electric Corporation and Western Kentucky Energy Corp. reserved unto themselves certain rights and privileges in connection with said Grant of Rights and Easements.

Western Kentucky Energy Corp. has prior to the execution of this Agreement terminated its Lease of Big Rivers Electric Corporation's property and improvements thereon, and by these presents terminates its rights and privileges reserved in its Grant of Rights and Easements to the City of Henderson, Kentucky and the City of Henderson Utility Commission under terms and provisions of the said Grant of Rights and Easements.

NOW THEREFORE, Western Kentucky Energy Corp., a Kentucky corporation, acting for itself and its affiliates does hereby release and forever discharge all of its rights and interests reserved by it under the terms and provisions of the said Grant of Rights and Easements dated April 1, 2005, having terminated its Lease of the Big Rivers property and improvements thereon upon which said rights and easements were granted to the City of Henderson, Kentucky and the City of Henderson Utility Commission.

WITNESS the signature of the undersigned duly authorized representative of Western
Kentucky Energy Corp. this day of 2008.

WESTERN KENTUCKY ENERGY CORP.

By: _____

Title: _____

COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF JEFFERSON)

The foregoing Partial Release of Grantors' Rights to Rights and Easements was acknowledged before me this _____ day of _____, 2008, by Western Kentucky Energy Corp., a Kentucky corporation, for and on behalf of said corporation.

Notary Public

My commission expires: _____

This instrument prepared by:

Charles B. West
STOLL KEENON OGDEN PLLC
201-C North Main Street
Henderson, KY 42420

EXHIBIT C

BREC BUDGET WORK PLAN FOR STATION TWO WORK PLAN

AND THE JOINT USE FACILITIES

A. O&M and Capital Project Lists Submitted by Mark A. Bailey on behalf of Big Rivers on February 14, 2008 (PCS Case No. 2007-00-455)

		GROSS CAPITAL BUDGET
I.	<u>2008 Capital Budget – Page C-1 Attached</u>	\$ 4,095,684
II.	<u>2009 Capital Budget – Page C-2 Attached</u>	5,653,192
III.	<u>2010 Capital Budget – Page C-3 Attached</u>	3,783,080
IV.	<u>2008 O&M Non-Labor Budget – Pages C-4 through C-7 Attached</u>	10,573,064
V.	<u>2009 O&M Non-Labor Budget – Pages C-8 through C-10 Attached</u>	10,944,055
VI.	<u>2010 O&M Non-Labor Budget – Pages C-11 through C-13 Attached</u>	11,768,042

B. Additional O&M and Capital Projects

		PROJECT TO BE COMPLETED IN BUDGET YEAR			TOTAL PROJECTED COST
VII.	<u>H1 Precipitator Repairs*</u>	<u>2009</u>			\$ 3,224,074
VIII.	<u>H2 Precipitator Repairs*</u>		<u>2010</u>		3,224,074
IX.	<u>H1 Repair Dry Side Ductwork*</u>	<u>2009</u>			297,222
X.	<u>H2 Repair Dry Side Ductwork*</u>		<u>2010</u>		297,222
XI.	<u>H1 Structural & Life Assessments**</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	1,192,362
XII.	<u>H2 Structural & Life Assessments**</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	1,192,362
XIII.	<u>H1 Booster Fan*</u>	<u>2009</u>			104,901
XIV.	<u>H2 Booster Fan*</u>		<u>2010</u>		104,901
XV.	<u>H1 Clean Coal Dusts & Flyash*</u>	<u>2009</u>	<u>2010</u>		346,045
XVI.	<u>H2 Clean Coal Dust & Flyash*</u>	<u>2009</u>	<u>2010</u>		346,045
XVII.	<u>H1 Boiler Structural Painting**†</u>		<u>2010</u>		3,000,000
XVIII.	<u>H2 Boiler Structural Painting**†</u>			<u>2011</u>	3,000,000
XIX.	<u>H1 SCI Baseline Repairs*</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	1,192,362
XX.	<u>H2 SCI Baseline Repairs*</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	1,192,362

C. Repair Lists by Exothermic Engineering Co., LLC for the City Utility Commission (To Be Included Following Receipt)

		<u>PROJECT TO BE COMPLETED IN BUDGET YEAR</u>			<u>TOTAL PROJECTED COST</u>
<u>XXI</u>	<u>H1 Exothermic Engineering Repair List</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>To be determined</u>
<u>XXII</u>	<u>H2 Exothermic Engineering Repair List</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>To be determined</u>

D. Ash Pond

<u>XXIII</u>	<u>Dredging Station Two Ash Pond**</u>	<u>2009</u>	<u>2010</u>		<u>5,424,000</u>
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* As described in the Big Rivers Electric Corporation Draft Work Plan Reid/HMP&L Stations, dated February 11, 2007.

** Cost for Project estimated by the City Utility Commission.

Big Rivers Electric Cooperative 2008 Capital Budget

Project Description	Gross Capital Budget	City of Henderson Share	Net Capital Budget
<u>Reid / HMPL Station II</u>			
RGH - 3-Ton Electric Hoist	5,000	572	4,428
RGH - Misc Safety Equipment	20,000	2,286	17,714
RGH - CSI Vibration Equipment	45,000	5,144	39,856
RGH - #2 Screen Wash Pump - Green pays 10%	11,000	1,258	9,742
RH - Misc Capital Projects	100,000	25,199	74,801
RH - Misc Tools & Equipment	10,000	2,520	7,480
RH - 1 Hr Self Contained Breathing Apparatus(SCBA) (2)	7,000	1,764	5,236
RH - Client's Monitors	16,000	4,032	11,968
RH - Bobcat Loader (Operations)	37,000	9,324	27,676
RH - Portable Gas Analyzers (2) - Moved \$15K from 2007 for 3	12,000	3,024	8,976
RH - 4" Slurry Pump (Trash) - Moved from 2007	15,450	3,893	11,557
H1 - "A" Station Air Compressor (2 of 2) - added \$25K	225,000	72,115	152,885
RH - Upgrade 2-way Radios-Cell Phones	5,000	1,260	3,740
RH - Misc Capital Valves	90,000	22,679	67,321
RH - Misc Conveyor Belts (2B & #1)	90,000	22,679	67,321
H0 - CCS Engineering	44,000	0	44,000
H0 - DCS Engineering	83,000	26,603	56,397
H1 - WDPF FGD & SCR Controls	10,000	3,205	6,795
H1 - CCS Controls	60,000	38,462	21,538
H2 - CCS Controls	620,000	226,923	393,077
H2 - CCS Field Devices	750,000	240,385	509,615
H2 - Control Room	100,000	32,051	67,949
H0 - Aux Water Strainers	110,000	35,256	74,744
H0 - Engineering for Wetbottom Drains	50,000	16,026	33,974
H0 - Install GPS Clock on DCS/PI Systems	5,000	1,603	3,397
H0 - Rpl Hydrazine Day Tanks	8,000	2,564	5,436
H0 - Rpl Cooling Tower Fan Gear Box	113,300	36,314	76,986
H0 - Spare Precip Transformer	80,000	25,641	54,359
H1 - Rpl 4th Floor Roof	0	0	0
H2 - Air Preheater Baskets (Cold End)	875,000	280,448	594,551
H2 - Cooling Tower Distribution Deck	200,000	64,103	135,897
H2 - Drum Safety	12,000	3,846	8,154
H2 - Feedwater Regulator Rexa Drive	25,000	8,013	16,987
H2 - High Energy Pipe Hangers	30,000	9,615	20,385
H2 - Hydrogen Purity Meter	22,000	7,051	14,949
H2 - Install Sootblower Power Disconnects	16,000	5,128	10,872
H2 - Penthouse Isomembrane Installation	175,000	56,090	118,910
H2 - Rpl AH Steam Coils (2)	12,000	3,846	8,154
H2 - Rpl Slag Grinders (2)	70,000	22,436	47,564
H2 - Rpl Sootblowers (11-13 of 23) 3 total	65,000	20,833	44,167
H2 - Rpl Wall Blowers (1-3 of 24) 3 total	40,000	12,821	27,179
R1 - CO2 Monitor	13,000	0	13,000
R1 - Flow Monitor	22,000	0	22,000
R1 - NOX Monitor	14,000	0	14,000
R1 - SO2 Monitor	12,500	0	12,500
R1 - Rpl AH Steam Coils (2)	12,000	0	12,000
RH - High Pressure Transmitter Tester (2)	10,000	2,520	7,480
RH - Rpl #1 & #2 Carbon Filters	40,000	10,080	29,920
H0 - Rpl Layer of Catalyst	1,550,000	471,955	1,078,045
Total Reid / HMPL Station II	\$ 5,937,250	\$ 1,841,566	\$ 4,095,684

Big Rivers Electric Cooperative 2009 Capital Budget

Project Description	Gross Capital Budget	City of Henderson Share	Net Capital Budget
Reid / HMPL Station II			
RH- Misc Capital Projects	100,000	25,199	74,801
RH - Misc Tools & Equipment	10,000	2,520	7,480
RH - Electric Wrench	5,000	1,260	3,740
RH - Passport Multi Gas	7,000	1,764	5,236
RH - Passport Ammonia	6,000	1,512	4,488
RH - Remodel Operations Looker Room	35,000	8,820	26,180
RH - Client & Monitors	20,000	5,040	14,960
RH- 4" Sump Pump and Hose - Moved from 2008	25,750	6,489	19,261
RH - Misc Capital Valves	90,000	22,679	67,321
RH - Misc Conveyor Belts	90,000	22,679	67,321
H0 - DCS Engineering	166,000	53,205	112,795
H1 - Rpl WDPF FGD & SCR Controls	140,000	44,872	95,128
H1 - CCS Controls	580,000	185,897	394,103
H1 - Control Room	100,000	32,051	67,949
H0 - Upgrade CEMs	80,000	25,641	54,359
R1 - Upgrade CEMs	55,000	13,859	41,141
H2 - Rpl WDPF FGD & SCR Controls	60,000	18,231	40,769
H0 - Rpl Bleed Lines 8" (2)	400,000	128,205	271,795
H0 - Rpl Elevator Doors/Frames	100,000	32,051	67,949
H0 - Rpl Thickener Return Line 16"	200,000	64,103	135,897
H0 - Wetbottom Drains	300,000	96,154	203,846
H1 - AH Inlet Expansion Joints (2)	160,000	51,282	108,718
H1 - Burner Deck Vent Fans	30,000	9,615	20,385
H1 - Cooling Tower Distribution Deck	200,000	64,103	135,897
H1 - FD Fan Outlet Damper A&B Rexa Drives	20,000	6,410	13,590
H1 - High Energy Pipe Hangers	35,000	11,218	23,782
H1 - Hydrogen Purity Meters	22,000	7,051	14,949
H1 - Install Sootblower Power Disconnects	16,000	5,128	10,872
H1 - Rpl AH Steam Colls (2)	12,000	3,846	8,154
H1 - Rpl Mist Eliminator	175,000	56,090	118,910
H1 - Rpl Precip Hoppers (9-12)	250,000	80,128	169,872
H1 - Rpl Slag Grinders (2)	75,000	24,038	50,962
H1 - Rpl Sootblowers (20-23 of 23) 4 total	112,000	35,897	76,103
H1 - Rpl Wallblowers (8-10 of 24) 3 total	40,000	12,821	27,179
H2 - #5 HP Heater Re-tube	300,000	96,154	203,846
R1 - Rpl Reclaim Vent Fan	30,000	0	30,000
R1 - Stack Lighting	200,000	0	200,000
RH - Booth System Control Box	22,000	5,544	16,456
RH - Loop Calibrators (2)	4,000	1,008	2,992
RH - Plant Phone & PA New System	650,000	163,793	486,207
H0 - Rpl Layer of Catalyst	300,000	78,441	221,559
HMPL SCR Catalyst Replacement-additional \$ (net)	610,731		610,731
HMPL Stack Lighting	200,000		200,000
R-CT reliability study & upgrades	1,125,509	0	1,125,509
Total Reid / HMPL Station II	\$ 7,158,990	\$ 1,505,798	\$ 5,653,192

Big Rivers Electric Cooperative 2010 Capital Budget

Project Description	Gross Capital Budget	City of Henderson Portion	Net Capital Budget
Reid / HMPL Station			
RQH - Misc Safety Equipment	20,000	2,407	17,593
RQH - Rpl Panama Bldg External Sheeting	40,000	4,453	35,547
RH - Misc Capital Projects	100,000	25,199	74,801
RH - Misc Tools & Equipment	10,000	2,520	7,480
RH - Electric Welding Machine	5,000	1,260	3,740
RH - Client & Monitors	20,000	5,040	14,960
RH - 1 Ton Mtc Truck (Rpl S9 - 1990 Ford)	20,000	5,040	14,960
RH - Misc Capital Valves	90,000	22,679	67,321
RH - Misc Conveyor Belts	90,000	22,679	67,321
H0 - DCS Engineering	99,600	31,923	67,677
H0 - PI Tags	25,000	8,013	16,987
H2 - Rpl WDPF FGD & SCR Controls	80,000	28,846	61,154
H1 - Performance OPT Software	150,000	48,077	101,923
H2 - Performance OPT Software	150,000	48,077	101,923
H0 - Rpl F1-F4 Building Heating Fans	200,000	64,103	135,897
H2 - #6 Heater Retube	300,000	96,154	203,846
H2 - AH Outlet Expansion Joint	85,000	27,244	57,756
H2 - Boiler to AH Breeching Expansion Joints (2)	130,000	41,667	88,333
H2 - Burner Igniter Conversion	150,000	48,077	101,923
H2 - High Energy Pipe Hangers	35,000	11,218	23,782
H2 - Rpl AH Steam Coils (2)	12,000	3,846	8,154
H2 - Rpl Mist Eliminator	175,000	56,090	118,910
H2 - Rpl Precip Hoppers on #9-#12	200,000	64,103	135,897
H2 - Rpl Precip Outlet Duct to Bypass Stack Breeching	300,000	96,154	203,846
H2 - Rpl Slag Grinders (2)	75,000	24,038	50,962
H2 - Rpl Sootblowers (14-17 of 23) 4 total	115,000	36,859	78,141
H2 - Rpl Wallblowers (4-6 of 24) 3 total	48,000	15,385	32,615
H2 - Feedwater Heater MOV Extraction Valves - Chg is 3%	160,000	51,282	108,718
H2 - Voltage Regulator	175,000	56,090	118,910
H2 - Waterwall Overlay	1,000,000	320,513	679,487
R1 - Rpl AH Steam Coils (2) - Moved from 2009	12,000	0	12,000
RH - "5A" Raw River Reclaim vent fans	25,000	6,300	18,700
RH - 480 Volt Welder	3,000	756	2,244
RH - Barge Unloader Bucket	70,000	17,639	52,361
RH - Rpl 480 Volt MCC	200,000	50,388	149,602
RH - Rpl River Intake 480 Volt MCC	100,000	25,199	74,801
RH - Temperature Bath Calibrator	8,000	2,016	5,984
HMPL SCR Catalyst Replacement	666,820	0	666,820
Total Reid / HMPL Station II	\$ 5,154,420	\$ 1,371,340	\$ 3,783,080

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BREC - Reid/Station Two
2008 O&M Non-Labor Budget (Gross)

Number	Description	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	TOTAL
RDMAIR	RDM Air System	4,650	3,420	4,740	1,300	4,670	2,120	1,300	5,350	3,850	3,920	3,430	1,250	40,000
STMPAS	STM Air System	1,160	3,840	3,160	2,350	3,700	2,900	3,550	1,750	3,800	3,800	2,000	3,000	36,000
RDMASH	RDM Ash Handling	5,250	5,650	3,750	7,050	1,350	10,250	6,050	4,050	9,700	4,000	8,600	4,400	69,000
STMASH	STM Ash Handling	7,950	16,400	16,300	12,800	5,550	27,750	11,300	19,500	7,500	10,750	11,800	10,100	156,000
RDMBSG	RDM Boilers & Burners	10,300	13,000	9,450	6,500	3,400	3,300	4,700	3,600	2,850	12,300	12,000	9,200	80,000
STMBSG	STM Boilers & Burners	22,100	17,900	29,600	24,500	23,850	45,900	22,900	20,400	26,950	19,900	22,100	22,800	239,000
RDMFOS	RDM Fuel Oil System	800	600	1,300	1,300	800	400	200	100	650	800	700	400	7,030
STMFOS	STM Fuel Oil System	400	1,200	1,750	1,400	950	2,100	2,500	800	1,050	1,250	1,300	900	15,600
RDMCDS	RDM Condensate System	1,000	750	1,600	1,450	480	570	375	345	450	1,600	2,080	1,100	11,000
STMCDSD	STM Condensate System	1,900	2,900	2,600	1,650	1,700	3,250	3,000	3,350	10,100	3,050	3,250	1,250	38,000
RDMDWS	RDM Demineralized Water System	1,400	2,100	1,000	1,000	1,300	800	300	900	300	1,300	1,300	800	12,500
RDMBFW	RDM Feedwater System	700	2,200	1,400	2,800	90	200	300	80	360	1,500	1,200	1,300	11,010
STMDFW	STM Feedwater System	5,000	5,500	10,700	6,700	5,900	6,800	4,200	5,700	7,600	6,200	7,400	6,000	74,000
RDMGUFDE	RDM Fans/Draft System	1,500	3,400	1,700	2,600	850	480	2,650	1,020	1,995	600	3,500	3,500	23,995
STMGUFDE	STM Fans/Draft System	2,500	5,650	5,800	5,200	5,300	10,000	5,300	4,200	9,750	6,400	4,800	3,300	68,000
RDMFPS	RDM Fire Protection	700	850	3,400	700	650	600	200	700	2,100	2,800	700	700	14,000
STMFPS	STM Fire Protection	1,550	1,050	3,750	1,550	1,550	1,550	1,750	1,550	1,550	1,050	3,550	1,050	21,500
RDMPLS	RDM Plant Lighting System	1,900	5,600	200	1,500	300	1,500	2,150	4,600	500	3,600	2,000	450	27,400
STMPLS	STM Plant Lighting System	5,200	2,800	-3,100	5,700	5,700	3,100	6,600	6,800	3,300	6,200	6,100	3,500	82,200
RDMOHC	RDM Overhead Cranes & Hoists	3,000	1,300	2,300	2,400	0	3,000	2,500	1,000	2,500	0	2,000	0	20,000
STMOHC	STM Overhead Cranes & Hoists	800	1,900	2,600	2,000	0	1,000	1,800	0	2,100	1,500	2,100	1,000	16,500
RDMPCM	RDM Plant Communications	1,450	1,900	1,000	1,550	1,500	1,600	1,600	1,450	1,600	2,000	1,000	1,850	18,400
STMPCM	STM Plant Communications	1,800	1,650	1,600	1,550	1,950	1,700	1,800	1,600	2,100	1,900	1,600	1,300	20,000
RDMPOST	RDM Bldgs & Grounds: Site Miscellaneous Improvements	2,900	2,600	2,400	6,000	2,000	3,100	8,900	1,900	2,900	3,850	2,800	3,300	42,200
STMPOST	STM Bldgs & Grounds: Site Miscellaneous Improvements	2,600	3,400	3,500	2,800	3,300	3,500	3,700	3,800	3,500	4,200	4,800	4,900	44,000
RDMEL	RDM Bldgs & Grounds: Elevators	550	650	7,550	3,100	3,600	3,000	3,300	4,000	2,600	3,200	4,400	3,200	39,000
RDMWTS	RDM Bldgs & Grounds: Sumps	630	3,530	1,830	2,650	550	7,650	13,250	9,950	3,050	2,850	1,750	550	51,000
STMWTS	STM Bldgs & Grounds: HVAC	1,200	3,000	3,750	2,800	3,030	3,200	4,100	3,950	3,600	4,600	4,600	2,100	34,000
RDMWFF	RDM Bldgs & Grounds: Winterization	1,000	400	400	800	0	0	4,900	3,850	3,700	1,500	3,000	1,200	40,000
RDMCW	RDM Cooling Water System	0	350	425	400	0	320	330	400	100	12,900	500	500	17,000
STMCW	STM Cooling Water System	1,600	700	750	1,500	1,000	1,700	2,000	1,150	750	350	470	0	2,985
RDMCWS	RDM Circulating Water/Cooling Towers	1,000	1,000	400	500	1,900	1,350	1,400	1,450	600	1,700	1,600	1,700	13,500
STMWTS	STM Circulating Water/Cooling Towers	5,700	5,000	6,900	8,000	7,900	7,800	7,500	8,800	7,900	41,000	5,800	6,000	118,000
RDMPCS	RDM Control/Computer Systems	500	500	18,000	500	1,000	1,100	1,000	1,000	1,000	900	1,000	500	25,000
STMPCS	STM Plant Controls	2,100	1,900	2,100	1,000	1,000	1,000	0	1,000	2,100	2,000	1,400	1,400	17,000
RDMPLC	RDM Control/Computer Systems	3,100	4,100	6,480	10,100	2,900	16,200	5,600	5,500	4,200	2,900	4,300	4,200	117,500
STMPLC	STM Recording/Indicating Devices	1,000	1,500	750	600	225	250	240	450	180	600	1,600	600	7,895
RDMRID	RDM Recording/Indicating Devices	600	600	2,050	1,100	1,000	1,100	1,150	5,100	1,100	1,500	1,100	1,400	18,300
STMID	STM Plant Lubrication	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	36,000
RDMRBLU	RDM Plant Lubrication	19,010	17,760	17,260	19,760	17,780	18,760	16,760	20,810	21,760	17,760	20,760	15,760	223,120
STMCSM	STM Plant Lubrication	2,500	1,700	1,750	2,500	1,400	1,400	1,000	1,200	650	4,200	3,100	1,600	23,000
RDMENV	RDM Emission Controls: CEM	-6,200	5,900	9,350	6,700	13,100	4,400	7,600	5,500	5,400	12,250	3,200	5,400	84,000
STMENV	STM Emission Controls: CEM	500	700	5,800	400	800	1,100	500	800	1,100	300	300	700	13,000
RDMWGPCP	RDM Emission Controls: Precipitators													

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BREC - Reid/Station Two

2008 O&M Non-Labor Budget (Gross)

Number	Description	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	TOTAL
STWGSUPRP	STM Emission Controls: Precipitators	2,000	3,500	5,000	1,250	5,000	5,000	5,750	5,000	3,750	2,000	1,500	750	40,500
STWFGXMEW	STM Emission Controls: SDRS Mist Eliminator	0	1,600	2,800	800	0	3,300	200	2,200	2,000	200	1,400	900	15,200
STWFOXPWS	STM Emission Controls:SDRS Potable Water	200	200	300	200	300	200	300	200	100	200	100	100	2,400
STWFGXSAB	STM Emission Controls:SDRS Absorber Bldg	1,500	4,000	2,000	1,000	2,500	1,000	3,600	1,300	2,000	1,500	1,400	1,200	23,000
STWFGXSBB	STM Emission Controls:SDRS Scrubber Bldg	150	150	150	150	150	200	150	150	150	100	150	100	1,700
STWFGXSTK	STM Emission Controls:SDRS Scrubber Stack	500	0	1,000	400	0	1,400	0	600	1,700	0	700	700	7,000
STWFGXTRW	STM Emission Controls:SDRS Thickener Return	3,050	3,450	21,350	8,600	6,000	13,150	3,050	4,250	8,950	8,100	10,800	2,350	18,700
STWFGD	STM Emission Controls: Scrubbers	0	0	21,200	43,500	2,000	5,000	3,000	22,200	3,000	8,100	0	0	93,000
STWMSCR	STM Nox Reduction-SCR Maintenance	1,325	1,325	1,375	10,325	1,325	1,325	1,325	1,375	1,325	1,325	1,325	1,325	25,000
RDMMWVS	RDM Effluent Control(Waste Water Treatment)	350	350	350	600	350	400	300	400	300	400	550	350	4,700
STWMTWS	STM Effluent Control(Waste Water Treatment)	11,400	30,300	23,800	43,400	25,920	38,520	27,920	28,020	27,320	23,780	17,900	23,420	321,500
RDMMCHS	STM Fuel Feed: Fuel Conveying System	3,000	6,300	5,300	5,300	8,400	5,700	6,500	6,100	6,900	6,400	3,150	6,050	74,000
RDMSGUFPE	RDM Fuel Feed: Mills and Feeders	2,500	4,800	2,500	5,400	600	2,200	1,600	1,400	900	3,900	1,500	2,200	29,500
STWMSGUFFE	STM Fuel Feed: Mills and Feeders	5,800	9,700	4,500	9,100	3,800	7,400	5,000	4,800	6,400	7,000	8,500	3,900	75,000
RDMMCHSBS	RDM Fuel Handling:Coal Unloading Barge	3,500	3,900	12,450	4,500	9,600	15,250	9,000	7,100	4,000	5,800	13,900	5,000	93,500
RDMMCVSNT	RDM Screenwell Maintenance	500	1,050	12,000	7,000	2,500	500	3,600	3,300	2,500	500	500	500	34,450
RDMMWVS	RDM Potable Water System	800	350	370	500	1,100	300	900	450	500	800	450	800	7,120
STMPWVS	STM Potable Water System	100	100	100	100	100	100	100	100	100	100	100	100	1,200
RDMDRT	RDM Switchgear/Bus	250	800	450	650	400	6,350	800	6,400	8,000	700	500	100	23,400
STWMTD	STM Switchgear/Bus	1,900	7,400	6,500	1,400	7,000	7,700	6,850	1,200	7,250	1,200	14,400	1,200	62,000
STMTGNDGS	STM Diesel/Generator	100	70	200	600	200	200	250	230	0	1,250	0	500	3,500
RDMMGEU	RDM General Use Equipment	1,700	1,200	2,700	1,700	1,200	2,700	2,200	1,200	3,200	1,700	1,700	2,700	23,900
STWATR	STM Tool Room	3,500	3,400	4,950	3,250	3,500	4,000	4,700	6,000	5,500	4,500	5,500	4,500	52,500
RDMMTGN	RDM Turbine/Generator	2,500	2,500	1,950	1,750	400	1,900	800	800	1,100	2,250	2,100	2,250	19,400
RDMMVE	RDM Non-Fuels Equipment	4,000	5,000	3,100	5,250	3,500	4,000	5,400	4,100	3,150	4,500	4,000	3,000	49,000
RDMMVEQ	RDM Turbine/Generator	200	200	400	800	200	400	200	400	200	400	200	200	3,500
RDMMBMT	RDM Maintenance Training	3,100	4,600	2,650	4,000	5,000	4,300	3,150	2,450	4,000	4,500	3,200	2,350	43,500
RDMMEDGT	RDM Combustion Turbine-Electrical Distribution	1,250	3,250	1,250	1,250	1,250	24,250	6,250	3,250	1,250	1,250	3,250	1,250	49,000
RDMMFSPGT	RDM Combustion Turbine-Fire Protection	0	490	800	300	500	900	500	500	400	0	600	300	5,200
RDMMGT	RDM Combustion Turbine	100	100	800	650	500	700	600	400	200	700	3,000	200	8,000
RDMMEQCLE	RDM Mobile Fuels Equipment	6,700	6,700	46,700	6,700	6,700	6,700	6,700	6,700	6,700	17,900	61,300	100	95,000
STOMEQ	FH Mobile Fuels Equipment - Fuel Handling	8,500	8,500	9,500	8,500	8,500	8,500	8,500	8,500	8,500	59,700	6,700	6,700	170,400
STOCHSBS	FH Coal Unloading Barge - Fuel Handling	0	0	11,000	0	11,000	0	11,000	22,000	0	11,000	0	0	102,000
STOCHPST	FH Buildings & Grounds - Fuel Handling	5,250	3,750	2,250	3,900	4,650	9,275	4,650	3,150	5,775	1,275	750	5,250	68,000
STOCHSST	FH Consumables - Fuel Handling	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
STOCHTR	FH Tool Room - Fuel Handling	700	700	700	700	700	700	700	700	700	700	700	700	8,400
STOCHSIS	FH Outside Industrial Svc - Fuel Handling	8,450	8,450	5,150	5,150	5,150	5,150	5,150	5,150	5,150	6,150	5,150	5,150	61,500
STOCSR	STO SCR Operation	0	0	0	134,000	6,000	8,000	8,000	8,000	8,000	100,000	60,000	0	324,000
STMGX	STM Limestone Grinding/Processing	4,284	13,984	21,284	19,084	7,364	13,984	5,084	3,084	6,584	13,984	4,584	6,588	115,410
STMGXQCVH	STO Vehicles (Misc. Gas, Oil)	3,250	3,250	3,250	3,250	3,250	3,250	3,250	3,250	3,250	3,250	3,250	3,250	39,000
STOFGD	STO HMPPL FGD Shared Equipment	42,022	42,022	42,022	42,022	42,022	42,022	42,022	42,022	42,022	42,022	42,022	42,022	504,264
STOADM	STO Administrative	17,110	17,110	18,476	(6,681)	15,719	23,047	16,750	18,159	21,080	2,473	10,155	17,135	170,523

BREC - Reid/Station Two

2008 O&M Non-Labor Budget (Gross)

Number	Description	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	TOTAL
STOLAB	STO Laboratory	12,550	14,650	25,400	23,450	21,500	33,000	12,000	14,350	71,980	15,750	15,300	21,950	283,860
STDREDGE	ST Dredging Ash Ponds	0	0	0	0	0	5,000	0	0	0	0	0	0	5,000
STOPST	STO Buildings & Grounds	11,245	14,045	11,245	19,245	10,245	11,985	11,980	35,245	10,245	10,245	19,245	11,245	176,215
STOCSM	STO Consumables	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
RDOSGUFPE	RDO Mills and Feeders	5,000	5,000	5,000	5,000	0	0	0	0	0	5,000	5,000	5,000	35,000
STOSGUFPE	STO Mills and Feeders	13,500	13,500	13,500	7,000	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	155,500
STOTR	STO Tool Room	0	0	2,550	0	1,000	0	1,500	0	350	1,000	0	1,000	7,400
STOTGN	STO Turbine/Generator	5,330	5,330	5,330	5,330	5,330	5,330	5,330	5,330	5,330	5,330	5,330	5,330	64,000
STOIS	STO Outside Industrial Svc	12,575	12,575	12,575	12,575	12,575	12,575	12,575	12,575	12,575	12,575	12,575	12,575	152,102
STOSGU	STO Boilers and Burners	17,000	47,000	24,500	12,875	34,200	24,000	17,000	17,000	25,800	40,000	17,000	0	248,500
RD108FPO	R1 - Fall Planned Outage (Ops)	0	0	0	0	0	0	0	0	61,000	0	0	0	61,000
ST108XXO	H1 - Planned Outage (Ops)	0	0	0	0	0	0	0	0	0	0	0	0	0
ST208FPO	H2 - Fall Planned Outage (Ops)	0	0	0	0	0	0	0	0	367,000	0	0	0	367,000
RD108xxx	R1 - Major Initiatives	0	0	29,000	0	0	45,000	60,000	0	0	0	0	0	105,000
ST108xxx	H1 - Major Initiatives	0	0	30,000	0	0	0	30,000	0	0	90,000	0	0	179,000
ST208xxx	H2 - Major Initiatives	0	0	30,000	0	0	0	30,000	0	30,000	0	0	0	90,000
RD108USO	R1 - Unscheduled Outages	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	0	0	5,600	5,600	56,000
ST108USO	H1 - Unscheduled Outages	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	360,000
ST208USO	H2 - Unscheduled Outages	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	70,000
RD108FPG	R1 - Fall Planned Outage (Mtc)	0	0	0	0	0	0	0	0	785,200	0	0	0	785,200
ST108XXG	H1 - Planned Outage (Mtc)	0	0	0	0	0	0	0	0	0	0	0	0	0
ST208SPG	H2 - Spring Planned Outage (Mtc)	0	0	0	0	0	0	0	0	880,200	1,328,050	0	0	2,188,250
Total 2008 Budget		410,491	528,751	770,902	676,330	494,325	718,623	501,291	567,875	2,667,741	2,124,889	592,156	414,610	10,573,064
HMPL Allocation		100,160	128,428	194,848	179,511	126,746	174,275	139,008	146,571	527,656	610,135	132,311	99,880	2,559,560
BREC Allocation		0	0	0	0	0	0	0	0	0	0	0	0	0
WKE Share		318,331	400,323	576,054	496,819	367,579	544,348	462,283	421,304	2,140,074	1,514,754	459,845	314,730	8,013,404

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BREC - Reid/Station Two

2008 O&M Non-Labor Budget (Gross)

Number	Description	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	TOTAL
2008 SUMMARY (Gross)														
	Operations	69,000	101,800	79,080	53,500	81,200	76,750	66,235	71,000	72,160	92,000	77,000	53,012	892,717
	Maintenance	177,275	210,825	361,160	231,165	178,730	361,025	312,830	244,590	248,120	343,055	219,785	183,638	3,052,095
	Fuel Handling Operations	24,600	46,800	88,250	60,420	60,620	68,170	93,420	49,920	44,920	92,380	41,650	41,670	859,400
	FGD O&M	20,600	19,100	28,600	18,250	31,000	24,625	31,000	40,500	21,425	27,625	16,100	20,600	300,125
	Combustion Turbine	52,655	74,858	91,555	69,805	59,058	75,105	55,458	55,058	64,256	66,856	61,700	53,708	780,674
	Laboratory	100	950	8,500	4,350	3,600	1,700	1,200	1,000	2,700	18,800	61,900	800	108,200
	SCR O&M	12,650	14,850	25,400	23,450	21,900	33,600	12,600	14,950	71,900	108,100	15,300	21,650	283,680
	Administrative	17,110	17,110	27,200	177,500	10,900	13,000	11,000	30,200	11,000	2,473	10,155	17,135	170,523
	Outage O&M	42,600	42,600	42,600	42,600	42,600	42,600	42,600	42,600	2,110,480	1,358,050	35,600	42,600	3,887,450
	TOTAL	416,491	528,791	770,902	675,330	494,325	710,623	601,291	567,875	2,897,741	2,124,889	592,196	414,910	10,573,084
2008 SUMMARY (Net)														
	Operations	52,873	71,407	60,298	41,279	60,736	57,410	49,644	59,109	53,976	70,077	58,667	40,813	676,581
	Maintenance	137,356	163,672	271,987	179,957	133,245	280,191	248,629	183,517	185,119	259,380	189,444	127,096	2,337,762
	Fuel Handling Operations	18,244	34,676	65,723	44,875	37,349	48,197	38,540	36,915	33,238	68,781	30,989	30,828	489,353
	FGD O&M	38,829	54,130	65,854	44,399	23,188	18,420	23,188	30,294	16,802	20,664	12,043	15,408	224,497
	Combustion Turbine	100	950	8,500	4,350	3,600	1,700	1,200	1,000	2,700	18,600	64,900	800	108,200
	Laboratory	9,388	11,308	16,998	17,641	16,361	25,133	9,428	11,108	53,842	11,781	11,445	16,194	212,345
	SCR O&M	0	0	16,918	123,464	6,955	9,042	7,651	21,004	7,651	76,165	34,776	0	304,635
	Administrative	12,798	12,798	16,661	13,464	12,788	18,592	13,874	16,728	16,913	13,098	12,798	12,817	173,127
	Outage O&M	31,334	31,334	31,334	31,334	31,334	31,334	31,334	31,334	1,726,467	944,541	26,465	31,334	2,670,480
	TOTAL	316,331	400,363	578,837	620,510	388,970	646,156	483,753	425,505	2,141,505	1,528,791	468,940	314,750	8,074,414

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BREC - Reid/Station Two
2019 O&M Non-Labor Budget (Gross)

Number	Description	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	TOTAL
RDMAR	RDM Air System	5,000	3,420	5,000	26,650	4,270	4,290	1,030	5,900	4,350	3,520	3,920	950	89,000
STMPAS	STM Air System	4,600	3,590	3,050	2,100	18,500	3,100	2,750	3,050	3,300	3,650	1,950	2,800	52,500
RDMASH	RDM Ash Handling	6,250	5,300	3,954	6,750	755	12,960	5,880	3,435	8,166	3,450	10,200	4,400	71,500
STMASH	STM Ash Handling	9,300	18,600	14,650	11,250	2,850	18,700	12,100	18,050	13,000	10,800	17,800	10,200	157,500
RDMBSU	RDM Boilers & Burners	10,300	16,300	11,300	6,500	3,350	3,350	4,790	3,800	2,850	12,800	12,500	9,200	92,570
STMBGU	STM Boilers & Burners	36,650	27,800	28,050	29,050	29,050	18,250	20,350	27,325	18,225	27,050	29,450	24,350	315,600
RDMFOS	RDM Fuel Oil System	900	500	400	800	650	665	575	500	210	700	500	900	7,400
STMFOS	STM Fuel Oil System	1,100	900	1,200	850	650	1,300	1,100	1,200	800	400	800	1,300	11,600
RDMCDS	RDM Condensate System	1,000	1,250	1,000	1,600	600	700	1,625	2,175	10,600	1,500	1,500	1,250	29,600
STMCDSS	STM Condensate System	1,900	1,200	1,800	1,650	1,700	1,500	1,625	1,625	400	1,800	1,300	1,300	14,000
RDMDWS	RDM Demineralized Water System	900	1,300	1,300	1,000	1,800	900	500	1,000	400	900	1,200	1,400	12,000
RDMBFW	RDM Feedwater System	1,400	2,200	1,200	1,550	200	400	480	300	850	700	7,000	5,500	75,500
STMBFW	STM Feedwater System	5,900	5,900	9,600	6,700	4,500	6,000	5,280	5,200	7,000	7,000	7,900	5,500	26,000
RDMGUFDE	RDM Fans/Draft System	1,500	3,400	1,600	3,600	750	1,000	2,550	1,100	1,900	600	2,500	5,500	26,000
STMGUFDE	STM Fans/Draft System	1,000	4,750	4,750	5,500	4,000	8,500	3,200	3,500	7,350	2,800	3,700	1,800	51,950
RDMFPS	RDM Fire Protection	400	1,200	1,200	1,500	3,000	1,000	1,500	1,500	2,500	1,000	1,000	1,000	14,350
STMFPS	STM Fire Protection	1,000	1,000	3,500	1,500	4,000	4,400	1,850	4,600	350	5,700	800	350	28,650
RDMPLS	RDM Plant Lighting System	1,700	4,200	200	4,400	200	4,400	1,950	6,200	4,700	8,100	1,000	6,500	83,500
STMPLS	STM Plant Lighting System	9,300	5,800	10,450	5,800	8,600	4,750	5,500	6,200	4,700	8,100	1,000	21,900	
RDMOHC	RDM Overhead Cranes & Hoists	3,000	600	3,000	1,900	0	5,600	2,000	400	3,700	800	1,000	0	21,900
STMOHC	STM Overhead Cranes & Hoists	0	2,500	3,600	4,000	0	1,000	0	0	4,000	1,600	1,500	1,250	19,300
RDMPCM	RDM Plant Communications	1,350	1,000	1,000	1,850	1,500	1,600	1,700	1,950	1,600	2,200	1,500	1,250	19,300
STMPCM	STM Plant Communications	1,600	1,600	1,800	1,500	1,950	2,150	2,300	1,800	1,800	1,000	2,100	1,900	20,900
RDMPSL	RDM Bldgs & Grounds Site Misc/Impn	3,100	3,600	2,300	2,800	2,800	4,600	7,400	2,500	3,300	3,550	4,450	3,700	44,000
STMEL	STM Bldgs & Grounds: Elevators	3,875	3,875	3,875	3,875	3,875	3,875	3,875	3,875	3,875	3,875	3,875	3,875	46,561
RDMWTS	RDM Bldgs & Grounds: Sumps	3,250	1,650	8,050	4,250	1,050	5,150	15,150	9,450	3,650	4,050	1,250	3,150	60,100
RDMHVC	RDM Bldgs & Grounds: HVAC	580	3,980	1,980	3,680	2,680	3,460	5,075	3,600	5,050	340	3,260	2,040	35,721
STMHVC	STM Bldgs & Grounds: HVAC	1,200	3,630	3,750	3,750	5,750	5,760	6,275	4,250	4,100	2,050	5,000	2,285	47,600
RDMFCW	RDM Cooling Water System	400	350	600	500	500	0	0	410	1,050	15,410	410	610	22,000
STMCW	STM Cooling Water System	1,000	780	950	480	200	150	330	400	350	150	170	0	3,021
RDMCWS	RDM Circulating Water/Cooling Tower	1,000	1,000	1,000	1,000	1,500	1,700	1,500	1,150	750	700	1,150	1,500	13,600
STMCS	STM Circulating Water/Cooling Tower	5,400	4,550	6,650	6,350	6,700	8,050	5,550	5,650	6,000	15,900	6,200	5,200	81,100
RDMPCS	RDM Controls/Computer Systems	1,000	1,000	16,000	600	1,000	1,100	1,000	1,000	500	1,100	1,000	500	26,700
STMPLC	STM Controls/Computer Systems	3,100	3,800	163,340	4,800	3,600	17,850	2,800	4,250	2,800	3,000	3,500	1,300	19,700
RDMRD	RDM Recording/Indicating Devices	1,000	1,500	760	600	225	450	740	450	160	900	1,000	600	215,590
STMIRD	STM Recording/Indicating Devices	900	1,150	3,350	1,800	500	0	500	1,000	1,500	1,500	1,500	600	8,291
RDMBSBLU	RDM Plant Lubrication	3,000	3,000	3,000	3,000	3,000	3,600	3,600	3,000	3,000	3,000	3,000	3,000	37,000
STMCSM	STM Consumables	27,838	26,088	23,793	26,463	26,053	24,441	26,717	29,994	32,148	25,575	28,754	26,488	324,351
RDMENY	RDM Emission Controls: CEM	3,500	1,570	2,400	2,650	820	1,950	600	900	1,700	4,200	3,100	1,910	24,000
STMENY	STM Emission Controls: CEM	6,100	7,050	9,950	5,700	4,000	4,200	7,500	5,250	5,200	11,500	4,200	5,400	85,500
RDMGUPCP	RDM Emission Controls: Precipitators	500	500	5,000	500	700	1,100	1,500	500	1,100	200	200	700	13,300
STMGUPCP	STM Emission Controls: Precipitators	4,000	6,500	7,000	4,000	8,000	6,000	5,500	5,000	6,500	5,000	3,500	500	61,500
STMGXMEW	STM Emission Controls: SDRS Mist EI	0	1,500	4,200	500	0	3,100	800	2,000	2,000	500	200	100	17,500
STMGXTPWS	STM Emission Controls: SDRS Potable	400	200	100	200	500	200	100	200	100	200	100	500	2,800
STMGXSAB	STM Emission Controls: SDRS Absorb	1,500	5,000	1,000	1,500	2,500	1,000	3,100	1,300	1,500	1,500	2,400	1,200	23,500

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BREC - Reid/Station Two
2009 O&M Non-Labor Budget (Gross)

Number	Description	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	TOTAL
STMFCSBB	STM Emission Controls:SDRS Scrubb	100	150	100	150	100	150	700	150	150	150	150	250	2,300
STMFCSXTRK	STM Emission Controls:SDRS Scrubb	500	0	1,000	400	0	1,400	0	500	1,700	500	700	700	7,400
STMFCSXTRW	STM Emission Controls:SDRS Thicker	750	750	750	750	900	7,750	800	750	1,950	750	1,150	750	16,900
STMFSD	STM Emission Control: Scrubbers	7,250	7,800	22,700	10,450	6,550	14,225	2,900	6,700	12,300	9,575	13,100	2,200	114,950
STMSCR	STM Nox Reduction-SCR Maintenance	1,000	1,000	28,200	44,500	2,000	5,000	3,000	22,200	10,500	6,100	1,000	1,000	127,680
RDMRWS	RDM Effluent Control/Waste Water Tre	750	13,000	750	1,000	750	1,800	760	1,000	750	1,000	750	1,000	22,500
RDMRWS	STM Effluent Control/Waste Water Tre	500	400	350	400	500	400	500	400	500	400	350	400	5,100
RDMCHS	RDM Fuel Feed: Fuel Conveying Syste	11,400	30,320	22,800	42,620	25,470	41,020	27,420	35,520	27,320	28,880	17,400	23,420	333,540
STMCHS	STM Fuel Feed: Fuel Conveying Syste	3,975	6,200	6,175	6,275	9,075	6,175	6,800	7,475	7,875	5,525	3,550	7,025	78,225
RDMNGUPE	RDM Fuel Feed: Mills and Feeders	2,500	5,800	2,500	6,400	600	2,700	1,400	1,400	500	5,000	1,400	2,150	32,050
STMSGUFPE	STM Fuel Feed: Mills and Feeders	6,100	8,250	12,500	9,500	5,500	7,400	6,000	4,500	9,000	7,000	6,500	3,800	88,150
RDMCHS	RDM Fuel Feed: Mills and Feeders	4,000	3,500	14,750	4,500	7,000	14,250	12,500	10,100	4,000	7,800	15,400	5,000	102,800
RDMCHSINT	RDM Screenwell Maintenance	2,500	7,950	13,500	12,000	2,800	1,800	5,400	4,300	3,550	1,800	2,500	4,000	61,000
RDMRWS	RDM Potable Water System	800	350	370	500	1,100	620	900	450	500	850	450	600	7,490
STMPWS	STM Service Water System	100	100	100	100	100	100	100	100	100	100	100	100	1,200
ROMEDT	RDM Switchgear/Bus	250	1,300	450	150	1,400	6,000	300	7,700	6,000	200	500	100	24,350
STIMEDT	STM Switchgear/Bus	1,400	7,900	7,500	2,400	6,500	6,700	7,950	450	8,250	1,200	12,400	1,200	53,750
STMGNDSS	STM Diesel/Generator	100	70	0	600	200	0	200	500	0	-1,500	0	800	3,970
RDMGEU	RDM General Use Equipment	1,700	1,700	2,700	1,700	1,700	2,700	2,200	1,200	3,200	1,700	1,200	2,700	24,400
STMTR	STM Tool Room	3,500	3,400	4,050	3,250	3,600	4,000	4,700	6,000	5,500	4,500	5,500	4,500	52,500
RDMTGN	RDM Turbine/Generator	2,500	2,500	2,600	1,750	700	850	1,400	800	1,100	1,750	2,100	2,250	20,000
STRTGN	STM Turbine/Generator	4,000	5,000	3,100	4,750	3,500	3,400	5,400	4,600	4,150	5,000	4,000	3,000	50,500
RDMMEQ	RDM Non-Fuels Equipment	280	500	200	500	200	500	500	200	200	400	200	200	8,650
RDMRVE	RDM Vehicles	3,400	4,900	2,900	4,050	5,050	4,950	3,450	2,800	-4,450	6,000	4,100	2,350	48,400
RDMBIBMT	RDM Maintenance Training	1,250	3,250	1,250	1,250	1,250	24,250	6,250	3,250	3,250	1,250	1,250	1,250	49,000
RDMEDGT	RDM Combustion Turbine-Electrical D	400	400	800	300	500	500	500	500	400	400	300	300	5,600
RDMFSPGT	RDM Combustion Turbine-Fire Protect	1,000	450	600	500	500	200	600	400	200	400	200	200	8,650
RDMGT	RDM Combustion Turbine	0	1,000	7,000	3,200	2,000	0	1,000	0	3,000	17,700	61,700	1,000	97,000
RDMMEQCLE	RDM Mobile Fuels Equipment	6,700	6,700	6,700	6,700	6,700	6,700	6,700	6,700	6,700	6,700	6,700	6,700	173,400
STOMEQ	STO Mobile Fuels Equipment - Fuel H	8,600	8,600	8,600	8,600	8,600	8,600	8,600	8,600	8,600	8,600	8,600	8,600	103,200
STOCHSUS	STO Coal Unloading Barge - Fuel Han	0	0	12,000	0	12,000	0	12,000	22,000	0	12,000	0	0	70,000
STCHPST	STO Buildings & Grounds - Fuel Han	5,750	5,750	2,750	5,900	5,150	11,275	5,150	5,150	6,275	3,275	2,750	5,750	64,925
STCHCSM	STO Consumables - Fuel Handling	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
STCHTR	STO Tool Room - Fuel Handling	700	700	700	700	700	700	700	700	700	700	700	700	8,400
STCHOIS	ST Outside Industrial Service - Fuel H	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	66,000
STOSCR	STO HMP/L SCR Operation	6,250	6,250	30,250	6,250	6,250	126,250	6,250	6,250	6,250	62,250	84,250	6,250	373,000
STMFCS	STM Limestone Grinding/Processing	4,888	14,588	21,388	18,188	12,988	11,988	10,988	8,988	7,188	13,188	10,188	6,188	140,160
STOMEQCVH	STO Vehicles (Mtc, Gas, Oil)	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	39,600
STOFSD	STO HMP/L FGD Shared Equipment	38,638	38,638	38,638	38,638	38,638	38,638	38,638	38,638	38,638	38,638	38,638	38,638	463,656
STOADM	STO Administrative	16,104	16,104	14,131	15,103	15,954	6,175	16,995	10,405	17,667	7,684	5,254	16,129	165,713
STOLAB	STO Laboratory	13,050	15,350	30,400	18,750	22,300	33,700	13,200	15,450	36,800	16,250	15,900	23,700	254,930
STOREDE	ST Dredging Ash Ponds	0	0	0	0	0	5,000	0	0	0	0	0	0	15,000
STOPE	STO Buildings & Grounds - Operations	11,640	14,640	11,640	19,595	10,595	12,995	12,995	35,595	10,595	10,595	19,595	11,895	180,375
STOCSM	STO Consumables - Operations	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
RDSOGUPE	RDO Mills and Feeders	5,000	5,000	5,000	5,000	5,000	0	0	0	0	5,000	5,000	5,000	35,000
STOSGUFPE	STO Mills and Feeders	13,500	13,500	13,500	7,000	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	155,500
STOTR	STO Tool Room - Operations	0	0	2,550	0	1,000	0	1,500	0	350	1,000	0	1,000	7,400
STOTGN	STO Turbine/Generator	5,330	5,330	5,330	5,330	5,330	5,330	5,330	5,330	5,330	5,330	5,330	5,330	64,000

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BREC - Reid/Station Two

2002 O&M Non-Labor Budget (Gross)

Number	Description	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	TOTAL
ST01S	ST Outside Industrial Service - Operat	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	166,000
ST09GU	STO Boilers and Burners	27,000	33,000	19,200	42,000	18,000	18,000	18,000	10,000	27,000	33,000	16,000	0	243,500
RD109xxx	R1 - Major Initiatives	0	0	0	0	18,000	18,000	95,000	10,000	19,500	0	0	0	162,000
RD09xxx	RD - Major Initiatives	30,943	30,943	30,943	30,943	30,943	30,943	30,943	30,943	30,943	30,943	30,943	30,943	371,315
ST109xxx	H1 - Major Initiatives	0	80,000	150,000	0	0	0	0	0	0	0	0	0	260,000
ST209xxx	H2 - Major Initiatives	0	0	0	0	0	0	30,000	0	0	0	0	0	30,000
ST09xxx	H0 - Major Initiatives	30,943	30,943	30,943	30,943	30,943	30,943	30,943	30,943	30,943	30,943	30,943	30,943	371,315
RD109USO	R1 - Unscheduled Outages	17,500	17,500	17,500	17,500	17,500	17,500	17,500	17,500	17,500	17,500	17,500	17,500	210,000
ST109USO	H1 - Unscheduled Outages	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	70,000
ST209USO	H2 - Unscheduled Outages	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	360,000
RD109XXO	R1 - Planned Outage (Ops)	0	0	0	0	0	0	0	0	0	0	0	0	0
ST109XXO	H1 - Planned Outage (Ops)	0	0	157,000	0	0	0	0	0	0	0	0	0	157,000
ST209XXO	H2 - Planned Outage (Ops)	0	0	0	0	0	0	0	0	0	0	0	0	0
RD109XXX	R1 - Planned Outage (Mtc)	0	0	0	0	0	0	0	0	0	0	0	0	0
ST109SPG	H1 - Spring Planned Outage (Mtc)	0	0	2,169,765	0	0	0	0	0	20,000	0	0	0	2,179,765
ST209XXG	H2 - Planned Outage (Mtc)	0	0	0	0	0	0	0	0	0	0	0	0	0
Total 2009 R/STII Non-Labor O&M (Gross)		550,288	721,853	643,879	685,277	643,879	647,593	723,840	645,176	718,164	771,882	740,009	519,884	10,844,055
HMPL Allocation		122,687	160,991	163,917	166,668	163,917	208,040	148,769	149,247	167,138	176,702	161,344	114,884	2,894,475
Total 2009 R/STII Non-Labor O&M (Net)		427,111	554,862	450,951	529,811	450,951	442,522	575,051	485,928	589,027	594,980	578,661	404,970	8,249,650

BREC - Reid/Station Two

2010 O&M Non-Labor Budget (Gross)

Number	Description	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	TOTAL
RDMAIR	RDM Air System	4,450	3,520	2,870	26,000	4,720	2,370	15,250	5,000	2,950	2,870	3,100	1,300	74,400
STMPAS	STM Air System	1,000	4,060	3,060	8,300	12,000	3,000	3,000	2,450	9,900	3,700	2,100	3,000	55,200
RDMASH	RDM Ash Handling	6,450	6,450	4,050	7,350	1,500	16,850	5,350	3,350	7,000	3,350	6,100	3,800	67,000
STMASH	STM Ash Handling	7,650	17,000	15,200	13,100	6,450	27,650	24,100	19,800	9,700	11,450	11,750	9,950	170,900
RDMBSU	RDM Boilers & Burners	0	0	0	0	0	3,385	3,385	3,385	0	0	0	0	10,160
STMSGU	STM Boilers & Burners	28,450	24,050	35,450	32,450	28,950	51,050	29,150	34,125	30,425	28,450	25,950	24,750	354,250
RDMFOS	RDM Fuel Oil System	900	1,700	1,500	1,150	450	1,100	1,100	1,800	1,300	500	700	900	13,100
RDMCDS	RDM Condensate System	0	0	0	0	0	3,000	3,000	3,000	0	0	0	0	9,000
STMDCS	STM Condensate System	2,750	1,650	3,700	1,850	2,250	2,750	2,575	2,575	11,500	2,150	3,400	1,250	38,200
RDMDWS	RDM Demineralized Water System	1,400	2,100	1,000	1,000	1,300	11,900	1,000	1,600	300	1,200	1,300	800	24,000
RDMBFW	RDM Feedwater System	8,000	5,500	10,700	9,200	5,000	5,800	3,000	3,000	0	0	11,800	5,500	86,700
STMBFW	STM Feedwater System	1,800	5,250	4,450	5,100	3,200	9,000	2,900	3,000	0	0	2,900	3,100	52,650
RDMGUFDE	RDM Fans/Draft System	700	850	3,400	700	650	500	500	700	2,100	2,800	750	700	14,350
STMGUFDE	STM Fans/Draft System	1,850	2,050	2,750	2,550	1,550	2,050	1,250	2,550	1,550	1,950	4,050	1,050	24,050
RDMFPS	RDM Fire Protection	2,400	5,700	300	5,100	400	2,100	4,700	4,100	5,000	10,700	9,900	6,100	87,650
STMFPS	STM Fire Protection	3,000	1,300	5,300	2,400	0	3,000	2,500	1,000	3,500	1,900	2,000	0	25,900
RDMOHC	RDM Overhead Cranes & Hoists	1,000	2,500	2,600	3,000	0	1,000	2,000	0	0	1,500	2,600	1,000	20,800
STMOHC	STM Overhead Cranes & Hoists	1,450	2,200	1,000	1,050	1,500	1,700	1,800	1,450	3,500	2,200	1,000	1,850	19,400
RDMPCM	RDM Plant Communications	1,300	1,700	3,100	1,900	1,300	1,900	1,600	1,300	3,200	1,900	1,300	1,200	21,700
STMPCM	STM Plant Communications	3,000	2,600	2,100	7,700	2,100	3,300	14,200	2,200	3,200	4,150	2,350	3,600	50,500
RDMPEL	RDM Bldgs & Grounds: Elevators	3,600	3,600	4,100	4,100	4,100	4,100	4,600	4,100	3,600	4,600	3,600	4,600	48,700
STMEL	STM Bldgs & Grounds: Elevators	4,800	4,800	3,300	4,300	3,800	3,800	3,500	3,200	3,800	3,400	3,800	3,400	45,700
RDMWTS	RDM Bldgs & Grounds: Sumps	550	650	11,750	4,650	550	6,650	15,250	9,950	4,050	2,850	1,750	550	61,200
RDMHVC	RDM Bldgs & Grounds: HVAC	730	3,630	1,030	4,430	3,130	3,630	4,230	4,075	3,800	580	4,550	2,300	36,070
STMHVC	STM Bldgs & Grounds: HVAC	1,900	3,700	4,415	3,600	5,800	4,500	4,900	3,850	3,700	2,200	3,700	1,900	44,150
RDMPPF	RDM Bldgs & Grounds: Winterizatic	1,500	900	800	800	0	0	0	400	100	12,900	1,220	1,000	19,720
RDMCW	RDM Cooling Water System	0	350	925	400	0	320	330	0	530	350	470	0	3,670
STMCW	STM Cooling Water System	1,600	700	1,800	1,500	1,000	1,700	2,000	1,150	750	700	1,150	0	14,050
RDMCWS	RDM Circulating Water/Cooling Tow	1,000	1,000	400	500	1,900	1,350	2,700	1,450	600	1,700	500	1,700	14,800
STM CWS	STM Circulating Water/Cooling Tow	5,000	4,700	6,000	8,150	5,700	16,550	4,750	4,800	5,700	40,500	4,900	4,200	109,950
RDMPCS	RDM Controls/Computer Systems	0	0	15,000	0	0	0	0	0	0	0	0	0	15,000
STMPCS	STM Controls/Computer Systems	2,100	1,900	2,100	1,000	3,260	1,000	0	1,000	2,100	2,000	1,400	1,400	19,250
STMPCL	STM Controls/Computer Systems	3,100	4,100	121,000	8,100	2,900	16,200	5,600	5,500	4,200	2,800	4,300	4,200	182,100
RDMRID	RDM Recording/Indicating Devices	1,000	1,500	750	600	225	0	540	450	380	900	1,900	0	7,340

BREC - Reid/Station Two

2010 O&M Non-Labor Budget (Gross)

Number	Description	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	TOTAL
STMTRID	STM Recording/indicating Devices	900	1,150	3,350	2,000	500	200	500	1,000	1,500	1,500	1,500	0	14,100
RDMMBBLU	RDM Plant Lubrication	3,000	3,500	3,500	4,000	2,500	4,000	3,500	4,000	3,000	4,000	3,000	4,000	42,000
STMCSM	STM Consumables	21,320	20,070	19,570	22,070	20,070	21,070	19,070	22,320	23,070	19,070	22,070	17,070	246,840
RDMENV	RDM Emission Controls:CEM	0	0	0	0	0	0	3,000	3,000	0	0	0	0	9,000
STMVEVS	STM Emission Controls:CEM	6,200	6,900	9,950	5,700	13,100	4,400	8,600	5,500	5,400	12,250	3,200	5,400	86,500
RDMGUPCF	RDM Emission Controls:Precipitatt	0	0	0	0	0	3,000	3,000	0	0	0	0	0	9,000
STMGGUPRF	STM Emission Controls:Precipitatt	4,000	6,500	7,000	4,000	8,000	6,000	6,000	5,000	6,750	5,000	3,500	500	62,000
STMFGXMEV	STM Emission Controls:SDRS Mis	0	3,100	3,200	600	0	4,100	200	2,200	2,500	200	1,800	900	18,800
STMFGXPWS	STM Emission Controls:SDRS Pote	200	200	300	1,600	300	200	300	200	100	200	100	100	3,800
STMFGXSAB	STM Emission Controls:SDRS Absr	1,500	5,000	2,800	1,000	2,500	1,000	3,500	1,300	2,000	1,500	1,400	1,200	24,000
STMFGXSBB	STM Emission Controls:SDRS Scr	150	150	150	1,000	100	150	150	150	150	100	150	100	2,550
STMFGXSTK	STM Emission Controls:SDRS Scr	500	0	1,000	1,200	0	1,400	0	600	1,700	0	700	700	7,800
STMFGXTRW	STM Emission Controls:SDRS Thic	800	9,250	750	750	350	300	750	1,150	750	1,150	550	750	17,300
STMFGD	STM Emission Controls:Scrubbers	3,350	7,900	26,800	11,550	3,950	14,325	3,500	5,800	13,450	10,775	10,300	2,300	114,000
STMSCR	STM Nox Reduction-SCR Maintena	4,000	4,000	51,200	26,500	4,000	5,000	4,000	22,200	24,000	17,500	4,000	4,000	170,400
RDMWWS	RDM Effluent Control(Waste Water	950	950	1,000	9,950	950	950	950	900	850	850	850	850	20,000
STMWWS	STM Effluent Control(Waste Water	350	350	350	1,500	350	400	300	400	300	400	400	350	5,600
RDMCHS	RDM Fuel Feed: Fuel Conveying Sy	11,400	33,300	25,600	45,400	25,920	39,720	27,920	28,020	28,020	23,820	17,900	23,420	330,440
STMCHS	STM Fuel Feed: Fuel Conveying Sy	3,650	6,375	6,900	7,300	9,900	7,200	10,400	9,100	8,300	8,100	2,850	5,750	85,225
RDMGUFPE	RDM Fuel Feed: Mills and Feeders	0	0	0	0	0	3,000	3,000	3,000	0	0	0	0	9,000
STMGUFPE	STM Fuel Feed: Mills and Feeders	5,800	9,700	12,000	11,100	3,800	7,400	5,000	4,900	9,900	8,000	11,100	3,900	92,600
RDMCHSBUS	RDM Fuel Handling:Coal Unloading	3,500	3,500	16,450	4,500	10,500	15,250	10,000	7,100	4,000	5,800	13,900	5,300	99,800
RDMCWSINT	RDM Screenwell Maintenance	200	3,700	21,300	14,200	13,200	200	7,200	4,500	8,450	200	200	200	73,550
RDMPPWS	RDM Potable Water System	800	350	370	500	2,350	300	900	450	500	800	450	600	8,370
STMPPWS	STM Service Water System	100	100	100	100	100	100	100	100	100	100	100	100	1,200
RDMEDT	RDM Switchgear/Bus	250	800	450	650	400	6,350	800	6,400	6,000	700	500	100	23,400
STMEDT	STM Switchgear/Bus	1,900	8,400	7,500	1,400	7,000	8,700	6,850	1,200	7,250	1,200	14,400	1,300	67,100
STMGTNDGS	STM Diesel/Generator	100	70	300	600	300	200	250	330	200	1,250	0	500	4,100
RDMGEU	RDM General Use Equipment	1,700	1,200	2,700	2,700	1,200	2,700	2,200	1,200	3,200	1,700	1,700	2,700	24,900
STMTR	STM Tool Room	3,500	3,400	4,050	3,250	3,600	4,000	4,700	6,000	5,500	4,500	5,500	4,500	52,500
RDMTGN	RDM Turbine/Generator	0	0	0	0	0	3,000	3,000	3,000	0	0	0	0	9,000
STMGTGN	STM Turbine/Generator	4,000	5,000	3,100	5,250	3,500	4,000	5,400	7,600	3,150	4,500	4,000	3,000	52,500
RDMMEQ	RDM Non-Fuels Equipment	900	900	1,400	1,300	900	1,400	900	1,100	900	1,100	900	900	12,000
RDMPE	RDM Vehicles	3,200	5,400	3,050	4,100	5,800	4,500	3,250	2,650	4,100	5,300	3,400	2,450	47,200
RDMMBNT	RDM Maintenance Training	1,250	3,250	1,250	1,250	1,250	24,250	6,250	3,250	1,250	1,250	3,250	1,250	49,000
RDMEDGT	RDM Combustion Turbine-Electrice	0	400	800	300	500	900	4,500	500	500	0	600	300	9,300
RDMESPGT	RDM Combustion Turbine-Fire Pro	0	350	400	2,900	300	700	600	400	0	1,700	3,000	200	10,550
RDMGT	RDM Combustion Turbine	100	100	8,100	5,100	6,100	100	100	100	4,100	20,100	66,900	100	111,000
RDMMECCL	RDM Mobile Fuels Equipment	6,200	6,200	6,200	6,700	6,700	66,700	6,700	6,700	6,700	6,700	6,700	6,700	138,900

BREC - Reid/Station Two

2010 O&M Non-Labor Budget (Gross)

Number	Description	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	TOTAL
STMFGX	STM Limestone Grinding/Process	5,535	15,235	21,634	16,934	13,934	12,134	7,934	3,834	7,334	12,464	5,334	6,334	127,540
STOMEQ	STO Mobile Fuels Equipment - Fue	8,700	8,700	8,700	8,700	8,700	8,700	8,700	8,700	8,700	8,700	8,700	8,700	104,400
STOCHSBU	STO Coal Unloading Barge - Fuel H	0	0	13,000	0	13,000	0	13,000	22,000	0	13,000	0	0	74,000
STOCHPST	STO Buildings & Grounds - Fuel H	8,000	8,000	3,000	6,750	6,000	12,125	6,000	6,000	7,125	3,525	3,000	6,000	71,525
STOCHSHT	STO Buildings & Grounds - Operat	11,895	14,895	11,895	19,895	10,895	12,195	12,195	35,895	10,895	10,895	19,895	1,895	182,140
STOCHCSH	STO Consumables - Fuel Handlin	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
STOCSM	STO Consumables - Operations	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
RDOSGUP	RDOSGUP RDO Mills and Feeders	0	0	0	0	0	0	0	0	0	0	0	0	0
STOSGUFPE	STOSGUFPE STO Mills and Feeders	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	192,000
STOCHTR	STO Tool Room - Fuel Handling	700	700	700	700	700	700	700	700	700	700	700	700	8,400
STOTR	STO Tool Room - Operations	0	0	2,550	0	1,000	1,500	0	0	350	1,000	0	1,000	7,400
STOTGN	STO Turbine/Generator	5,330	5,330	5,330	5,330	5,330	5,330	5,330	5,330	5,330	5,330	5,330	5,330	64,000
STOMEQCVH	STO Turbine/Generator	3,350	3,350	3,350	3,350	3,350	3,350	3,350	3,350	3,350	3,350	3,350	3,350	40,200
STOFQD	STO HMPL FGD Shared Equipment	35,254	35,254	35,254	35,254	35,254	35,254	35,254	35,254	35,254	35,254	35,254	35,254	423,048
STOADM	STO Administrative	15,453	16,453	14,037	10,654	15,978	5,941	17,148	18,171	19,371	3,403	4,603	15,483	185,693
STOLAB	STO Laboratory	14,050	16,350	25,400	20,050	23,300	43,700	14,200	16,450	37,180	17,250	16,900	23,700	288,530
STDRDGE	ST Dredging Ash Ponds	0	0	0	0	0	5,000	0	10,000	0	0	0	0	15,000
STCHOIS	ST Outside Industrial Service - Fue	8,000	8,000	8,000	6,000	6,000	6,000	6,000	6,000	8,000	6,000	6,000	6,000	72,000
STOIS	ST Outside Industrial Service - Ops	13,400	13,400	13,400	13,400	13,400	13,400	13,400	13,400	13,400	13,400	13,400	13,400	160,800
STOSCR	STO HMPL SCR Operation	9,000	9,000	9,000	21,000	9,000	129,000	9,000	9,000	9,000	9,000	87,000	9,000	394,000
STOSGU	STO Boilers and Burners	27,000	30,000	18,000	0	19,200	39,000	18,000	0	27,800	22,765	18,000	9,000	236,000
RD110xxx	BREC Additions	22,765	22,765	22,765	22,765	22,765	22,765	22,765	22,765	22,765	22,765	22,765	22,765	273,182
ST110xxx	R1 - Major Initiatives	130,550	30,550	155,050	396,550	30,550	60,000	370,000	0	497,550	30,550	30,550	30,550	1,761,414
ST210xxx	H1 - Major Initiatives	0	0	142,000	80,000	0	0	0	0	0	0	0	0	222,000
RD110USO	H2 - Major Initiatives	0	0	22,000	58,000	0	0	30,000	0	0	0	0	0	107,000
ST110USO	R1 - Unscheduled Outages	0	0	0	0	0	0	0	0	0	0	0	0	0
ST210USO	H1 - Unscheduled Outages	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	360,000
RD110USPO	H2 - Unscheduled Outages	7,000	7,000	3,500	0	3,500	7,000	7,000	7,000	7,000	7,000	7,000	7,000	70,000
ST110XPO	R1 - Spring Planned Outage (Ops)	0	0	0	0	0	0	0	0	0	0	0	0	0
ST210XPO	H1 - Spring Planned Outage (Ops)	0	0	0	0	0	0	0	0	0	0	0	0	0
RD110XPO	H2 - Spring Planned Outage (Ops)	0	0	0	152,000	0	0	0	0	0	0	0	0	152,000
ST110XPG	R1 - Planned Outage (Mtc)	0	0	0	0	0	0	0	0	0	0	0	0	0
ST210XPG	H1 - Planned Outage (Mtc)	0	0	0	0	0	0	0	0	0	0	0	0	0
RD110XPG	H2 - Planned Outage (Mtc)	0	0	0	0	0	0	0	0	0	0	0	0	0
ST210XSPG	H2 - Spring Planned Outage (Mtc)	0	0	967,810	1,451,195	0	0	0	0	0	0	0	0	2,419,005
Total 2010 R/STII Non-Labor O&M (Gross)		577,982	577,347	1,789,005	2,770,577	562,591	991,494	1,001,896	594,884	1,087,739	697,271	876,692	460,870	11,769,042
HMPL Allocation		112,263	139,634	462,627	690,812	133,938	233,135	152,731	143,402	162,930	169,923	163,118	107,707	2,692,306
Total 2010 R/STII Non-Labor O&M (Net)		465,719	437,713	1,326,378	2,079,764	428,653	728,359	849,165	451,482	944,802	527,348	523,573	352,860	9,115,735

SCHEDULE 2.1

STATION TWO TERMINATED AGREEMENTS

1. Station Two Agreement;
2. Station Two G&A Allocation Agreement, dated July 15, 1998, among the City Utility Commission, Big Rivers and Station Two Subsidiary;
3. Agreement with Respect to Operating Reserves and Amendment No. 1 to Systems Reserve Agreement, dated July 15, 1998, among the City Utility Commission, Big Rivers and LEM;
4. Assignment and Assumption Agreement (Station Two), dated July 15, 1998, between Big Rivers and Station Two Subsidiary;
5. Deed of Easement and Right-of-Way, dated July 15, 1998, between Big Rivers, as grantor, and Station Two Subsidiary, LEM and WKEC, as grantees;
6. Deed of Easement and Right-of-Way, dated July 15, 1998, between the City of Henderson, the City Utility Commission, as grantors, and Station Two Subsidiary, LEM and WKEC, as grantees;
7. Mortgage and Security Agreement, dated July 15, 1998, by Big Rivers to WKEC and LEM;
8. Mortgage Deed and Security Agreement, dated July 15, 1998, by Big Rivers to LEM and WKEC, as amended by First Amendment to Mortgage and Security Agreement, dated August 22, 2002;

9. ~~7.~~ Acknowledgement and Consent, dated July 15, 1998, among the City of Henderson, the City Utility Commission and LEM;

10. ~~8.~~ Designated Representative Appointment Agreement, dated September 24, 2007 among the City of Henderson, the City Utility Commission, Big Rivers, Western Kentucky Energy Corp., Gregory Black and Ralph Bowling;

11. ~~9.~~ Letter Agreement, dated October 20, 2003, among WKEC, LEM and Big Rivers, relating to the sharing of costs for the Reid Station gas line;

12. ~~10.~~ E.ON Guarantee, and any written consents, acknowledgments or assurances that may have been given by LEC or E.ON at any time prior to the Closing with respect to the enforceability or effectiveness of the E.ON Guarantee and/or the applicability of the E.ON Guarantee to any debts, obligations or liabilities of any other E.ON Station Two Party, Station Two Subsidiary or WKE;

13. ~~11.~~ Agreement for Interim Funding Station Two SCR System, dated May 7, 2002, as amended, among the City of Henderson, the City Utility Commission, WKEC (including as successor by merger with Station Two Subsidiary and WKE) and LEM;

14. ~~12.~~ Supplementary Agreement on SO₂ Emission Allowances, dated January 18, 2002, between the City Utility Commission and WKEC (including as successor by merger with Station Two Subsidiary and WKE);

15. ~~13.~~ Excess Power Agreement (letter agreement) dated July 23, 1999, between LEM and the City Utility Commission;

16. ~~14.~~ Non-Disturbance Agreement;

17. ~~15.~~ Participation Agreement;

~~16.~~ List any additional agreements among any E.ON Station Two Party, the City and/or Big Rivers relating to Station Two that need to be terminated. E.ON is currently not aware of any, but continues to review its files relating to Station Two.

SCHEDULE 3.1

RELEASED STATION TWO CONTRACTS

1. Power Sales Contract, dated August 1, 1970, among the City of Henderson, the City Utility Commission, Big Rivers, Station Two Subsidiary (as assignee of Big Rivers) and LEM (as assignee of Station Two Subsidiary), as amended;

2. Amendment No. 1 dated March 2, 1971, to Power Sales Contract, dated August 1, 1970, among the City of Henderson, the City Utility Commission, Big Rivers, Station Two Subsidiary (as assignee of Big Rivers) and LEM (as assignee of Station Two Subsidiary);

3. Amendments, dated May 1, 1993, to Contracts among the City of Henderson, the City Utility Commission, Big Rivers, Station Two Subsidiary (as assignee of Big Rivers) and LEM (as assignee of Station Two Subsidiary);

4. Amendments to Contracts among the City of Henderson, the City Utility Commission and Big Rivers, dated July 15, 1998;

5. Power Plant Construction and Operation Agreement, dated August 1, 1970, among the City of Henderson, the City Utility Commission, Big Rivers and Station Two Subsidiary (as assignee of Big Rivers), as amended;

6. Joint Facilities Agreement, dated August 1, 1970, among the City of Henderson, the City Utility Commission, Big Rivers and Station Two Subsidiary (as assignee of Big Rivers), as amended;

7. 2005 Amendments to Contracts, dated as of April 1, 2005, among the City of Henderson, the City Utility Commission, Big Rivers, Station Two Subsidiary and LEM;

8. Deed of Easement, dated August 12, 2003, but with retroactive effect to June 1, 1999, among the City of Henderson, the City Utility Commission, Big Rivers, WKEC, LEM, Station Two Subsidiary and WKE, relating to the Reid Station gas line;

9. Agreement for Transmission and Transformation Capacity, dated April 11, 1975, between Big Rivers and the City Utility Commission;

~~10. System Reserves Agreement, dated January 1, 1974, between City Utility Commission and Big Rivers~~

~~a. Switchyard Agreement (Reid Switchyard), dated June 1, 1978 between the City of Henderson and Big Rivers;~~

~~b. Section One Definitions;~~

~~10.~~ 11. Spare Transformer Agreement, dated July 1, 1972, among the City of Henderson, the City Utility Commission and Big Rivers;

~~12. Letter Agreements~~

~~a. Operating & Maintenance Fund and Renewal & Replacement Fund minimum balances;~~

~~b. IRS letter regarding request for ruling that interest on the Electric Light and Power Revenue bonds be excludable from gross income of the recipients thereof under section 103(a)(1) of the Internal Revenue Code of 1954;~~

11. Grant of Rights and Easements, dated as of April 1, 2005, among the City of Henderson, the City Utility Commission, Big Rivers and WKEC.

12. ~~e.~~ Letter Agreement, dated May 13, 1994, between Big Rivers and the City Utility Commission;

13. Settlement Agreement for Diverter Dampers and NEMS Systems, dated April 28, 2005, among WKEC (including as successor by merger with Station Two Subsidiary and WKE), the City Utility Commission, Alstom Power Inc., Zachry Construction Corporation, and the consortium comprised of Alstom Power Inc. and Zachry Construction Corporation pursuant to that certain Consortium Agreement dated effective April 2, 2002 (the "Consortium").

14. Agreement Regarding Costs in Connection with Correction or Repair of Diverter Dampers and NEMS Systems, dated May 5, 2005, among the City Utility Commission, WKEC (including as successor by merger with Station Two Subsidiary and WKE), and Big Rivers, including the Amendment thereto executed on December 18, 2006, but dated effective December 13, 2006.

15. Agreement and Supplemental Settlement Agreement dated December 13, 2006, among the City Utility Commission, WKEC, Alstom Power Inc., Zachry Construction Corporation, the Consortium and Big Rivers.

16. Station Two Unit 2 Controls – Siemens Proposals RFCN03161-LS-6233 dated 10/10/03, RFCN03161-LS-6233A dated 10/16/03 and RFCN03161-LS-6233B dated 10/17/03; Project 051-H-0096.

17. Reid Station Unit 1 Controls – Siemens Proposals RFCN03180-LS-6246 dated 10/21/03.

18. Letter Agreement dated March 28, 2006, among WKEC, the City Utility Commission and Siemens Power Generation, Inc. ("Siemens").

19. Letter Agreement dated January 10, 2007, among WKEC, the City Utility Commission and Siemens.

20. Agreement (commonly referred to as the "Subordination Agreement") dated as of April 1, 2005, among the City of Henderson, the City Utility Commission, Big Rivers, Station Two Subsidiary, LEM, WKEC, WKE, The United States of America, Ambac Assurance Corporation, National Rural Utilities Cooperative Finance Cooperation, Credit Suisse, U.S. Bank National Association, PBR-1 Statutory Trust, PBR-2 Statutory Trust, PBR-3 Statutory Trust, FBR-1 Statutory Trust, FBR-2 Statutory Trust, PBR-1 OP Statutory Trust, PBR-2 OP Statutory Trust, PBR-3 OP Statutory Trust, FBR-1 OP Statutory Trust, FBR-2 OP Statutory Trust, Bluegrass Leasing, Trisail Capital Corporation, AME Investments, LLC, CoBank, ACB, AME Asset Funding, LLC and Ambac Credit Products, LLC.

SCHEDULE 4.1

MATERIAL PERMITS

SCHEDULE 5.1

CLOSING YEAR RECONCILIATION AS BETWEEN
E.ON STATION TWO PARTIES AND BIG RIVERS

10.1 Interim Period Reconciliations.

(a) In any Year which includes . . . the date of termination or expiration of the Term, Big Rivers, on the one hand, and Station Two Subsidiary and LEM, on the other hand, hereby agree that, on or before 30 days after . . . the date of termination or expiration of the Term, . . . (or as soon thereafter as is reasonably possible, in the event the relevant data is not available within 30 days), there shall be a reconciliation between Big Rivers and the LG&E Companies of the following charges and costs actually paid or accrued while Station Two was being operated . . . by Station Two Subsidiary during the Term, as compared with the estimates of such charges and costs paid or accrued (based on the Annual Budget with Henderson) during the period of operation of Station Two by . . . Station Two Subsidiary . . . : (1) all charges and costs for operation and maintenance of Station Two under the Station Two Operating Agreement, as actually paid or accrued by . . . Station Two Subsidiary . . . during the period of . . . operations of Station Two, as compared with payments made or accrued by Henderson to . . . Station Two Subsidiary . . . under Section 13.6 of the Station Two Operating Agreement based upon estimates included in the Annual Budget; and (2) all amounts paid or accrued to Henderson . . . (pursuant to Section 6.1 of the Station Two Power Sales Agreement) of estimated Capacity costs and charges (based on the Annual Budget with Henderson) by . . . Station Two Subsidiary or LEM during the period of . . . Station Two Subsidiary's . . . operations of Station Two, as compared with the actual aggregate Capacity costs and charges that should have been paid or accrued

(based on actual charges and costs so paid or accrued in the operation of Station Two) . . . by LEM or Station Two Subsidiary during the period of . . . operation of Station Two.

(c) For purposes of reconciling operating and maintenance costs and Capacity charges between Big River, on the one hand, and LEM and Station Two Subsidiary, on the other hand, incurred during the Partial Year prior to the date of expiration or termination of this Agreement, the provisions of this Section 10.1(c) shall govern. If during the Partial Year ending on the termination or expiration date: (1) the sum of the operating and maintenance costs actually paid or accrued by Station Two Subsidiary in such Partial Year plus the estimated Capacity costs and charges . . . paid in or payable for such Partial Year directly to Henderson . . . by Station Two Subsidiary (or its successors or permitted assigns) (reduced, however, by the amounts that Big Rivers reimburses or must reimburse Station Two Subsidiary for Capacity charges in such Partial Year associated with Big Rivers' share of Debt Service, Big Rivers' share of Henderson Incremental Environmental O&M or Big Rivers' share of all Station Two Improvements funded during that Partial Year) exceeds (2) the sum of the estimated operating and maintenance costs paid or accrued by Henderson as a reimbursement to Station Two Subsidiary during such Partial Year plus the Capacity costs and charges that (based on actual charges and costs paid or accrued in the operation of Station Two during such Partial Year, and not based on estimates) should have been . . . paid in or payable for the Partial Year directly to Henderson . . . by Station Two Subsidiary (or its successors or permitted assigns) (reduced, however, by the amounts that Big Rivers reimburses or must reimburse Station Two Subsidiary for Capacity charges incurred during such Partial Year associated with Big Rivers' share of Debt Service, Big Rivers' share of Henderson Incremental Environmental O&M or Big Rivers' share of Station Two Improvements funded during that Partial Year); then Big Rivers shall pay to LEM and/or Station Two

Subsidiary such excess amount within 45 days after the termination or expiration date (or, if the determination of those amounts cannot reasonably be made within the initial 30-day period as contemplated in Section 10.1(a), then within 15 days after that determination can be reasonably made). If, however, the sum described in (2), above, exceeds the sum described in (1), above, then Station Two Subsidiary (or its designated Affiliate) shall pay to Big Rivers the amount of such deficiency within 45 days after the termination or expiration date (or, if the determination of those amounts cannot reasonably be made within the initial 30-day period as contemplated in Section 10.1(a), then within 15 days after that determination can be reasonably made). As between Big Rivers, on the one hand, and Station Two Subsidiary and LEM, on the other hand, such Parties acknowledge and agree that neither Station Two Subsidiary nor LEM, nor any other LG&E Company, shall have any right or interest in the proceeds due from Henderson, or any duty or obligation to Big Rivers or Henderson for proceeds due to Henderson, in the annual reconciliation required by Section 9.4 of the Station Two Power Sales Agreement and Section 16.6 of the Station Two Operating Agreement for the Year which includes the date of expiration or termination of the Term. . . .

(d) Notwithstanding anything herein to the contrary, the agreements set forth above are solely between Big Rivers, Station Two Subsidiary and LEM, and shall not impose upon Henderson any duty or obligation to Big Rivers, Station Two Subsidiary or LEM relating to such interim period reconciliations or the annual reconciliations required by the Station Two Operating Agreement and the Station Two Power Sales Agreement which are in addition to or different than the duties and obligations required of Henderson under such Station Two Contracts. . . .

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Moved to	4
Style change	0
Format changed	0
Total changes	1379



May 1, 2008

E.ON U.S., LLC
220 West Main Street
Louisville, KY 40202

RECEIVED MAY 01 2008

Attn: David Sinclair

Big Rivers Electric Corporation
201 Third Street
Henderson, KY 42420

Attn: Michael H. Core

**RE: *Henderson Municipal Power & Light
Station Two Termination and Release Agreement***

Gentlemen:

Please find enclosed a final copy of the Station Two Termination and Release Agreement which the City of Henderson and the City of Henderson Utility Commission will execute at the time of Closing of the unwind transaction, subject to the provisions and conditions recited in such Agreement.

This Agreement parallels the last preliminary draft of the Agreement dated February 27, 2008 with the following additions:

→ a. The amount of Termination Payment which the City of Henderson Utility Commission will expect to receive at Closing is recited in Section 3.1 which appears at the top of page 5.

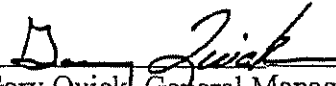
→ b. Exhibit C contained in the February 27, 2008 draft was an incomplete exhibit. The Exhibit C contained in the enclosed Agreement has been completed.



7 The City of Henderson Utility Commission calls to your attention the provisions recited in Section 20.1 Closing Conditions, beginning on page 53 of the Agreement.

Yours very truly,

CITY OF HENDERSON UTILITY COMMISSION

By: 
Gary Quick | General Manager

Enclosure – Station Two Termination and Release Agreement

cc: Hon. Tim Dowdy
Hon. James Miller

**STATION TWO
TERMINATION AND RELEASE
AGREEMENT**

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STATION TWO TERMINATION AND RELEASE AGREEMENT

This **STATION TWO TERMINATION AND RELEASE AGREEMENT** (the "*Station Two Termination and Release*"), dated as of [_____], 2008, by and among (a) BIG RIVERS ELECTRIC CORPORATION, a Kentucky rural electric generation and transmission cooperative ("*Big Rivers*"), (b) E.ON U.S. LLC ("*E.ON*"), a Kentucky limited liability company f/k/a LG&E Energy LLC, and the successor to LG&E Energy Corp., a Kentucky corporation ("*LEC*"), LG&E ENERGY MARKETING INC., an Oklahoma corporation ("*LEM*"), and WESTERN KENTUCKY ENERGY CORP., a Kentucky corporation ("*WKEC*") and the successor by merger with (i) WKE Corp., a Kentucky corporation ("*WKE*"), and (ii) WKE Station Two Inc., a Kentucky corporation ("*Station Two Subsidiary*") (WKEC, together with E.ON and LEM, the "*E.ON Station Two Parties*"), and (c) the CITY OF HENDERSON, KENTUCKY (the "*City of Henderson*") and the CITY OF HENDERSON UTILITY COMMISSION, d/b/a Henderson Municipal Power & Light (the "*City Utility Commission*") (collectively, the "*Parties*").

RECITALS:

A. Prior to the effectiveness of the Plan of Reorganization (defined below), Big Rivers operated Station Two and the Joint Use Facilities, and purchased a certain portion of the output of Station Two.

B. In accordance with the First Amended Plan of Reorganization in Big River's bankruptcy proceeding, as modified and restated on June 9, 1997 (as so modified, the "*Plan of Reorganization*"), Big Rivers, LEM, Station Two Subsidiary and WKEC entered into a New

Participation Agreement, dated April 6, 1998 (as amended, the "*Participation Agreement*") and certain other documents.

C. In accordance with the Participation Agreement, Station Two Subsidiary assumed certain of Big Rivers' operational responsibilities with respect to Station Two and the Joint Use Facilities, and LEC, WKEC, LEM, Station Two Subsidiary, the City of Henderson, the City Utility Commission and Big Rivers executed and delivered certain agreements, including the Station Two Agreement, and created certain interests in favor of, and certain obligations assumed by, one or more of the E.ON Station Two Parties with respect to Station Two, the Joint Use Facilities and the Station Two Site.

D. Big Rivers and the E.ON Station Two Parties have concluded that it is in their mutual best interests to terminate and release the property interests and contractual relationships created by the Participation Agreement, the Station Two Agreement and the other operative documents, and have executed and delivered a Transaction Termination Agreement, dated as of March 26, 2007, as amended as of November 1, 2007 (the "*Transaction Termination Agreement*"), setting forth the terms and conditions upon which Big Rivers and the E.ON Station Two Parties are willing to terminate and release such property interests and contractual relationships. A condition precedent to the consummation of the transactions contemplated in the Transaction Termination Agreement is the execution and delivery of this Station Two Termination and Release by the City of Henderson, the City Utility Commission, Big Rivers and the E.ON Station Two Parties.

E. The City of Henderson and City Utility Commission are amenable to the termination of property interests and contractual relationships with the E.ON Station Two Parties

created by the Station Two Agreement and the other agreements and instruments contemplated therein, and are willing to release the E.ON Station Two Parties from further liability, duties and responsibility under the Station Two Agreement, the Station Two Contracts and the other documents to which the City of Henderson and/or the City Utility Commission, on the one hand, and the E.ON Station Two Parties (or any of them), on the other hand, are parties, upon the terms and subject to the conditions set forth in this Station Two Termination and Release.

F. Prior to the date hereof, WKE and Station Two Subsidiary were merged with and into WKEC in accordance with Kentucky law, with WKEC being the surviving entity in that merger succeeding to all of the assets, properties, rights, debts, obligations and liabilities of WKE and Station Two Subsidiary, respectively.

G. Also prior to the date hereof, LEM assigned and transferred to WKEC, among other agreements and rights, all rights, title and interests of LEM under or pursuant to the Station Two Agreement, the Station Two Power Sales Agreement and certain other agreements or instruments with Big Rivers and/or the City of Henderson or the City Utility Commission relating to Station Two and/or the Joint Use Facilities. However, LEM was not, by reason of such assignments and transfers, relieved from its debts, obligations or liabilities under or pursuant to those agreements or instruments.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements set forth below, the E.ON Station Two Parties, Big Rivers, the City of Henderson and the City Utility Commission each agree as follows:

ARTICLE 1

DEFINITIONS

Section 1.1 Definitions. Capitalized terms used in this Station Two Termination and Release (including the Recitals, Exhibits and Schedules hereto) and not otherwise defined herein shall have the meanings set forth in Exhibit A to this Station Two Termination and Release. The rules of interpretation set forth in Exhibit A to this Station Two Termination and Release shall apply to this Station Two Termination and Release and to the Parties' respective rights and obligations hereunder.

ARTICLE 2

CLOSING

Section 2.1 Closing. The Closing shall take place on the date of the closing of the transactions under the Transaction Termination Agreement, provided that such date shall be satisfactory to the City Utility Commission and provided further that all conditions precedent to the Closing set forth in Article 20 have been satisfied or waived and all other obligations of the Parties set forth in this Station Two Termination and Release have been performed (the "**Unwind Closing Date**"). The Closing shall take place at the offices of Henderson Municipal Power & Light, 100 Fifth Street, Henderson, Kentucky, commencing at 10:00 a.m. local time on the Unwind Closing Date.

ARTICLE 3

TERMINATION PAYMENT

Section 3.1 Termination Payment to Henderson. At the Closing, WKEC shall pay to the City Utility Commission the sum of Thirteen Million Five Hundred Forty-Five Thousand One Hundred Fifty-Nine Dollars 00/100 Cents (\$13,545,159.00) in immediately available funds (the "***Henderson Termination Payment***") in consideration of the City of Henderson's and the City Utility Commission's release of the E.ON Station Two Parties and Big Rivers from their respective liabilities, responsibilities and obligations as provided in Section 4.4, 5.2, and 5.6 pertaining to the operation and maintenance of Station Two and the Joint Use Facilities and the purchase of Station Two power by the E.ON Station Two Parties or any of them. The Henderson Termination Payment shall be in addition to and shall not affect the environmental indemnities provided as set forth in Article 7 or any of the other obligations of the E.ON Station Two Parties or Big Rivers under the Station Two Termination and Release, including the payment of amounts payable to the City of Henderson or the City Utility Commission to satisfy conditions to the Closing as set forth in Section 20.1

ARTICLE 4

STATION TWO TERMINATED AGREEMENTS

Section 4.1 Station Two Terminated Agreements. As of the Closing, each of Big Rivers, the City of Henderson, the City Utility Commission and the E.ON Station Two Parties, for themselves and their respective successors, predecessors and assigns, and for all other persons or entities claiming by, through or under them, hereby collectively and irrevocably terminate, discharge and render null and void and of no further force or effect whatsoever each

of the agreements, letter agreements, guaranties, easements, mortgage and security agreements, implementing letters, directives and other instruments and documents set forth or identified on Schedule 2.1 hereto (collectively, the “*Station Two Terminated Agreements*”) to which such Parties are signatories or beneficiaries.

Section 4.2 Filing of Releases and Termination Statements. As of the Closing, the relevant Party or Parties agree to execute and deliver to the appropriate Party or Parties for purposes of recording or filing the same: (a) termination and releases of Deeds of Easement and Rights-of-Way in substantially the forms attached hereto as Exhibit B-1 and Exhibit B-2, respectively, and the termination of the Assignment of Easements in substantially the form attached hereto as Exhibit B-3, (b) releases of mortgage liens and security interests in substantially the forms attached hereto as Exhibit B-4 and Exhibit B-5, respectively, and terminations of security interests under Financing Statements filed under the Kentucky Uniform Commercial Code, in substantially the forms attached hereto as Exhibit B-6 and Exhibit B-7, respectively, and (c) all such other instruments of termination, discharge or release (in form reasonably satisfactory to the relevant Parties) as shall be required by or otherwise provided for any Station Two Terminated Agreement, or as shall be reasonably requested by any Party to evidence such termination, discharge or release or for the purpose of updating the real estate records of Henderson County, Kentucky, in respect of the terminations, releases and discharges of the Station Two Terminated Agreements as contemplated herein, including without limitation, such forms as may be required to be filed in Henderson County, Kentucky, and in the office of the Secretary of State of the Commonwealth of Kentucky, in order to terminate, release and discharge any fixture filings, any assignment as security of rights and interests under the Station

Two Contracts, or other security interests created by any of the Station Two Terminated Agreements.

Section 4.3 Releases by Big Rivers. As of the Closing, Big Rivers, for itself and its successors, predecessors and assigns, and for all other persons or entities claiming by, through or under any of them: (a) hereby fully, irrevocably and forever remises, releases, acquits, waives and discharges any possessory interest in real or personal property and any lien, security interest, charge or encumbrance whatsoever created in favor of Big Rivers by any one or more of the Station Two Terminated Agreements at any time prior to the execution and delivery hereof; and (b) hereby fully, irrevocably and forever remises, releases, acquits and discharges each of the City of Henderson, the City Utility Commission, LEC, E.ON, LEM, WKEC, WKE and Station Two Subsidiary, and their respective members, shareholders, directors, officers, employees, agents, representatives, advisors, successors, predecessors and assigns, and each of them (collectively, the “Big Rivers Released Parties”), of and from any and all manner of actions, causes of action, suits, sums of money, accounts, reckonings, covenants, controversies, agreements, promises, remedies, amounts paid in settlement, compromises, losses, levies, rights of contribution, rights of set-off, other rights, damages, judgments, executions, debts, obligations, liabilities, claims and demands of any nature whatsoever, whether or not in contract, in equity, in tort or otherwise whether pursuant to any statute, ordinance, regulation, rule of common law or otherwise, whether direct or indirect, whether punitive or compensatory, whether known or unknown, whether presently discoverable or undiscoverable, whether threatened, pending, suspected or claimed, and whether fixed, accrued, contingent or otherwise (collectively, “Claims”), which Big Rivers ever had, now has, may now have or may hereafter have against any one or more of the Big Rivers Released Parties, resulting from, arising out of or in any

manner relating to: (i) any Station Two Terminated Agreement; or (ii) any performance or non-performance by a Big Rivers Released Party under or pursuant to any Station Two Terminated Agreement; or (iii) any breach or default by a Big Rivers Released Party under or pursuant to any Station Two Terminated Agreement howsoever caused and whenever occurring; or (iv) in the case of each E.ON Station Two Party (including without limitation, any of its employees, officers, agents, representatives, advisors and/or contractors), its operation, maintenance, repair, upkeep, occupation, generation, use, closure, abandonment, retirement, replacement or possession of, or the condition or state of repair of, Station Two or any component(s) thereof (including without limitation, any components installed or constructed following the date of the Station Two Agreement), the Joint Use Facilities or any component(s) thereof, the Station Two Site (and any other real property of Big Rivers, the City of Henderson or the City Utility Commission operated, maintained, repaired, kept up, occupied or used by an E.ON Station Two Party (or its employees, officers, agents, representatives, advisors and/or contractors)), any electric energy generated by or capacity associated with Station Two, or any tangible or intangible properties, inventories, spare parts, tools, materials or supplies of, relating to or used in connection with the operation, maintenance, repair, upkeep, occupation, generation, use, closure, abandonment, retirement, replacement or possession of Station Two (or any components thereof), the Joint Use Facilities (or any components thereof), such real property or such electric energy or capacity, in each case whether pursuant to a Station Two Terminated Agreement, a Released Station Two Contract or otherwise; provided, however, that nothing contained in this Section 4.3 shall be deemed to affect, limit, waive or eliminate any other covenant or agreement on the part of any E.ON Station Two Party set forth in, or expressly contemplated as surviving the Closing (used as defined in the Transaction Termination Agreement) under any Definitive

Document (used as defined in the Transaction Termination Agreement) or contemplated in the Transaction Termination Agreement, it being understood that such other covenants and agreements shall survive the execution and delivery hereof and the transactions contemplated in this Station Two Termination and Release as between Big Rivers and the relevant E.ON Station Two Parties; and provided further, that Big Rivers does not hereby remise, release, acquit, waive or discharge the E.ON Station Two Parties, the City of Henderson or the City Utility Commission of or from performance of and compliance with any obligations under this Station Two Termination and Release to be performed or complied with by the E.ON Station Two Parties (or any of them), or by the City of Henderson or the City Utility Commission.

Section 4.4 Releases by City of Henderson and City Utility Commission. As of the Closing, the City of Henderson and the City Utility Commission, for themselves and their respective successors, predecessors and assigns, and for all other persons or entities claiming by, through or under any of them, hereby fully, irrevocably and forever remise, release, acquit, waive and discharge each of Big Rivers, LEC, E.ON, LEM, WKEC, WKE and Station Two Subsidiary, and their respective members, shareholders, directors, officers, employees, agents, representatives, advisors, successors, predecessors and assigns, and each of them (collectively, the "***City Released Parties***"), of and from any and all Claims which the City of Henderson or the City Utility Commission ever had, now have, may now have or may hereafter have against any one or more of the City Released Parties, resulting from, arising out of or in any manner relating to: (i) any Station Two Terminated Agreement; or (ii) any performance or non-performance by a City Released Party under or pursuant to any Station Two Terminated Agreement; or (iii) any breach or default by a City Released Party under or pursuant to any Station Two Terminated Agreement howsoever caused and whenever occurring; or (iv) in the case of the E.ON Station

Two Parties, their respective (including without limitation, their respective employees', officers', agents', representatives', advisors' and/or contractors' respective) operation, maintenance, repair, upkeep, occupation, generation, use, closure, abandonment, retirement, replacement or possession of, or the condition or state of repair of, Station Two or any component(s) thereof (including without limitation, any components installed or constructed following the date of the Station Two Agreement), the Joint Use Facilities or any component(s) thereof, the Station Two Site (and any other real property of Big Rivers, the City of Henderson or the City Utility Commission operated, maintained, repaired, kept up, occupied or used by an E.ON Station Two Party (or its employees, officers, agents, representatives, advisors and/or contractors)), any electric energy generated by or capacity associated with Station Two, or any tangible or intangible properties, inventories, spare parts, tools, materials or supplies of, relating to or used in connection with the operation, maintenance, repair, upkeep or use of Station Two (or any components thereof), the Joint Use Facilities (or any components thereof), the Station Two Site or such electric energy or capacity, in each case whether pursuant to a Station Two Terminated Agreement, a Released Station Two Contract or otherwise; provided, however, that the City of Henderson and City Utility Commission do not hereby remise, release, acquit, waive or discharge (x) the E.ON Station Two Parties from their indemnification obligations provided in Section 7.1 and Section 13.1, (y) Big Rivers from its obligations under Section 7.2, or (z) the E.ON Station Two Parties or Big Rivers from performance of and compliance with the Closing conditions set forth in Article 20 or with any liabilities hereunder or other obligations under this Station Two Termination and Release to be performed or complied with by the E.ON Station Two Parties (or any of them) or by Big Rivers.

Section 4.5 Releases by the E.ON Station Two Parties. As of the Closing, each E.ON Station Two Party, for itself and its successors, predecessors and assigns, and for all other persons or entities claiming by, through or under any of them: (a) hereby fully, irrevocably and forever remises, releases, acquits, waives and discharges any possessory interest in real or personal property and any lien, security interest, charge or encumbrance whatsoever created in favor of such E.ON Station Two Party by any one or more of the Station Two Terminated Agreements at any time prior to the date of the execution and delivery hereof; and (b) hereby fully, irrevocably and forever remises, releases, acquits, waives and discharges each of the City of Henderson, the City Utility Commission and Big Rivers, and their respective members, directors, officers, employees, agents, representatives, advisors, successors, predecessors and assigns, and each of them (collectively, the “*E.ON Released Parties*”), of and from any and all Claims which such E.ON Station Two Party ever had, now has, may now have or may hereafter have against any one or more of the E.ON Released Parties, resulting from, arising out of or in any manner relating to: (i) any Station Two Terminated Agreement; or (ii) any performance or non-performance by an E.ON Released Party under or pursuant to any Station Two Terminated Agreement; or (iii) any breach or default by an E.ON Released Party under or pursuant to any Station Two Terminated Agreement howsoever caused and whenever occurring; provided, however, that nothing contained in this Section 4.5 shall be deemed to affect, limit, waive or eliminate any other covenant or agreement on the part of Big Rivers set forth in, or expressly contemplated as surviving the Closing (used as defined in the Transaction Termination Agreement) under any Definitive Document (used as defined in the Transaction Termination Agreement) or contemplated in the transaction Termination Agreement, it being understood that such other covenants and agreements shall survive the execution and delivery hereof and the

transactions contemplated in this Station Two Termination and Release as between Big Rivers and the relevant E.ON Station Two Parties; and provided further, that the E.ON Station Two Parties do not hereby remise, release, acquit, waive or discharge the City of Henderson, the City Utility Commission or Big Rivers of or from performance of and compliance with any obligations under this Station Two Termination and Release to be performed or complied with by the City of Henderson, the City Utility Commission or Big Rivers.

ARTICLE 5

RELEASED STATION TWO CONTRACTS

Section 5.1 Released Station Two Contracts. Schedule 3.1 attached hereto sets forth or identifies various contracts, agreements or other instruments to which Big Rivers or the City of Henderson or the City Utility Commission is a party as of the date of execution and delivery hereof, certain of which contracts, agreements or instruments were partially assigned to and assumed by, or were entered into by, one or more of the E.ON Station Two Parties (or their predecessors) prior to the date of the execution and delivery hereof, or under certain of which contracts, agreements or instruments one or more E.ON Station Two Parties may have become a beneficiary, in either case pursuant to the transactions contemplated in one or more of the Station Two Terminated Agreements or other transactions entered into by such E.ON Station Two Parties since the date of the Station Two Agreement (collectively, the “*Released Station Two Contracts*”). The Parties acknowledge that, by reason of the transactions contemplated in this Station Two Termination and Release, the relevant E.ON Station Two Parties shall be released as of the Closing from the Released Station Two Contracts to which they are a party to the extent and as provided below in this Article 5, but that those Released Station Two Contracts shall hereafter continue in full force and effect as between Big Rivers, on the one hand, and the City of

Henderson and/or the City Utility Commission, on the other hand (and with such other parties thereto), in accordance with their respective terms (unless otherwise amended, modified, terminated or replaced by the separate agreement of Big Rivers, the City of Henderson and/or the City Utility Commission). In light of the fact, as contemplated in the Station Two Agreement, that Big Rivers has remained a party to and beneficiary of certain of the Released Station Two Contracts throughout the period during which the relevant E.ON Station Two Parties (as assignees of Big Rivers, or as assignees of one or more other E.ON Station Two Parties or of Station Two Subsidiary or WKE) may have been parties to or beneficiaries of such Released Station Two Contracts, the City of Henderson and the City Utility Commission acknowledge and agree that Big Rivers remains possessed of all rights and interests as against the City of Henderson and/or the City Utility Commission (as applicable) under and pursuant to such Released Station Two Contracts, whether such rights and interests were heretofore held by Big Rivers or assigned by Big Rivers to any E.ON Station Two Party, with full right and entitlement, following the execution and delivery of this Station Two Termination and Release, to exercise and enjoy all such rights and interests in accordance with the respective terms of such contracts. Big Rivers acknowledges and agrees that Big Rivers shall remain obligated to the City of Henderson and the City Utility Commission (as applicable) under or pursuant to such Released Station Two Contracts in accordance with their respective terms. No E.ON Station Two Party shall have any interest in any of the Released Station Two Contracts following the execution and delivery of this Station Two Termination and Release by the Parties, unless expressly provided otherwise elsewhere in this Station Two Termination and Release. Except as provided in Section 5.6, Big Rivers agrees that the City of Henderson and the City Utility Commission remain possessed of all rights and interests, and nothing contained in this Article 5 shall be deemed to

affect, limit, waive or eliminate any rights or interests, that the City of Henderson or the City Utility Commission may have as against Big Rivers under or pursuant to any Released Station Two Contract in accordance with its terms.

Section 5.2 Release of E.ON Station Two Parties by City of Henderson and City Utility Commission. As of the Closing, the City of Henderson and the City Utility Commission, for themselves and their respective successors, predecessors and assigns, and for all other persons or entities claiming by, through or under any of them, hereby fully, irrevocably and forever remise, release, acquit, waive and discharge each of LEC, E.ON, LEM, WKEC, WKE and Station Two Subsidiary, and their respective members, shareholders, directors, officers, employees, agents, representatives, advisors, successors, predecessors and assigns, and each of them (collectively, the "**Section 5.2 Released Parties**"), of and from any and all Claims which the City of Henderson or the City Utility Commission ever had, now have, may now have or may hereafter have against any one or more of the Section 5.2 Released Parties, resulting from, arising out of or in any manner relating to: (i) any Released Station Two Contract; or (ii) any performance or non-performance by a Section 5.2 Released Party under or pursuant to any Released Station Two Contract; or (iii) any breach or default by a Section 5.2 Released Party under or pursuant to any Released Station Two Contract howsoever caused and whenever occurring; provided, that the City of Henderson and the City Utility Commission do not hereby remise, release, acquit, waive or discharge the E.ON Station Two Parties of or from their indemnification obligations provided in Section 7.1 and Section 13.1, or performance of and compliance with the Closing conditions set forth in Article 20, or with any other obligations under this Station Two Termination and Release to be performed or complied with by the E.ON Station Two Parties (or any of them).

Section 5.3 Release of E.ON Station Two Parties by Big Rivers. As of the Closing, Big Rivers, for itself and its successors, predecessors, and assigns, and for all other persons or entities claiming by, through or under any of them, hereby fully, irrevocably and forever remises, releases, acquits, waives and discharges each of the Section 5.2 Released Parties of and from any and all Claims which Big Rivers ever had, now has, may now have or may hereafter have against any one or more of the Section 5.2 Released Parties, resulting from, arising out of or in any manner relating to: (i) any Released Station Two Contract; or (ii) any performance or non-performance by a Section 5.2 Released Party under or pursuant to any Released Station Two Contract; or (iii) any breach or default by a Section 5.2 Released Party under or pursuant to any Released Station Two Contract howsoever caused and whenever occurring; provided, however, that nothing contained in this Section 5.3 shall be deemed to affect, limit, waive or eliminate any other covenant or agreement on the part of any E.ON Station Two Party set forth in, or expressly contemplated as surviving the Closing (used as defined in the Transaction Termination Agreement) under any Definitive Document (used as defined in the Transaction Termination Agreement) or contemplated in the Transaction Termination Agreement, it being understood that such other covenants and agreements shall survive the execution and delivery hereof and the transactions contemplated in this Station Two Termination and Release as between Big Rivers and the relevant E.ON Station Two Parties; and provided further, that Big Rivers does not hereby remise, release, acquit, waive or discharge the E.ON Station Two Parties of or from performance of and compliance with any obligations under this Station Two Termination and Release to be performed or complied with by the E.ON Station Two Parties (or any of them).

Section 5.4 Release of City of Henderson and City Utility Commission by E.ON Station Two Parties. As of the Closing, each E.ON Station Two Party, for itself and its

successors, predecessors, and assigns, and for all other persons or entities claiming by, through or under any of them, hereby fully, irrevocably and forever remises, releases, acquits, waives and discharges each of the City of Henderson and the City Utility Commission, and their respective members, directors, officers, employees, agents, representatives, advisors, successors, predecessors and assigns, and each of them (collectively, the "**Section 5.4 Released Parties**"), of and from any and all Claims which such E.ON Station Two Party ever had, now has, may now have or may hereafter have against any one or more of the Section 5.4 Released Parties, resulting from, arising out of or in any manner relating to (i) any Released Station Two Contract, or (ii) any performance or non-performance by a Section 5.4 Released Party under or pursuant to any Released Station Two Contract, or (iii) any breach or default by a Section 5.4 Released Party under or pursuant to any Released Station Two Contract howsoever caused and whenever occurring; provided, that the E.ON Station Two Parties do not hereby remise, release, acquit, waive or discharge the City of Henderson or the City Utility Commission of or from performance of and compliance with any obligations under this Station Two Termination and Release to be performed or complied with by the City of Henderson or the City Utility Commission.

Section 5.5 Release of Big Rivers by E.ON Station Two Parties. As of the Closing, each E.ON Station Two Party, for itself and its successors, predecessors, and assigns, and for all other persons or entities claiming by, through or under any of them, hereby fully, irrevocably and forever remises, releases, acquits, waives and discharges Big Rivers, and its members, directors, officers, employees, agents, representatives, advisors, successors, predecessors and assigns, and each of them (collectively, the "**Section 5.5 Released Parties**"), of and from any and all Claims which such E.ON Station Two Party ever had, now has, may now have or may hereafter have

against any one or more of the Section 5.5 Released Parties, resulting from, arising out of or in any manner relating to (i) any Released Station Two Contract, or (ii) any performance or non-performance by a Section 5.5 Released Party under or pursuant to any Released Station Two Contract, or (iii) any breach or default by a Section 5.5 Released Party under or pursuant to any Released Station Two Contract howsoever caused and whenever occurring; provided, however, that nothing contained in this Section 5.5 shall be deemed to affect, limit, waive or eliminate any other covenant or agreement on the part of Big Rivers set forth in, or expressly contemplated as surviving the Closing (used as defined in the Transaction Termination Agreement) under any Definitive Document (used as defined in the Transaction Termination Agreement) or contemplated in the Transaction Termination Agreement, it being understood that such other covenants and agreements shall survive the execution and delivery hereof and the transactions contemplated in this Station Two Termination and Release as between Big Rivers and the relevant E.ON Station Two Parties; and provided further, that the E.ON Station Two Parties do not hereby remise, release, acquit, waive or discharge Big Rivers of or from performance of and compliance with any obligations under this Station Two Termination and Release to be performed or complied with by Big Rivers.

Section 5.6 Release of Big Rivers by City of Henderson and City Utility Commission.

As of the Closing, each of the City of Henderson and the City Utility Commission, for themselves and their respective successors, predecessors and assigns, and for all other persons or entities claiming by, through or under any of them, hereby fully, irrevocably and forever remise, release, acquit and discharge Big Rivers and its members, directors, officers, employees, agents, representatives, advisors, successors, predecessors and assigns, and each of them, of and from any and all Claims which the City of Henderson or the City Utility Commission ever had, now

has, may now have or may hereafter have against Big Rivers or such other persons or entities, resulting from, arising out of or in any manner relating to: (a) any performance or non-performance by any E.ON Station Two Party (or by Station Two Subsidiary or WKE) under or pursuant to any Station Two Terminated Agreement or any Released Station Two Contract (including without limitation, Claims attributable to the “Terms of General Applicability” contemplated in the Station Two Agreement); (b) any breach or default on the part of any E.ON Station Two Party (or on the part of Station Two Subsidiary or WKE) under or pursuant to any Station Two Terminated Agreement or any Released Station Two Contract arising or accruing at any time through the date hereof (including without limitation, any such breach or default that may have given rise to a breach or default on the part of Big Rivers, or an obligation on the part of Big Rivers to reimburse, defend, indemnify and/or hold harmless the City of Henderson or the City Utility Commission, under or pursuant to any Station Two Terminated Agreement or Released Station Two Contract) howsoever caused and whenever occurring; or (c) the operation, maintenance, repair, upkeep, occupation, generation, use, closure, abandonment, retirement, replacement or possession by any E.ON Station Two Party (or by Station Two Subsidiary or WKE), or by any of their respective employees, officers, agents, representatives, advisors and/or contractors, of Station Two or any component(s) thereof (including without limitation, any components installed or constructed following the date of the Station Two Agreement), of the Joint Use Facilities or any component(s) thereof, of the Station Two Site (and any other real property of Big Rivers, the City of Henderson or the City Utility Commission operated, maintained, repaired, kept up, occupied or used by an E.ON Station Two Party (or its employees, officers, agents, representatives, advisors and/or contractors)), of any electric energy generated by or capacity associated with Station Two, or of any tangible or intangible properties,

inventories, spare parts, tools, materials or supplies of, relating to or used in connection with the operation, maintenance, repair, upkeep, occupation, generation, use, closure, abandonment, retirement, replacement or possession of Station Two (or any components thereof), the Joint Use Facilities (or any components thereof), the Station Two Site or such electric energy or capacity; provided, that the City of Henderson and the City Utility Commission do not remise, release, acquit, waive or discharge Big Rivers from its indemnification obligations under Section 7.2 or the performance of and compliance with the closing conditions set forth in Article 20 or with any liabilities hereunder or other obligations under this Station Two Termination and Release to be performed or complied with by Big Rivers.

Section 5.7 Filing of Releases. As of the Closing, the relevant Party or Parties agree to execute and deliver to the appropriate Party or Parties for purposes of recording or filing the same: (a) releases of Deed of Easement and Grant of Rights and Easements in substantially the forms attached hereto as Exhibit B-8 and Exhibit B-9, respectively, and (b) all such other instruments of release or discharge (in form reasonably satisfactory to the relevant Parties) as shall be required by or otherwise provided for any Released Station Two Contract, or as shall be reasonably requested by any Party to evidence such release or discharge or for the purpose of updating the real estate records of Henderson County, Kentucky, in respect of the releases and discharges of the Released Station Two Contracts as contemplated herein, including without limitation, such forms as may be required to be filed in Henderson County Kentucky, and in the Office of Secretary of State of the Commonwealth of Kentucky, in order to release and discharge any fixture filings, any assignment as security of rights and interests under the Section Two Contracts, or other security interests created by any of the Released Station Two Contracts.

ARTICLE 6

REPAIRS AND IMPROVEMENTS TO STATION TWO

Section 6.1 Station Two Maintenance, Repairs and Improvements. The City of Henderson and the City Utility Commission agree with Big River that following the Unwind Closing Date Big Rivers will make and perform or cause to be made and performed the maintenance, repairs, replacements and improvements of Station Two and the Joint Use Facilities as and when set forth in the Station Two Work Plan for Station Two and the Joint Use Facilities attached as Exhibit C, except as otherwise agreed to by the City Utility Commission and Big Rivers. Big River and the City Utility Commission each agrees to preserve and maintain the reports, plans, studies, analyses and related information and data in its possession that describes and supports the estimated costs of such maintenance, repairs and improvements set forth in Exhibit C and agrees to furnish a copy thereof to the other Party, if, as and to the extent requested in connection with the budgeting or undertaking thereof. Big Rivers and the City of Henderson and the City Utility Commission acknowledge that the costs of such maintenance, repairs, replacements and improvements shall be payable by the City Utility Commission and Big Rivers, respectively, in accordance with the Station Two Contracts.

ARTICLE 7

ENVIRONMENTAL INDEMNITIES

Section 7.1 Indemnification by E.ON Station Two Parties. Notwithstanding any other provision in this Station Two Termination and Release, following the Closing, the E.ON Station Two Parties shall indemnify and hold harmless the City of Henderson and the City Utility Commission from and against any claims, demands, losses, damages, liabilities, costs, expenses

and penalties arising from any Disclosed Environmental Conditions and any Environmental Releases, environmental conditions, emissions, discharges, materials, or other matters, or failure to obtain permits or licenses that are not so identified for the City of Henderson or the City Utility Commission as of the Closing (including any failure of Station Two or the Joint Use Facilities to comply with the New Source Review Provisions of the Clean Air Act as a result of changes in the method of operating, maintaining, repairing or replacing Station Two or the Joint Use Facilities) that relate to Station Two or the Joint Use Facilities that were caused by or due to or otherwise occurred during the operation of Station Two and the Joint Use Facilities by the E.ON Station Two Parties or any of them (collectively, the "*Station Two Environmental Claims*").

Section 7.2 Indemnification by Big Rivers. Notwithstanding any other provision in this Station Two Termination and Release, following the Closing, Big Rivers shall indemnify and hold harmless the City of Henderson and the City Utility Commission from and against any Station Two Environmental Claims, but only to the extent that the E.ON Station Two Parties fail to comply with Section 7.1.

ARTICLE 8

ASSIGNMENT OF CONTRACTS

Section 8.1 Approval of Assignment. The City Utility Commission shall be entitled to review upon its request any contract, agreement, lease, sublease, license, sublicense or any other instrument relating to Station Two or the Joint Use Facilities which shall be assigned by an E.ON Station Two Party to Big Rivers pursuant to Section 3.2 (d) and Article 5 of the Transaction Termination Agreement (collectively, the "Assigned Station Two Contracts"). Such assignment

of Assigned Station Two Contracts shall be subject to the reasonable approval thereof by the City Utility Commission.

ARTICLE 9

INVENTORY AND PERSONAL PROPERTY

Section 9.1 Approval of Inventory. The City Utility Commission shall be entitled to inspect upon its request any inventories of spare parts, materials, reagents and other supplies (other than coal, petroleum coke and fixation and hydrated lime) relating to Station Two or the Joint Use Facilities which shall be conveyed by an E.ON Station Two Party to Big Rivers pursuant to Section 3.2 (b) and Article 4 of the Transaction Termination Agreement (collectively the “Station Two Inventory”). Payments for any of such inventories by Big Rivers shall not include any values thereof previously reimbursed as operating and maintenance costs or other expenses relating to Station Two or the Joint Use Facilities under the Station Two Contracts. Such conveyance of the Station Two Inventory and any values to be paid therefor shall be subject to the reasonable approval of the City Utility Commission.

Section 9.2 Approval of Personal Property. The City Utility Commission shall be entitled to inspect upon its request any tangible personal property relating to Station Two or the Joint Use Facilities (other than Station Two Inventory) which shall be conveyed by an E.ON Station Two Party to Big Rivers pursuant to Section 3.2 (c) and Article 4 of the Transaction Termination Agreement (collectively the “Station Two Personal Property”). Payments for any such personal property by Big Rivers shall not include any values thereof previously reimbursed as operating and maintenance costs or other expenses relating to Station Two or the Joint Use Facilities under the Station Two Contracts. Such conveyance of Station Two Personal Property

and the values to be paid therefore shall be subject to the reasonable approval of the City Utility Commission.

ARTICLE 10

INTELLECTUAL PROPERTY

Section 10.1 Approval of License Agreements. The City Utility Commission shall be entitled to review upon its request any intellectual property license agreements relating to Station Two or the Joint Use Facilities which shall be assigned or sublicensed by an E.ON Station Two Party to Big Rivers pursuant to Section 3.2 (f) and Article 6 of the Transaction Termination Agreement (collectively the “Station Two Intellectual Property”). Such assignment or sublicensing of the Station Two Intellectual Property shall be subject to the reasonable approval of the City Utility Commission.

ARTICLE 11

PERMITS

Section 11.1 Approval of Permits. The City Utility Commission shall be entitled to review upon its request any permit or license issued or allocated by any Governmental Entity to or in respect of Station Two or the Joint Use Facilities which shall be assigned by an E.ON Station Two Party to Big Rivers pursuant to Section 3.2 (g) and Article 7 of the Transaction Termination Agreement (collectively, the “Station Two Permits”). Such assignment of Station Two Permits shall be subject to the reasonable approval of the City Utility Commission.

ARTICLE 12

SO2 ALLOWANCES AND NOx ALLOWANCES

Section 12.1 Allowances under Station Two Contracts. Big Rivers and the E.ON Station Two Parties agree with the City of Henderson and the City Utility Commission that, following the date hereof (a) the City of Henderson and the City Utility Commission shall receive the Station Two SO2 allowances and Station Two NOx allowances to which the City of Henderson and the City Utility Commission are entitled as provided for in the Station Two Contracts, and (b) in the case of any such allowances accruing or arising with respect to periods prior to the Closing hereof which are to be allocated in accordance with the Station Two Contracts subsequent to the Closing, the City of Henderson and the City Utility Commission shall receive such allowances to which they shall be entitled upon allocation thereof following the date hereof in accordance with the Station Two Contracts.

ARTICLE 13

TAX MATTERS

Section 13.1 Payment of Sales and Use Taxes. WKEC shall pay any and all sales and use Taxes assessed or imposed on the transfers or assignments of Station Two Inventory, Station Two Personal Property, Assigned Station Two Contracts, Station Two Permits, SO2 allowances and NOx allowances relating to Station Two and the Joint Use Facilities and any other property relating to Station Two and the Joint Use Facilities pursuant to Article 3 of the Transaction Termination Agreement, and WKEC shall indemnify and hold harmless the City of Henderson and the City Utility Commission from and against any claims, demands, losses, liabilities, costs, expenses and penalties with respect to such Taxes.

Section 13.2 Apportionment of Property Taxes. Taxes assessed, levied or exacted on the Station Two Site, the Joint Use Facilities, any personal property or the real property relating to Station Two or the Joint Use Facilities accruing for the Closing Year shall be apportioned between the portion of the Closing Year prior to and including the Unwind Closing Date and the portion of the Closing Year after the Unwind Closing Date, based on the number of days in each such period. At or prior to the Unwind Closing Date WKEC shall pay to Big Rivers an amount equal to all accrued property Taxes multiplied by a fraction, the numerator of which is the number of days in the portion of the Closing Year up to and including the Unwind Closing Date and the denominator of which is 365. Payment of the remainder of such property Taxes for the Closing Year shall be the responsibility of Big Rivers. The apportionment provided by this Section 13.2 of property taxes shall be effected notwithstanding that such property Taxes are invoiced or payable after the Closing Unwind Date. Big Rivers shall be responsible for the payment of all such property Taxes for the Closing Year, including such Taxes for the portion of the Closing Year following the Unwind Closing Date.

Section 13.3 Treatment of Taxes. The Parties agree that any sales and use Taxes and any amounts with respect to accrued property Taxes payable by WKEC as provided in Section 13.1 and 13.2 shall not construe or be treated as operating or maintenance costs or other expenses recoverable under Section 16.2 of the Station Two Operating Agreement.

Section 13.4 Unemployment and Worker's Compensation Taxes. WKEC shall be responsible for the payment of all unemployment Taxes and workers' compensation premiums accruing for the period up to and including the Unwind Closing Date in respect of all employees hired by any of the E.ON Station Two Parties for Station Two or the Joint Use Facilities

regardless of when such Taxes and premiums are invoiced or paid. Big Rivers shall be responsible for the payment of all unemployment Taxes and worker's compensation premiums for the period from and after the Unwind Closing Date in respect of all employees hired by Big Rivers for Station Two or the Joint Use Facilities, regardless of when such Taxes and premiums are invoiced or paid. Any such taxes or premiums accruing for the period prior to and including the Unwind Closing Date, to the extent not paid by WKEC at or prior to the Closing, shall continue to be the obligation of WKEC following the Closing, which obligation(s) shall survive the Closing and shall continue to be binding on WKEC until satisfied or discharged in full.

Section 13.5 Review of Requests for Tax Rulings. Each of LEM and WKEC, on the one hand, and Big Rivers, on the other hand (each a "Filing Party") shall permit the other of those Party or Parties (the "Non-Filing Parties") and the City Utility Commission to review and comment upon any ruling requests to be filed by the Filing Party for local, state or federal tax rulings in connection with the Taxes referred to in Section 13.1 and 13.2 and the Taxes and premiums referred to in Section 13.4 prior to filing such requests, provided, that in the event the Filing Party shall not have received the Non-Filing Party's or the City Utility Commission's comment(s) with respect to such requests within ten (10) business days after the delivery of the same by the Filing Party or the City Utility Commission to the Non-Filing Party, the Filing party may proceed in its discretion to file such requests with the relevant Governmental Entities without further delay.

ARTICLE 14

E.ON GUARANTY

Section 14.1 E.ON Guarantee. (a) E.ON hereby guarantees to the City of Henderson and the City Utility Commission (the "Guaranteed Parties") that each of the E.ON Station Two Parties will perform all of their respective present and future payment and performance obligations arising under this Station Two Termination and Release (the "Guaranteed Obligations"). E.ON agrees that if any of the E.ON Station Two Parties shall fail to perform any of its Guaranteed Obligations, E.ON shall immediately perform such obligations. This is an irrevocable and continuing guarantee and this Section 14.1 shall remain in full force and effect and be binding upon E.ON and its successors until all of the Guaranteed Obligations have been satisfied in full.

Section 14.2 Waivers. E.ON expressly waives the acceptance of this guarantee by the Guaranteed Parties, protest, notice of protest and notice of dishonor or nonpayment of any instrument evidencing debt of any of the E.ON Station Two Parties, any right to require the pursuit of any remedies against any of the E.ON Station Two Parties, *including commencement* of suit, before enforcing this guarantee, any right to have any security or the right of set-off applied before enforcing this guarantee, and all diligence in collection and enforcement and failure or delay by the Guaranteed Parties in protection or exercise of their respective rights against any of the E.ON Station Two Parties.

Before enforcing this Guarantee against E.ON, the Guaranteed Parties shall give E.ON written notice of default by any such E.ON Station Two Party under this Station Two

Termination and Release, and shall initiate the giving of such notice to E.ON at the same time and in the same manner as notice is provided to the applicable E.ON Station Two Party.

E.ON hereby waives and agrees not to assert or to take advantage of any defense based upon: (1) any incapacity, lack of authority, death or disability of E.ON or any other person or entity (other than the Guaranteed Parties); (ii) any lack of notice to which E.ON might be entitled (other than such notices as E.ON is entitled to receive under or by virtue of this Section 14.2); (iii) the inaccuracy of any representation by any of the E.ON Station Two Parties contained in this Station Two Termination and Release; (iv) any assertion or claim that the automatic stay provided by 11 U.S.C. §362 (arising upon the voluntary or involuntary bankruptcy proceeding of any of the E.ON Station Two Parties), or any other stay relating to the Guaranteed Obligations provided under any other debtor relief law (whether statutory, common law, case law or otherwise) of any jurisdiction whatsoever, now or hereafter in effect, which may be or become applicable, which operates to stay, interdict, condition, reduce or inhibit the ability of the Guaranteed Parties to enforce any rights, whether now existing or hereafter acquired, which the Guaranteed Parties may have against E.ON; or (v) any action, occurrence, event or matter consented to by E.ON under this Article 14 or otherwise.

ARTICLE 15

PERSONNEL

Section 15.1 Personnel Matters. Big Rivers and the E.ON Station Two Parties hereby agree with the City Utility Commission that each of them will perform and carry out such obligations and responsibilities relating to personnel matters with respect to Station Two and the Joint Use Facilities in the manner and as and to the extent provided in Section 14.4 of the

Transaction Termination Agreement. Big Rivers agrees to furnish the City Utility Commission with a list of the employees to whom it intends to offer employment relating to the operation and maintenance of Station Two and the Joint Use Facilities promptly upon notification of WKEC pursuant to Section 14.4 of the Transaction Termination Agreement of its intent to offer such employment. Each list shall provide the identification, classification and job description for each of such employees.

ARTICLE 16

REPORTS

Section 16.1 Delivery of Materials and Documents. Not later than a date that is 30 days prior to the Closing, the E.ON Station Two Parties and Big Rivers, respectively, shall furnish the City Utility Commission with copies of all work plans, capital budgets, engineering and other assessments with respect to the condition and operational viability of Station Two and the Joint Use Facilities, together with the environmental audits and all other environmental reports, statements, violations, orders or other proceedings or events applicable to Station Two or the Joint Use Facilities, including the environmental audit report provided for in Article 15 of the Transaction Termination Agreement (collectively, the "Station Two Documents"), which have been prepared and received on or prior to the aforesaid date. Thereafter and prior to the Closing, the E.ON Station Two Parties and Big Rivers shall furnish the City Utility Commission with copies of all Station Two Documents upon their preparation and receipt.

ARTICLE 17

REIMBURSEMENT OF COSTS AND EXPENSES

Section 17.1 Payment by E.ON. E.ON shall reimburse the City of Henderson and the City Utility Commission, respectively, for all their costs and expenses relating to the Unwind, including, without limitation, all general and administration costs allocable to the Unwind, and all legal fees and disbursements, accounting charges, and fees of consulting engineers and other experts, all to the extent incurred in connection with the Unwind. Such payment shall be made on or prior to the Closing in accordance with Section 20.1(l) upon invoices therefor submitted by the City of Henderson and the City Utility Commission, respectively .

ARTICLE 18

RECONCILIATIONS; TRUE-UPS; DISTRIBUTIONS; FUNDING

Section 18.1 Reconciliation Between Big Rivers and LEM/WKEC. Big Rivers, LEM and WKEC agree with each other that, notwithstanding any provisions of this Station Two Termination and Release, the Transaction Termination Agreement or the Termination and Release (used as defined in the Transaction Termination Agreement) to the contrary, the provisions of Subsection 10.1(a) of the Station Two Agreement (solely to the extent they relate to the “date of termination or expiration of the Term” and to the period of operation of Station Two during the Term (used as defined in the Station Two Agreement)), and the provisions of Subsections 10.1(c) and 10.1(d) of the Station Two Agreement, shall each survive the Closing, and shall continue to be binding on and to inure to the benefit of Big Rivers, LEM and WKEC (as the successor to Station Two Subsidiary and the assignee of LEM) until satisfied or discharged in full; provided, that:

(i) the provisions of the concluding sentence of Subsection 10.1(c) shall not so survive the execution and delivery hereof, and shall as of such execution and delivery immediately become null and void; and

(ii) all references in any of the above-described provisions of Section 10.1 to the “date of termination or expiration of the Term,” to the “date of expiration or termination of this Agreement,” to the “termination or expiration date,” to the “expiration or termination of the Term,” or to the “date of that expiration or termination,” shall be deemed to be references to the Unwind Closing Date; and

(iii) by way of clarification and not of limitation, for purposes of the reconciliation to be undertaken following the date hereof by Big Rivers, LEM and WKEC pursuant to Section 10.1 of the Station Two Agreement, the operating and maintenances costs actually paid or accrued by WKEC in the Partial Year (used in this Section 18.1 as defined in the Station Two Agreement) shall be deemed to include, without limitation, all general and administrative expenses for the Partial Year permitted, immediately prior to the Closing, to be charged by Station Two Subsidiary to Station Two pursuant to Section 4.3 of the G&A Allocation Agreement (including any general and administrative expenses for the Partial Year permitted to be charged by Big Rivers to Station Two pursuant to Section 4.1 of the G&A Allocation Agreement but which were paid by WKEC to Big Rivers pursuant to Section 5.2 of that agreement prior to the date hereof).

Big Rivers, LEM and WKEC hereby further agree with each other that attached to this Station Two Termination and Release as Schedule 5.1 and incorporated herein by reference is a true, correct and complete copy of those provisions (or portions thereof) of Section 10.1 of the Station Two Agreement that shall survive the Unwind Closing Date and continue to be binding on and to inure to the benefit of Big Rivers, LEM and WKEC as contemplated in the preceding sentence, all other provisions (or portions thereof) of that Section 10.1 becoming null, void and of no further force or effect as of the execution and delivery hereof. In light of the reconciliation contemplated above in this Subsection (a), Big Rivers, LEM and WKEC agree with each other that the reconciliation and associated payment between WKEC and Big Rivers contemplated in Subsection 5.2(b) of the G&A Allocation Agreement is not required and shall not be undertaken. Consistent with the last sentence of Subsection 10.1(d) of the Station Two Agreement, the City of Henderson and City Utility Commission agree to reasonably cooperate with Big Rivers, LEM and WKEC in determining, as soon as practicable following the Closing, the actual and estimated charges and costs paid, payable or accrued for the Partial Year of operation of Station Two ending on the Unwind Closing Date, as contemplated in Section 10.1 of the Station Two Agreement.

Section 18.2 Reconciliation Between City Utility Commission and WKEC/LEM

(a) In connection with the Closing transactions, the reconciliation of current Station Two capacity charges under the Power Sales Contract shall take place and consist of the following:

(i) if the Unwind Closing Date shall be prior to the payment by WKEC and LEM of Station Two capacity charges for the then current Monthly

Billing Period as required under Section 9.1 of the Power Sales Contract, WKEC and LEM agree to pay to the City Utility Commission at the Closing an amount equal to the total amount of Station Two capacity charges payable for the then current Monthly Billing Period pursuant to Section 9.1 of the Power Sales Contract multiplied by a fraction, the numerator of which is the number of days of such Monthly Billing Period up to and including the Unwind Closing Date and the denominator of which is the total number of days in such Monthly Billing Period; or

(ii) if the Unwind Closing Date shall be subsequent to the payment by WKEC and LEM of the Station Two capacity charges for the then current Monthly Billing Period as required by Section 9.1 of the Power Sales Contract, the City Utility Commission agrees to refund to WKEC or LEM at the Closing an amount equal to such Station Two capacity charges paid by WKEC and LEM multiplied by a fraction, the numerator of which is the number of days of the then current Monthly Billing Period occurring after the Unwind Closing Date and the denominator of which is the total number of days in such Monthly Billing Period.

(b) In connection with the Closing transactions, the reconciliation of current payments for Station Two operating and maintenance costs and expenses under the Station Two Operating Agreement shall take place and consist of the following:

(i) if the Unwind Closing Date shall be prior to the payment by the City Utility Commission of the Station Two operating and maintenance costs and expenses for the then current Monthly Billing Period as required under Section

16.2 of the Station Two Operating Agreement, the City Utility Commission agrees to pay to WKEC and LEM at the Closing an amount equal to the total amount of Station Two operating and maintenance costs and expenses payable by the City Utility Commission for the then current Monthly Billing Period pursuant to Section 16.2 of the Station Two Operating Agreement multiplied by a fraction, the numerator of which is the number of days of the then current Monthly Billing Period up to and including the Unwind Closing Date and the denominator of which is the total number of days in such Monthly Billing Period; or

(ii) if the Unwind Closing Date shall be subsequent to the payment by the City Utility Commission of the Station Two operating and maintenance costs and expenses for the then current Monthly Billing Period as required by Section 16.2 of the Station Two Operating Agreement, WKEC and LEM shall refund to the City Utility Commission at the Closing an amount equal to such Station Two operating and maintenance costs and expenses paid by the City Utility Commission multiplied by a fraction, the numerator of which is the number of days of the then current Monthly Billing Period occurring after the Unwind Closing Date and the denominator of which is the total number of days in such Monthly Billing Period.

(c) In making payments under this Section 18.2 each Party shall have the right to set-off any account payable to it under this Section 18.2.

Section 18.3 Initial Monthly Payments by Big Rivers and City Utility Commission.

(a) Notwithstanding anything in Section 9.1 of the Power Sales Contract to the contrary, as payment of Station Two capacity charges for Station Two Capacity for the Monthly Billing Period that includes the Unwind Closing Date, Big Rivers shall pay to the City Utility Commission at the Closing an amount equal to the total amount of Station Two capacity charges payable to the City Utility Commission for the then current Monthly Billing Period pursuant to Section 9.1 of the Power Sales Contract multiplied by a fraction, the numerator of which is the number of days of the then current Monthly Billing Period occurring after the Unwind Closing Date and the denominator of which is the total number of days in such Monthly Billing Period.

(b) Notwithstanding anything in Section 16.2 of the Station Two Operating Agreement to the contrary, as payment of Station Two operating and maintenance costs and expenses for the Monthly Billing Period that includes the Unwind Closing Date, the City Utility Commission shall pay to Big Rivers at the Closing an amount equal to the total amount of Station Two operating and maintenance costs and expenses payable to Big Rivers for the then current Monthly Billing Period pursuant to Section 16.2 of the Power Sales Contract multiplied by a fraction, the numerator of which is the number of days of such Monthly Billing Period occurring after the Unwind Closing Date and the denominator of which is the total number of days in such Monthly Billing Period.

Section 18.4 True-Ups as Between Henderson and WKEC/LEM.

(a) Notwithstanding anything in Section 9.4 of the Power Sales Contract to the contrary, (i) WKEC and LEM agree with the City Utility Commission and the City of

Henderson that the Power Sales True-Up between them with respect to Station Two capacity charges for the Contract Year in which the Closing occurs shall be completed within 120 days following the Unwind Closing Date and shall be conducted, the amounts thereof calculated and the payments due in connection therewith determined in the manner and in accordance with the methodology provided in Section 9.4 of the Power Sales Contract, but such Power Sales True-Up shall be applicable only to those Monthly Billing Periods (including with respect to the Monthly Billing Period in which the Closing occurs, only the portion thereof up to and including the Unwind Closing Date) of such Contract Year occurring on and prior to the Unwind Closing Date; and (ii) if the audit of accounts pursuant to subsection (c) of this Section 18.4 pertaining to such Power Sales True-Up shall state results that are not consistent with those of such Power Sales True-Up, such Parties agree to adjust payments under such Power Sales True-Up so that the same shall be consistent with such audit of accounts.

(b) Notwithstanding anything in Section 16.6 of the Station Two Operating Agreement to the contrary, (i) the City Utility Commission agrees with WKEC that the Operating True-Up between them with respect to Station Two operating and maintenance costs and expenses for the Contract Year in which the Closing occurs shall be completed within 120 days following the Unwind Closing Date and shall be conducted, the amounts thereof calculated and payments due in connection therewith determined in the manner and in accordance with the methodology provided in Section 16.6 of the Station Two Operating Agreement, but such Operating True-Up shall be applicable only to those Monthly Billing Periods (including with respect to the Monthly Billing Period in which the Closing occurs, only the portion thereof up to and including the Unwind Closing

Date) of such Contract Year occurring on and prior to the Unwind Closing Date; and (ii) if the audit of accounts pursuant to subsection (c) of this Section 18.4 pertaining to such Operating True-Up shall state results that are not consistent with those of such Operating True-Up, such Parties agree to adjust payments under such Operating True-Up so that the same shall be consistent with such audit of accounts.

(c) For the purposes of the Power Sales True-Up pursuant to Section 18.4 (a) and the Operating True-Up pursuant to Section 18.4 (b), there shall be an audit of the applicable financial accounts of Station Two for that portion of the Contract Year in which the Closing occurs that includes all of the Monthly Billing Periods (including, with respect to the Monthly Billing Period in which the Closing occurs, only the portion thereof up to and including the Unwind Closing Date) of such Contract Year occurring on and prior to the Unwind Closing Date. Such audit shall be conducted by an independent certified public accountant or firm of certified public accountants of recognized standing selected by the City Utility Commission and shall be completed as soon as practicable following the Unwind Closing Date. The cost of such audit shall be paid by WKEC and each of the Parties shall be entitled to receipt of copies of the report of such audit.

Section 18.5 Initial True-Ups as Between Henderson and Big Rivers.

(a) Notwithstanding anything in Section 9.4 of the Power Sales Contract to the contrary, Big Rivers agrees with the City Utility Commission and the City of Henderson that the Power Sales True-Up between them with respect to Station Two capacity charges for the Contract Year in which the Closing occurs shall be conducted, the amounts thereof calculated and the payment due in connection therewith shall be

determined in the manner and in accordance with the methodology provided in Section 9.4 of the Power Sales Contract, but such Power Sales True-Up shall be applicable only to those Monthly Billing Periods (including, with respect to the Monthly Billing Period in which the Closing occurs, only the portion thereof occurring after the Unwind Closing Date) of such Contract Year occurring after the Unwind Closing Date.

(b) Notwithstanding anything in Section 16.6 of the Station Two Operating Agreement to the contrary, the City Utility Commission agrees with Big Rivers that the Operating True-Up between them with respect to Station Two operating and maintenance costs and expenses for the Contract Year in which the Closing occurs shall be conducted, the amounts thereof calculated and payment due in connection therewith shall be determined in the manner and in accordance with the methodology provided in Section 16.6 of the Station Two Operating Agreement, but such Operating True-Up shall be applicable only to those Monthly Billing Periods (including with respect to the Monthly Billing Period in which the Closing occurs, only the portion thereof occurring after the Unwind Closing Date) of such Contract Year occurring after the Unwind Closing Date.

Section 18.6 Distributions and Funding.

(a) At the Closing, amounts in the Station Two Replacement O & M Funds shall be distributed as follows:

(i) the amount then remaining on deposit in the Big Rivers Station Two Replacement O & M Fund held under the Station Two Agreement, together with accrued but unpaid interest thereon, shall be remitted to WKEC as provided under Section 10.3 (f)(4) of the Station Two Agreement.

(ii) the amount then remaining on deposit in the Henderson Station Two Replacement O & M Fund, held under the Station Two Agreement, together with accrued but unpaid interest thereon, shall be remitted to the City Utility Commission.

(b) At the Closing, the City Utility Commission shall release and pay over to WKEC and LEM amounts, if any, then held by the City Utility Commission that were paid to it by WKEC or LEM pursuant to Section 10.3 (g)(2) of the Station Two Agreement to fund any major renewals or replacements with respect to Station Two. In addition, amounts, if any, held by the City Utility Commission that were allocated by the City Utility Commission pursuant to Section 10.3 (g)(3) of the Station Two Agreement for funding of any such major renewal and replacement with respect to Station Two shall be contemporaneously released to the City Utility Commission.

Section 18.7 Acceptance of Annual Budget. The City Utility Commission and the City of Henderson agree with Big Rivers that the Annual Budget in force and effect on the Unwind Closing Date shall constitute and be treated as the Annual Budget for the purposes of this Article 18 and for the purposes of the Station Two Contracts, unless and until thereafter amended in accordance with the provisions of the Station Two Contracts.

ARTICLE 19

REPRESENTATIONS AND WARRANTIES

Section 19.1 Representations and Warranties of the E.ON Station Two Parties. Each of the E.ON Station Two Parties hereby severally represents and warrants to the City of Henderson and the City Utility Commission (but not to Big Rivers, it being understood and agreed that any

representations and warranties of the E.ON Station Two Parties to or for the benefit of Big Rivers are set forth solely in the Transaction Termination Agreement or in another Definitive Document (used as defined in the Transaction Termination Agreement) that on the Effective Date and as of the Closing Unwind Date, except as otherwise specified:

(a) Organization and Existence. Each of the E.ON Station Two Parties is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization and WKEC is duly qualified to transact business as a foreign corporation in any jurisdiction where the nature of its business and its activities require it to be so qualified. LEM is qualified to transact business as a foreign corporation in (i) any jurisdiction where the nature of its business and its activities require it to be so qualified and (ii) in the Commonwealth of Kentucky. Each of the E.ON Station Two Parties has the requisite power and authority to conduct its business as presently conducted, to own or hold under lease its properties, and to enter into and perform its obligations under this Station Two Termination and Release in accordance with its terms. Station Two Subsidiary and WKE have effectively merged with and into WKEC in accordance with the general corporate law of Kentucky, and all rights, obligations and liabilities of Station Two Subsidiary and WKE as of the time of that merger have become rights, obligations and liabilities of WKEC.

(b) Execution, Delivery and Binding Effect. This Station Two Termination and Release has been duly authorized, executed and delivered by each E.ON Station Two Party and, assuming the due authorization, execution and delivery hereof by Big Rivers, the City of Henderson and the City Utility Commission, constitutes a legal, valid and

binding obligation of each E.ON Station Two Party, enforceable against each such E.ON Station Two Party in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, arrangement, moratorium or other laws relating to or affecting the rights of creditors generally and by general principles of equity.

(c) No Violation. The execution and delivery of this Station Two Termination and Release by each E.ON Station Two Party, the consummation by each E.ON Station Two Party of the transactions contemplated hereby, and the compliance by each E.ON Station Two Party with the terms and provisions hereof, do not and will not (i) contravene any Applicable Laws or its organizational documents or by-laws, or (ii) contravene the provisions of, or constitute a default (or an event which, with notice or the passage of time, or both, would constitute a default) by it under, any indenture, mortgage or other material contract, agreement or instrument to which any E.ON Station Two Party is a party or by which any E.ON Station Two Party, or its property, is bound, or result in the creation of any Lien on the property of any E.ON Station Two Party.

(d) No Required Consents or Approvals. As of the closing, all consents, approvals, resolutions, authorizations, actions or orders, including those which must be obtained from any Governmental Entity, required for the authorization, execution and delivery of, and for the consummation of the transactions contemplated by, this Station Two Termination and Release by any E.ON Station Two Party shall have been obtained.

(e) Absence of Litigation. There is no pending or, to the knowledge of any E.ON Station Two Party, threatened action, suit or proceeding against any E.ON Station

Two Party by any other person or entity (other than the City of Henderson or the City Utility Commission) before any Governmental Entity which: (i) questions the validity of this Station Two Termination and Release or the ability of any E.ON Station Two Party to perform its obligations hereunder; or (ii) if determined adversely to any E.ON Station Two Party, would materially adversely affect the ability of such E.ON Station Two Party to perform its obligations under this Station Two Termination and Release or would materially adversely affect Station Two, the Joint Use Facilities, the Station Two Site or any interest thereon or part thereof.

(f) Liens. Station Two, the Station Two Site, the Station Two Inventory, the Station Two Personal Property, the Station Two Intellectual Property, the Station Two Permits, the Joint Use Facilities, the Station Two Contracts and the Assigned Station Two Contracts are free of any liens created by, through or on behalf of any E.ON Station Two Party.

(g) Assigned Station Two Contracts. The Assigned Station Two Contracts include each and every contract, agreement, lease, sublease, license, sublicense and other instrument (other than Station Two Terminated Agreements, Released Station Two Contracts, Station Two Intellectual Property and Station Two Permits) relating to Station Two, the Station Two Site or the Joint Use Facilities under which any E.ON Station Two Party has any right, interest or obligation in force and effect on the Effective Date or which was entered into by any E.ON Station Two Party after the Effective Date and on or prior to the Unwind Closing Date, except any such contract, agreement, lease, sublease,

license, sublicense or other instrument, the exclusion of which shall be approved by the City Utility Commission.

(h) Station Two Inventory. The Station Two Inventory includes an inventory of all the spare parts, materials, reagents and other supplies (other than coal, petroleum coke, and fixation and hydrated lime) relating to Station Two, the Station Two Site or the Joint Use Facilities in the possession of or otherwise held for any E.ON Station Two Party as to which any E.ON Station Two Party has any right, interest or obligation in force and effect on the Effective Date or which was acquired by or for any E.ON Station Two Party after the Effective Date and on or prior to the Unwind Closing Date, except any such inventory, the exclusion of which shall be approved by the City Utility Commission.

(i) Station Two Personal Property. The Station Two Personal Property includes all tangible personal property (other than Station Two Inventory) relating to Station Two, the Station Two Site or the Joint Use Facilities in the possession of or otherwise held for any E.ON Station Two Party as to which any E.ON Station Two Party has any right, interest or obligation in force and effect on the Effective Date or which was acquired by or for any E.ON Station Two Party after the Effective Date and on or prior to the Unwind Closing Date, except any such personal property, the exclusion of which shall be approved by the City Utility Commission.

(j) Station Two Intellectual Property. The Station Two Intellectual Property includes each and every intellectual property, license or sublicense agreement relating to Station Two, the Station Two Site or the Joint Use Facilities as to which any E.ON

Station Two Party is a party or is granted a right or interest in force and effect on the Effective Date or which was obtained and entered into by any E.ON Station Two Party after the Effective Date and on or prior to the Unwind Closing Date, except any such intellectual property, license or sublicense agreement, the exclusion of which shall be approved by the City Utility Commission.

(k) Station Two Permits. The Station Two Permits include each and every permit or license issued or allocated by any Governmental Entity to or in respect of Station Two or the Joint Use Facilities under which any E.ON Station Two Party is granted rights or exemptions that are in existence on the Effective Date or which was issued or allocated to any E.ON Station Two Party after the Effective Date and on or prior to the Unwind Closing Date, except such permit or license, the exclusion of which shall be approved by the City Utility Commission.

(l) Zoning and Condemnation. No E.ON Station Two Party has received any written notice of any pending or threatened proceeding to modify the zoning classification of, or to condemn or take by power of eminent domain, all or any part of Station Two, the Joint Use Facilities or the Station Two Site, which, if decided adversely, would be reasonably likely to result in a material adverse effect with respect thereto.

(m) Infringement. The E.ON Station Two Parties have not infringed or violated any patent, copyright, license or other similar legal right of any vendor under any Assigned Station Two Contract or Station Two Intellectual Property.

(n) Environmental Conditions. As of the Closing, to the knowledge of the E.ON Station Two Parties: (i) Schedule 4.1 contains a listing of all material permits

required as of the Closing for the operation, maintenance, repair and upkeep of Station Two and the Joint Use Facilities, (ii) each of those permits is in full force and effect and is held by or in the name of the City of Henderson or the City Utility Commission, or constitute Station Two Permits, and (iii) there are no above ground or underground storage tanks at Station Two, or on or under the Station Two Site, in each case other than underground storage tanks that were at Station Two, or on or under the Station Two Site on July 15, 1998, or that were installed in connection with the construction and installation at Station Two of the selective catalytic reduction system at Station Two. As of the Closing, except to the extent constituting, attributable to, resulting from or arising out of Environmental Releases, conditions, events, circumstances, actions, omissions, proceedings, operations, violations, failures to comply and other matters existing or occurring as of or prior to July 15, 1998 which, to the knowledge of the E.ON Station Two Parties, have not been materially aggravated and have not materially expanded following July 15, 1998:

(i) to the knowledge of the E.ON Station Two Parties, Station Two and the Joint Use Facilities are in compliance with the terms of each permit relating to the operation or maintenance of Station Two or the Joint Use Facilities, except for such noncompliance the continuation or correction of which does not and will not materially interfere with the operation of Station Two or the Joint Use Facilities and which does not and will not result in the imposition of any material civil or criminal fines or penalties against Big Rivers, any E.ON Station Two Party, the City of Henderson or the City Utility Commission;

(ii) to the knowledge of the E.ON Station Two Parties, the E.ON Station Two Parties' operation of Station Two and the Joint Use Facilities and use of Station Two, the Station Two Site and the Joint Use Facilities are in material compliance with all Applicable Laws, except for such noncompliance the continuation or correction of which does not and will not materially interfere with the operation of Station Two or the Joint Use Facilities and which does not and will not result in the imposition of any material civil or criminal fines or penalties on Big Rivers, any E.ON Station Two Party, the City of Henderson or the City Utility Commission;

(iii) no E.ON Station Two Party has received any notice of material violation or notice of material noncompliance with Applicable Laws with respect to Station Two, the Station Two Site or the Joint Use Facilities, or the operation or condition thereof, other than violations or noncompliances which have been remedied or cured in compliance with Applicable Laws and with respect to which there are no continuing obligations or conditions imposed upon any E.ON Station Two Party, Big Rivers, the City of Henderson or the City Utility Commission;

(iv) to the knowledge of the E.ON Station Two Parties, (A) there is no pending agency investigation, administrative or judicial proceeding or action or any outstanding claim, demand, order, administrative or legal proceeding or settlement or consent decree or order under or relating to any Environmental Law and relating to or involving Station Two or Joint Use Facilities, and (B) there is

not now, nor has there been, any pattern of violations that would lead to any of the foregoing; and

(v) to the knowledge of the E.ON Station Two Parties, no Environmental Release has occurred at, on, under or from Station Two, including the Station Two Site, or any other properties, other than (x) such Environmental Releases as would not reasonably be expected to result in a material liability for any remediation under Environmental Laws, and (z) such Environmental Releases which have been cured, remediated, removed and disposed of in compliance with Applicable Laws.

(o) No Material Dispute. To the knowledge of the E.ON Station Two Parties after reasonable inquiry, no material dispute or proceeding relating to Station Two or the Joint Use Facilities exists between any E.ON Station Two Party and (i) the City of Henderson or the City Utility Commission or (ii) Big Rivers, other than such disputes or proceedings as shall be released and discharged as of the Closing.

(p) Termination of Non-Disturbance Agreement. As of the Closing, the Non-Disturbance Agreement, together with each and every agreement or instrument assigning or transferring any right, title, interest or obligation of any party thereunder, shall have been terminated, discharged, released and rendered null and void and of no further force and effect by the parties thereto.

(q) Termination of Participation Agreement. As of the Closing, the Participation Agreement, together with each and every agreement or instrument assigning or transferring any right, title, interest or obligation of any party thereunder, shall have

been terminated, discharged, released and rendered null and void and of no further force and effect by the parties thereto.

(r) Agreements, Instruments and Documentation Included. All agreements, instruments and other documents by, under or pursuant to which any real or personal property, or any lien, encumbrance, charge, right or interest with respect to real or personal property, whether tangible or intangible, relating to Station Two or the Joint Use Facilities, is conveyed, transferred or assigned to any E.ON Station Two Party, or any right or interest in or to any Station Two Contract or Assigned Station Two Contract is transferred or assigned to or otherwise created in favor of any E.ON Station Two Party, are set forth in or included under Schedule 2.1 hereto, the provisions of Section 4.2 or Section 5.7, including the Exhibits referred to therein, or Schedule 3.1 hereto.

Section 19.2 Representations and Warranties of Big Rivers. Big Rivers hereby represents and warrants to each of the City of Henderson and the City Utility Commission (but not to the E.ON Station Two Parties, it being understood and agreed that any representations and warranties of Big Rivers to or for the benefit of the E.ON Station Two Parties are set forth solely in the Transaction Termination Agreement or in another Definitive Document (used as defined in the Transaction Termination Agreement) that on the Effective Date and as of the Closing Unwind Date, except as otherwise specified:

(a) Organization and Existence. Big Rivers is a rural electric cooperative duly organized, validly existing, and in good standing under the laws of the Commonwealth of Kentucky, and is duly licensed or qualified and in good standing in each jurisdiction where the nature of its business and its activities requires it to be so qualified. Big Rivers

has the requisite cooperative power and authority to carry on its business as now conducted, to own or hold under lease its property and to enter into and perform its obligations under this Station Two Termination and Release.

(b) Authorization, Execution, Binding Effect. This Station Two Termination and Release has been duly authorized, executed and delivered by all necessary cooperative action by Big Rivers and, assuming the due authorization, execution and delivery hereof by each E.ON Station Two Party, the City of Henderson and the City Utility Commission, constitutes the legal, valid and binding obligation of Big Rivers, enforceable against Big Rivers in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, arrangement, moratorium or other laws relating to or affecting the rights of creditors generally and by general principles of equity.

(c) No Violation. The execution, delivery and performance by Big Rivers of this Station Two Termination and Release, the consummation by Big Rivers of the transactions contemplated hereby, and the compliance by Big Rivers with the terms and provisions hereof, do not and will not (i) contravene any Applicable Laws or Big Rivers' Articles of Incorporation or By-Laws, or (ii) contravene the provisions of, or constitute a default (or an event which, with notice or the passage of time, or both, would constitute a default) by it under, any indenture, mortgage or other material contract, agreement or instrument to which Big Rivers is a party or by which Big Rivers, or its property, is bound, or result in the creation of any Lien on the property of Big Rivers.

(d) No Required Consents or Approvals. As of the Closing, all consents, approvals, resolutions, authorizations, actions or orders, including those which must be obtained from any Governmental Entity, required for the authorization, execution and delivery of, and for the consummation of the transactions contemplated by, this Station Two Termination and Release by Big Rivers shall have been obtained.

(e) Absence of Litigation. There is no pending or, to the knowledge of Big Rivers, threatened action, suit, investigation or proceeding against Big Rivers by any person before any Governmental Entity which (i) questions the validity of this Station Two Termination and Release or the ability of Big Rivers to perform its obligations under this Station Two Termination and Release or (ii) if determined adversely to it, would materially adversely affect Big Rivers' ability to perform its obligations under this Station Two Termination and Release.

(f) Termination of Non-Disturbance Agreement. As of the Closing, the Non-Disturbance Agreement, together with each and every agreement or instrument assigning or transferring any right, title, interest or obligation of any party thereunder, shall have been terminated, discharged, released and rendered null and void and of no further force and effect by the parties thereto.

(g) Termination of Participation Agreement. As of the Closing, the Participation Agreement, together with each and every agreement or instrument assigning or transferring any right, title, interest or obligation of any party thereunder, shall have been terminated, discharged, released and rendered null and void and of no further force and effect by the parties thereto.

(h) Agreements, Instruments and Documentation Included. All agreements, instruments and other documents by, under or pursuant to which any real or personal property, or any lien, encumbrance, charge, right or interest with respect to real or personal property, whether tangible or intangible, relating to Station Two or the Joint Use Facilities, is conveyed, transferred or assigned by Big Rivers to any E.ON Station Two Party, or any right or interest in or to any Station Two Contract or Assigned Station Two Contract is transferred or assigned by Big Rivers to or otherwise created by Big Rivers in favor of any E.ON Station Two Party, are set forth in or included under Schedule 2.1 hereto, the provisions of Section 4.2 or Section 5.7, including the Exhibits referred to therein, or Schedule 3.1 hereto.

Section 19.3 Representations and Warranties of the City of Henderson and the City Utility Commission. The City of Henderson and the City Utility Commission hereby severally represent and warrant to each of the E.ON Station Two Parties and Big Rivers that on the Effective Date and as of the Closing Unwind Date, except as otherwise specified:

(a) Organization and Existence. The City of Henderson is a municipal corporation and city of the second class duly organized and existing under the laws of the Commonwealth of Kentucky. The City Utility Commission is a public body politic and corporate duly organized and existing under Kentucky Revised Statutes § 96.530 and related statutes. The City of Henderson and the City Utility Commission each has all requisite power and authority to carry on its business as now conducted, to own its property and to enter into and perform its respective obligations under this Station Two Termination and Release.

(b) Authorization, Execution, Binding Effect. This Station Two Termination and Release has been duly authorized, executed and delivered by the City of Henderson and the City Utility Commission, and, assuming the due authorization, execution and delivery hereof by each E.ON Station Two Party and Big Rivers, constitutes the legal, valid and binding obligation of the City of Henderson and the City Utility Commission, enforceable against the City of Henderson and the City Utility Commission in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, arrangement, moratorium or other laws relating to or affecting the rights of creditors generally and by general principles of equity.

(c) No Violation. The execution, delivery and performance by the City of Henderson and the City Utility Commission of this Station Two Termination and Release, the consummation by the City of Henderson and the City Utility Commission of the transactions contemplated hereby, and the compliance by the City of Henderson and the City Utility Commission with the terms and provisions hereof, do not and will not contravene any Applicable Law.

(d) No Required Consents. As of the Closing, all consents, approvals, resolutions, authorizations, actions or orders, including, those which must be obtained from any Governmental Entity required for the authorization, execution and delivery of, and for the consummation of the transactions contemplated by, this Station Two Termination and Release by the City of Henderson and the City Utility Commission have been obtained.

ARTICLE 20

CLOSING CONDITIONS

Section 20.1 Closing Conditions. The obligation of the City of Henderson and the City Utility Commission to consummate the transactions under this Station Two Termination and Release shall be subject to the performance by the E.ON Station Two Parties and Big Rivers of and their compliance with their respective obligations, requirements and conditions to be performed and complied with under the provisions of this Station Two Termination and Release at and prior to the Closing Date, and to the following conditions under this Section 20.1 to be performed, completed or complied with to the satisfaction of the City Utility Commission:

(a) Replacement Contracts. The City of Henderson, the City Utility Commission and Big Rivers shall have entered into certain contracts replacing those terminated in connection with the Unwind including, without limitation, the Station Two G&A Allocation Agreement, the Supplementary Agreement on SO₂ Emission Allowances and the Designated Representative Appointment Agreement.

(b) Additional Agreements. The City Utility Commission, the City of Henderson (as necessary) and Big Rivers shall have entered into agreements or amendments of agreements that give effect to the matters set forth in the letter, dated August 3, 2007, by the City Utility Commission to Big Rivers.

(c) Alstom Claims. All outstanding settlement claims against Alstom Power Inc. shall have been settled and funds with respect to the Station Two selective catalytic reduction system shall have been allocated or, if not settled and funds allocated, an

appropriate agreement with regard to the Alstom Power Inc issues shall have been entered into by the Parties.

(d) Big Rivers Debt Rating. The debt obligations of Big Rivers secured by a first lien and security interest in assets of Big Rivers shall be rated at least “BBB” by Standard and Poor’s and “Baa2” by Moody’s Investor Service.

(e) E.ON Debt Rating. The corporate credit rating and long term issuer rating of E.ON shall be at least the minimum “investment grade” rating, issued by Standard and Poor’s and Moody’s Investor Service.

(f) Covenants. The E.ON Station Two Parties and Big Rivers shall have complied with all their respective covenants and agreements for the benefit of City of Henderson and the City Utility Commission under the Station Two Agreement, the Station Two Contracts and all Definitive Documents (used as defined in the Transaction Termination Agreement).

(g) Open Issues. The following open issues shall have been resolved and any necessary payments made:

(i) The appropriate charges by LEM to the City Utility Commission for energy under Amendment No. 1 to the System Reserves Agreement;

(ii) The City Utility Commission’s liability for 30.45% of the \$200,000 deductible under the Station Two, Unit 1 boiler insurance policy;

(iii) The E.ON Station Two Parties' obligation to pay the City Utility Commission for Excess Henderson Energy from Station Two up to the Unwind Closing Date;

(iv) The turbine controls issue with respect to Unit 2 of Station Two and the allocation of the related Siemen's payment; and

(v) Provision by the E.ON Station Two Parties for the funding of the cost of the repair of damage to the Station Two Unit 1 boiler as a result of the January 29, 2007 heat excursion.

(h) Inventory. The inventories of coal and lime for Station Two shall have been reconciled as between the City Utility Commission and the E.ON Station Two Parties.

(i) No Casualty. No casualty shall have occurred at Station Two or the Joint Use Facilities from and after the Effective Date of the Station Two Termination and Release and prior to and including the Unwind Closing Date that has not been repaired or otherwise corrected by the E.ON Station Two Parties.

(j) SO2 and NOx Allowances. All SO2 and NOx allowances to which City of Henderson and the City Utility Commission are entitled under the Station Two Contracts shall have been transferred to the City Utility Commission or provision made under the Station Two Contracts for their transfer to the City Utility Commission.

(k) No Unresolved Disputes. There shall be no outstanding unresolved disputes or proceedings between any of the E.ON Station Two Parties or Big Rivers on

the one hand and City of Henderson or the City Utility Commission on the other hand, other than any such disputes or proceedings as shall be discharged or released as of the Unwind Closing Date.

(l) Payment of Certain Amounts. E.ON shall have reimbursed the City of Henderson and the City Utility Commission, respectively, for all costs and expenses pursuant Section 17.1.

(m) Inability to Consummate Unwind. There shall not have been any action taken by any Governmental Entity, or pursuant to Applicable Laws, that would render any Party unable to consummate the Unwind, or that would make the Unwind illegal, or that would otherwise prohibit the consummation of the Unwind.

(n) Representations and Warranties. All representations and warranties of the E.ON Station Two Parties and Big Rivers, respectively, as set forth in Sections 19.1 and 19.2 shall be true and correct in all material respects on and as of the Effective Date and as of the Unwind Closing Date, except as otherwise specified in Sections 19.1 and 19.2, respectively, and the City of Henderson and the City Utility Commission shall have received certificates of an authorized officer of each of the E.ON Station Two Parties and of Big Rivers to such effect.

(o) Governmental Approvals. All consents and approvals of Governmental Entities required for the consummation of the Unwind by each of the E.ON Station Two Parties, Big Rivers and any member cooperative of Big Rivers, shall have been obtained and any required filings with or waivers from any Governmental Entity shall have been made and received.

(p) Transaction Termination Agreement. The Transaction Termination Agreement shall be in full force and effect and there shall not be any additional amendment or supplement thereof which affects Station Two, the Joint Use Facilities or the Station Two Site except as shall have been approved by the City Utility Commission and the Closing thereunder shall take place on the Unwind Closing Date.

(q) Environmental Conditions. The City of Henderson and the City Utility Commission, respectively, shall not, in their sole and absolute discretion, by written notice delivered to the E.ON Station Two Parties and to Big Rivers: (A) at any time more than 20 days prior to the scheduled Unwind Closing Date have refused to consummate the Closing of the transactions contemplated by this Station Two Termination and Release, on the basis of one or more facts or circumstances described in the following sentence; or (B) at any time 20 days or less prior to the scheduled Unwind Closing Date, have refused to consummate the Closing of the transactions contemplated by this Station Two Termination and Release, on the basis of one or more facts or circumstances described in the following sentence as to which neither the City of Henderson nor the City Utility Commission had knowledge at any time prior to 20 days prior to the scheduled Unwind Closing Date. The facts or circumstances that would permit delivery of the notice described in the preceding sentence are as follows: (i) any actual, alleged or perceived violation of any Environmental Law occurring at any time, howsoever caused, and associated in any manner with Station Two, the Joint Use Facilities or the Station Two Site, or the use, operation, maintenance or repair thereof; (ii) the actual, alleged or perceived Environmental Release occurring at any time, howsoever caused, and associated with Station Two, the Joint Use Facilities or the Station Two Site

or the use or operation, maintenance or repair thereof; (iii) any Baseline Environmental Condition (used as defined in the Transaction Termination Agreement), Disclosed Environmental Condition or other Excepted Condition (used as defined in the Transaction Termination Agreement); (iv) any actual, alleged or perceived violation of any permit occurring at any time, howsoever caused, and associated with Station Two, the Joint Use Facilities and the Station Two Site or the use, operation, maintenance or repair thereof; or (v) any other actual alleged or perceived condition, release, circumstance, transaction, omission, proceeding, operation, maintenance, failure to comply, violation or other event occurring at any time, and associated with Station Two, the Joint Use Facilities or the Station Two Site, or the use, operation, maintenance or repair thereof, that, if known to any Governmental Entity, would or could reasonably be expected to give rise to any liability for fines, penalties, modifications of plant, facilities or equipment, or any remediation or compensation for damages under any Environmental Law; in each case relating to Station Two, the Joint Use Facilities or the Station Two Site or the use, operation, maintenance or repair thereof, and regardless of whether any claims, losses, liabilities, damages, costs, expenses, obligations or deficiencies associated with or resulting from or arising out of any of the forgoing could be the subject of indemnification in favor of the City of Henderson or the City Utility Commission under Article 7.

(r) Generating Capability. Within 30 days prior to the scheduled Unwind Closing Date, WKEC shall have demonstrated to the City Utility Commission through actual performance data and physical testing, that Station Two and the Joint Use Facilities are capable of generating net output of at least 311 MW. The demonstration

contemplated above shall be at WKEC's sole cost and expense. Such testing shall include sustained operation for at least 24 hour's duration under actual load carrying condition at rated pressure and temperature with all auxiliary equipment in service and at a power factor of 90%. Such measurement and testing of net output shall otherwise be in accordance with East Central Area Reliability (ECAR) "Procedures for the Uniform Rating and Testing of Generation Equipment" dated May, 1998. The scope and method of such testing shall be acceptable to the City Utility Commission in its reasonable discretion. The testing will utilize coal having characteristics that meet the fuel box design for Station Two. The City Utility Commission shall be provided the opportunity to have a representative or representatives present to observe the testing. The operation of Station Two and the Joint Use Facilities during the testing shall conform to all permits and licenses from Governmental Entities and comply with other Applicable Laws.

(s) No Forced Outage. No forced outage of Station Two or the Joint Use Facilities shall have occurred for a period greater than 5 consecutive days during the 30 day period immediately proceeding the Unwind Closing Date, and no forced outage of Station Two or the Joint Use Facilities shall be pending.

(t) Opinions of Counsel. The City of Henderson and the City Utility Commission shall have received such opinions of counsel for each of the E.ON Station Two Parties, and such opinion or opinions of counsel for Big Rivers, each dated the Unwind Closing Date, reasonably satisfactory in form and substance to the City Utility Commission.

ARTICLE 21

TERMINATION

Section 21.1 Effective Date; Termination of Agreement. This Station Two Termination and Release shall become effective on the date (“Effective Date”) on which each of the Parties shall have executed and delivered this Agreement. This Station Two Termination and Release, including the obligations of the Parties to use their respective reasonable best efforts to cause the Closing to occur and to cause any conditions precedent set forth in Article 20 to be satisfied or waived, may be terminated at the option of the City of Henderson or the City Utility Commission on the one hand, or the E.ON Station Two Parties or Big Rivers on the other hand, if the Closing shall not have occurred on or prior to April 30, 2008, upon two Business Days prior notice given to the other Parties to this Station Two Termination and Release. If this Station Two Termination and Release shall be terminated in accordance with this Section 21.1, this Station Two Termination and Release shall immediately become null and void and of no further force or effect whatsoever, and each Party shall be fully released and discharged from its obligations hereunder; provided that the E.ON Station Two Parties shall promptly reimburse the City of Henderson and the City Utility Commission, respectively, for all their costs and expenses relating to the Unwind, including, without limitation, all general and administrative costs allocable to the Unwind, and all legal fees and disbursements, accounting charges, and fees and disbursements of engineers and other experts, all to the extent incurred in connection with the Unwind. Such payment shall be made within 30 days following receipt of invoices therefor submitted by the City of Henderson and the City Utility Commission, respectively.

ARTICLE 22

WOODWARD-CLYDE AGREEMENT

Section 22.1 No Affect on City's Rights and Remedies. The Parties agree that nothing contained in this Station Two Termination and Release or in the Transaction Termination Agreement shall limit, or otherwise affect any rights or remedies of the City of Henderson or the City Utility Commission under, pursuant to or otherwise arising out of the Agreement For Professional and Environmental Services, dated as of October 15,1997, among WKEC, Big Rivers and Woodward-Clyde International-Americas (the "WCI Agreement"). WKEC and Big Rivers further agree that they will not take any action or allow any action to be taken to terminate the WCI Agreement without the prior consent of the City Utility Commission and each of them agrees that it will not take any action pursuant to this Station Two Termination and Release Agreement or the Transaction Termination Agreement or other Definitive Documents (used as defined in the Transaction Termination Agreement) which would adversely affect any rights or remedies which the City of Henderson or the City Utility Commission may have under, pursuant to or otherwise arising out of the WCI Agreement.

ARTICLE 23

MISCELLANEOUS

Section 23.1 Successors and Assigns. This Station Two Termination and Release shall be binding upon, and shall inure to the benefit of and be enforceable by, the Parties named herein and their respective members, shareholders, directors, officers, employees, agents, representatives, advisors, successors, predecessors and permitted assigns, and all other persons or entities claiming by, through or under any of them. No Party may assign either this Station Two

Termination and Release or any of its rights or interests hereunder, nor delegate any of its obligations hereunder, without the prior written consent of the other Parties (which consent shall not be unreasonably withheld, conditioned or delayed), and any attempt to make any such transfer, assignment or delegation without such consent shall be null and void.

Section 23.2 Notices. All notices, requests, demands, claims or other communications required or permitted to be given or made under this Station Two Termination and Release shall be in writing and shall be deemed duly given or made if it is sent by registered or certified mail, return receipt requested, postage prepaid, and addressed to the intended recipient as set forth below:

<u>If to any E.ON Station Two Party:</u>	E.ON U.S. LLC 220 West Main Street Louisville, KY 40202 Facsimile: 502-627-4622 Telephone: 502-627-3665 Attn: Executive Vice President, General Counsel & Corporate Secretary
<u>With a Copy to:</u>	Patrick R. Northam, Esq. Greenebaum Doll & McDonald PLLC 3500 National City Tower 101 South Fifth Street Louisville, Kentucky 40202 Facsimile: 502-587-3695 Telephone: 502-587-3774
<u>If to Big Rivers:</u>	Big Rivers Electric Corporation 201 Third Street P.O. Box 24 Henderson Kentucky 42419 Attention: President & Chief Executive Officer Facsimile: 270-827-2558 Telephone: 270-827-2561

<u>With a Copy to:</u>	James M. Miller, Esq. Sullivan, Mountjoy, Stainback & Miller, P.S.C. 100 St. Ann Building Post Office Box 727 Owensboro, Kentucky 42302-0727 Facsimile: 270-683-6694 Telephone: 270-691-1640
<u>If to the City of Henderson or the City Utility Commission:</u>	The City of Henderson, Kentucky 222 First Street Henderson, Kentucky 42419 Attn: City Attorney Facsimile: (270) 831-1206 Telephone: (270) 831-1200
	Henderson Municipal Power & Light 100 Fifth Street Henderson, Kentucky 42419 Attn: General Manager Facsimile: (270) 826-9650 Telephone: (270) 826-2726
<u>With a Copy to:</u>	C. B. West, Esq. Stoll, Keenon & Ogden 201C North Main Street Henderson, Kentucky 42420 Facsimile: (270) 827-4060 Telephone: (270) 831-1900

Any Party may send any notice, request, demand, claim or other communication hereunder to the intended recipient at the address set forth above using any other means (including personal delivery, expedited courier, messenger service, telecopy, telex, ordinary mail, or electronic mail), but no such notice, request, demand, claim, or other communication shall be deemed to have been duly given unless and until it actually is received by the intended recipient. Any Party may change the address to which notices, requests, demands, claims, and other communications hereunder are to be delivered by giving the other Party notice in the manner herein set forth.

Section 23.3 Governing Law. This Station Two Termination and Release shall be governed by and construed in accordance with the laws of the Commonwealth of Kentucky.

Section 23.4 Amendments and Waivers. This Station Two Termination and Release shall not be modified or amended except pursuant to an instrument in writing executed and delivered on behalf of each of the E.ON Station Two Parties, Big Rivers, the City of Henderson and the City Utility Commission. No waiver of any of the provisions of this Station Two Termination and Release shall be deemed to or shall constitute a continuing waiver or a waiver of any other provision hereof (whether or not similar). No delay on the part of any Party in exercising any right, power or privilege hereunder shall operate as a waiver thereof.

Section 23.5 Severability. Any term or provision of this Station Two Termination and Release which is invalid or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective only to the extent of such invalidity or unenforceability, without rendering invalid or unenforceable the remaining terms and provisions of this Station Two Termination and Release or affecting the validity or enforceability of any of the terms or provisions of this Station Two Termination and Release in any other jurisdiction.

Section 23.6 Construction. The Parties have participated jointly in the negotiation and drafting of this Station Two Termination and Release. In the event an ambiguity or question of intent or interpretation arises, this Station Two Termination and Release shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Station Two Termination and Release.

Section 23.7 Incorporation. The Exhibits and Schedules identified in this Station Two Termination and Release are incorporated herein by reference and made a part hereof.

Section 23.8 WAIVER OF JURY TRIAL. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS STATION TWO TERMINATION AND RELEASE OR THE TRANSACTIONS CONTEMPLATED HEREBY.

Section 23.9 Headings. The article and section headings contained in this Station Two Termination and Release are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Station Two Termination and Release.

Section 23.10 Counterparts. This Station Two Termination and Release may be executed in one or more counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument.

Section 23.11 Further Assurances. Each of the Parties shall, at all times, and from time to time, upon the request of the appropriate Party, do, execute, acknowledge and deliver, or will cause to be done, executed, acknowledged and delivered, all such further acts as may be required to consummate the transactions contemplated in this Station Two Termination and Release as they are herein contemplated. Each Party shall, and shall use its commercially reasonable efforts to assure that any necessary third party shall, execute and deliver such documents and do such other acts and things as any other Party may reasonably require for the purpose of giving to that other Party the full benefit of all the provisions of this Station Two Termination and Release, and as may be reasonably required to complete the transactions contemplated in this Station Two Termination and Release.

Section 23.12 Third Party Beneficiaries. This Station Two Termination and Release is entered into for the sole benefit of the Parties hereto and the other persons and entities expressly contemplated herein, and except as specifically provided herein, shall not confer any rights or remedies upon any person or entity other than the Parties, such other identified persons and entities and their respective successors and permitted assigns.

Section 23.13 No Other Representations. Each Party represents to the others that it has not executed this Station Two Termination and Release upon the basis of any agreement, promise, representation or warranty not specifically contained herein or, in the case of Big Rivers and the E.ON Station Two Parties, in the Transaction Termination Agreement or the Definitive Documents (used as defined in the Transaction Termination Agreement).

Section 23.14 Time of the Essence. Time shall be of the essence in the Parties' performance of their respective obligations under this Station Two Termination and Release.

Section 23.15 Survival. The provisions of this Station Two Termination and Release shall survive the execution and delivery hereof and the consummation of the transactions contemplated herein, and shall continue to be binding on and enforceable by the Parties hereto in accordance with its terms.

Section 23.16 Acknowledgment and Representation. Each Party has fully read the terms of this Station Two Termination and Release and has been represented by competent legal counsel in connection with the negotiation and execution hereof, and the effect and legal consequences of this Station Two Termination and Release have been fully explained to each Party by its legal counsel. Each Party hereby further represents and warrants to the other Parties that such Party has not at any time assigned or transferred to any other person or entity in any

manner, including by way of subrogation, operation of law or otherwise, any Claim or portion thereof that it may have had, has, may now have or may hereafter have, against any other Party hereto of the type(s) contemplated in this Station Two Termination and Release to be released and discharged by this Station Two Termination and Release (other than such Claims as any E.ON Station Two Party may have against or in respect of any other E.ON Station Two Party but not against Big Rivers, the City of Henderson or the City Utility Commission).

IN WITNESS WHEREOF, the Parties have caused this Station Two Termination and Release to be duly executed by their respective authorized officers as of the day and year first above written.

BIG RIVERS ELECTRIC CORPORATION

By:

Name:

Title:

E.ON U.S. LLC

By: _____

Name:

Title:

LG&E ENERGY MARKETING INC.

By: _____

Name:

Title:

WESTERN KENTUCKY ENERGY CORP.

By: _____

Name:

Title:

CITY OF HENDERSON, KENTUCKY

By: _____

Name:

Title:

CITY OF HENDERSON UTILITY
COMMISSION, D/B/A, HENDERSON
MUNICIPAL POWER & LIGHT

By: _____

Name:

Title:

EXHIBIT A

RULES OF INTERPRETATION AND DEFINITIONS

RULES OF INTERPRETATION. In this Station Two Termination and Release, unless otherwise expressly provided herein:

1. Any term defined in this Station Two Termination and Release (including this Exhibit A and any other Exhibit or Schedule hereto) by reference to another document, instrument or agreement shall continue to have the meaning ascribed thereto whether or not such other document, instrument or agreement remains in effect;

2. Words importing the singular include the plural and vice versa;

3. Words importing a gender include either gender;

4. A reference in this Station Two Termination and Release to a part, clause, recital, section, subsection, article, party, annex, appendix, exhibit, schedule or other attachment is a reference to a part, clause, recital, section, subsection, or article of, or a party, annex, appendix, exhibit, schedule or other attachment to, this Station Two Termination and Release unless, in any such case, otherwise expressly provided herein;

5. A definition of or reference to any document, instrument or agreement set forth in this Station Two Termination and Release (including without limitation, in any Exhibit or Schedule hereto) includes all amendments and/or supplements to, and any restatements, replacements, modifications or novations of, any such document, instrument or agreement unless otherwise specified in such definition or in the context in which such reference is used;

6. A reference to any person or entity includes such person's or entity's successors and permitted assigns (in the designated capacity);

7. Any reference to "days" shall mean calendar days unless Business Days are expressly specified;

8. If the date as of which any right, option or election is exercisable, or the date upon which any amount is due and payable, is stated to be on a date or day that is not a Business Day, such right, option or election may be exercised, and such amount shall be deemed due and payable, on the next succeeding Business Day with the same effect as if the same was exercised or made on such date or day (without, in the case of any such payment, the payment or accrual of any interest or other late payment or charge, provided such payment is made on such next succeeding Business Day);

9. Words such as "hereunder", "hereto", "hereof" and "herein" and other words of similar import shall, unless the context clearly requires otherwise, refer to the whole of the applicable document and not to any particular article, section, subsection, paragraph or clause thereof; and

10. A reference to "including" means including without limiting the generality of any description preceding such term, and for purposes hereof the rule of *ejusdem generis* shall not be applicable to limit a general statement, followed by or referable to an enumeration of specific matters, to matters similar to those specifically mentioned.

DEFINITIONS

“Annual Budget” means the budget for each Contract Year prepared pursuant to the Station Two Contracts

“Applicable Laws” means all federal, state and local laws, rules, regulations, ordinances, codes, orders and directives of any court or other governmental entity or regulatory body, or any office or agency thereof.

“Assigned Station Two Contracts” shall have the meaning provided in Section 8.1.

“Big Rivers Released Parties” shall have the meaning provided in Section 4.3.

“Business Day” means 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 or Louisville, Kentucky.

“Capacity” means the net electrical energy output which can be generated from Station Two expressed in megawatts (MW).

“City Released Parties” shall have the meaning provided in Section 4.4.

“Claims” shall have the meaning provided in Section 4.3.

“Closing” means the closing of the transactions contemplated by this Station Two Termination and Release.

“Closing Year” means the year in which the Closing occurs.

“Contract Year” means the successive 12 month period beginning June 1 and ending on May 31.

“Disclosed Environmental Conditions” means any Environment Releases, conditions, facts, events, circumstances, actions, omissions, proceedings, operations, violations, failures to comply and other matters: (i) identified or disclosed in an environmental audit report referred to in Article 15 of the Transaction Termination Agreement or otherwise referred to in Article 15 of the Transaction Termination Agreement or in any Schedule referred to in Article 15; or (ii) otherwise identified or disclosed in writing by WKEC and delivered to the City Utility Commission on or prior to the Closing.

“Effective Date” means the date on which each of the Parties shall have executed and delivered this Agreement as set forth in Section 21.1.

“Environmental Law” means any federal, state or local statute, regulation or ordinance pertaining to the environment or to the control, handling, treatment and disposal of Hazardous Substances, as the same was in effect on July 15, 1998 (or enacted after July 15, 1998) and as the same may be amended, modified or reinterpreted after July 15, 1998, including but not limited to, the Clean Air Act; the Federal Water Pollution Control Act, 33 U.S.C. Section 1251 et seq.; the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. Section 9601 et seq.; the Resource Conservation and Recovery Act, 42 U.S.C. §§ 6901 et seq.; the Toxic Substances Control Act, 15 U.S.C. Section 2601 et seq.; and any regulations under those statutes.

“Environmental Releases” means any release as defined under Section 101(22) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. Section 9601 et seq., of a Hazardous Substance or other waste (including, without limitation, garbage and refuse), at, on, under or from Station Two, the Joint Use Facilities or the Station Two Site.

“E.ON Guarantee” means the Guarantee Agreement [Station Two Obligations] dated July 15, 1998, from E.ON (as successor to LG&E Energy Corp.) in favor of the City of Henderson and the City Utility Commission.

“E.ON Released Parties” shall have the meaning provided in Section 4.5.

“Excess Henderson Energy” means Energy associated with the City of Henderson’s reserved Capacity from Station Two that is in excess of the amount of such Energy scheduled or taken by the City of Henderson or the City Utility Commission.

“Filing Party” shall have the meaning provided in Section 10.4.

“Governmental Entity” means any federal, state or local government, any political subdivision thereof or any other governmental, quasi-governmental, judicial, public or statutory instrumentality, authority, body, agency, bureau or entity.

“Guaranteed Obligations” shall have the meaning provided in Section 14.1.

“Guaranteed Parties” shall have the meaning provided in Section 14.1.

“Hazardous Substances” means any water or air pollutant and hazardous, toxic, radioactive or infectious substance, material or waste as defined, listed or regulated under any Environmental Law.

“Henderson Termination Payment” shall have the meaning provided by Section 3.1.

“Joint Facilities Agreement” means the Joint Facilities Agreement between the City of Henderson and Big Rivers dated August 1, 1970, as amended.

“Joint Use Facilities” means the auxiliary facilities which was the subject of the Joint Facilities Agreement.

“Lien” means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind, or any other type of preferential arrangement that has substantially the same practical effect as a security interest, in respect of such asset.

“Monthly Billing Period” means each calendar month of any Contract Year.

“Non-Disturbance Agreement” means the Third Amended and Restated Subordination, Non Disturbance, Attornment and Intercreditor Agreement, dated August 1, 2001, by and among Big Rivers, Western Kentucky Energy Corp., LG&E Energy Marketing Inc., WKE Station Two, Inc., WKE Corp. and other creditors of Big Rivers parties thereto, as amended.

“Non-Filing Parties” shall have the meaning provided in Section 10.4.

“Operating True-Up” means, with respect to the Station Two operating and maintenance costs and expenses for the Contract Year in which the Closing occurs, the final settlement of accounts between the applicable Parties.

“Participation Agreement” shall have the meaning provided in Recital B.

“Plan of Reorganization” shall have the meaning provided in Recital B.

“Power Sales Contract” means the Power Sales Contract, dated August 1, 1970, among Big Rivers, the City of Henderson and the City Utility Commission, as amended.

“Power Sales True-Up” means, with respect to Station Two capacity charges for the Contract Year in which the Closing occurs, the final settlement of accounts between the applicable Parties.

“Released Station Two Contracts” shall have the meaning provided in Section 5.1.

“Section 5.2 Released Parties” shall have the meaning provided in Section 5.2.

“Section 5.4 Released Parties” shall have the meaning provided in Section 5.4.

“Section 5.5 Released Parties” shall have the meaning provided in Section 5.5.

“Station Two” means the two generating units and related facilities owned by the City of Henderson and located on a site near the Green River in Henderson County, Kentucky.

“Station Two Agreement” means the Agreement and Amendments to Agreement dated as of July 15, 1998, as amended, among the City of Henderson, the City Utility Commission, Big Rivers, LEM, WKEC, WKE and Station Two Subsidiary, including without limitation, as amended by the Amendatory Agreement, dated as of April 1, 2005, among the City of Henderson, the City Utility Commission, Big Rivers, Station Two Subsidiary, WKEC, LEM and WKE.

“Station Two Contracts” means the Power Plant Construction and Operating Agreement, the Power Sales Contract and the Joint Facilities Agreement, each dated August 1, 1970, together with all the amendments thereof and, contracts, letters and other agreements relating to the operation of Station Two.

“Station Two Documents” shall have the meaning provided in Section 16.1.

“Station Two Environmental Claims” shall have the meaning provided in Section 7.1.

“Station Two Intellectual Property” shall have the meaning provided in Section 10.1.

“Station Two Inventory” shall have the meaning provided in Section 9.1.

“Station Two Operating Agreement” shall mean the Power Plant Construction and Operating Agreement, dated August 1, 1970, as amended.

“Station Two Permits” shall have the meaning provided in Section 11.1.

“Station Two Personal Property” shall have the meaning provided in Section 9.2.

“Station Two Site” means the real property on which Station Two and the Joint Use Facilities are situated.

“Station Two Terminated Agreements” shall have the meaning provided in Section 4.1.

“Taxes” means all income, profits, gains, gross receipts, net worth, utility gross receipts license, premium, value added, ad valorem, sales, use, excise, stamp, transfer, franchise, withholdings, payroll, employment, occupation, social security, property, environmental, license, privilege, alternative minimum calculation, severance, fuel and all other taxes of any kind whatsoever, or any amounts imposed in lieu of any of the foregoing, together with any interest, penalties, and additions thereto, in each case imposed by any federal, state, local, or foreign government or any agency or political subdivision thereof, including all amounts imposed as a result of being a member of a consolidated, affiliated, combined, or unified group.

“Transaction Termination Agreement” shall have the meaning provided in Recital D.

“Unwind” means transactions contemplated by the Transaction Termination Agreement and this Station Two Termination and Release.

“Unwind Closing Date” shall have the meaning provided in Section 2.1.

“WCI Agreement” shall have the meaning provided in Section 22.1.

EXHIBIT B-1

TERMINATION AND RELEASE OF DEED OF EASEMENT

On July 15, 1998, the CITY OF HENDERSON, KENTUCKY, a municipal corporation, and the CITY OF HENDERSON UTILITY COMMISSION, a body politic and corporate (hereinafter collectively referred to as "Henderson") granted to WKE STATION TWO, INC., formerly known as LG&E Station Two, Inc., a Kentucky corporation, LG&E ENERGY MARKETING, INC., an Oklahoma corporation, and WESTERN KENTUCKY ENERGY CORP., a Kentucky Corporation, (hereinafter collectively referred to as the "LG&E Parties") an unexclusive easement for access to Henderson's property for the purpose of enabling the LG&E Parties to perform and fulfill their respective obligations under certain agreements relating to the operation and maintenance of Henderson's Station Two Power Plant, all in accordance with the rights, privileges, reservations, exceptions and limitations recited therein, and

WHEREAS, the LG&E Parties will, upon the effective date of this Termination and Release cease to operate, maintain and control Henderson's Station Two Power Plant, and will thereupon cease to use the easement and right-of-way granted to them by Henderson by the terms of the Deed of Easement and Right-of-Way dated July 15, 1998, of record in Miscellaneous book 6, at page 373, in the Henderson County Clerk's Office, Henderson County, Kentucky.

NOW, THEREFORE, in consideration of the premises, the said WKE Station Two, Inc., LG&E Energy Marketing, Inc. and Western Kentucky Energy Corp. do hereby bargain, sell, and convey, and by these presents release, remise and quit-claim unto the said City of Henderson, Kentucky and City of Henderson Utility Commission, their respective successors and assigns, any and all right, title and interest in and to the property described in said Deed of

Easement, and all and any other interest the said WKE Station Two, Inc., LG&E Energy Marketing, Inc. and Western Kentucky Energy Corp., their respective successors and assigns, may have in and to the said property of City of Henderson, Kentucky and City of Henderson Utility Commission.

Prior to the date hereof, WKE Station Two, Inc., formerly known as LG&E Station Two, Inc., a Kentucky corporation, was merged with and into Western Kentucky Energy Corp. in accordance with Kentucky law, with Western Kentucky Energy Corp. being the surviving entity in that merger succeeding to all of the assets, properties, rights, debts, obligations and liabilities of WKE Station Two, Inc., whereby the execution of this document by Western Kentucky Energy Corp. will transfer and convey all right, title and interest of WKE Station Two, Inc. in the Deed of Easement herein referred to.

IN TESTIMONY WHEREOF, the said parties to this Termination and Release of Deed of Easement have hereunto executed this document by their respective duly authorized representatives to be effective the ____ day of _____, 2008.

LG&E ENERGY MARKETING, INC.

By: _____

Title: _____

WESTERN KENTUCKY ENERGY CORP.

By: _____

Title: _____

CITY OF HENDERSON, KENTUCKY

By: _____

Title: _____

CITY OF HENDERSON UTILITY COMMISSION

By: _____

Title: _____

COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF JEFFERSON)

The foregoing Termination and Release of Deed of Easement was acknowledged before me this ____ day of _____, 2008, by LG&E Energy Marketing, Inc., an Oklahoma corporation, for and on behalf of said corporation.

My commission expires: _____.

Notary Public

(SEAL)

COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF JEFFERSON)

The foregoing Termination and Release of Deed of Easement was acknowledged before me this ____ day of _____, 2008, by Western Kentucky Energy Corp., a Kentucky corporation, for and on behalf of said corporation.

My commission expires: _____.

Notary Public

(SEAL)

COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF HENDERSON)

The foregoing Termination and Release of Deed of Easement was acknowledged before me this ____ day of _____, 2008, by City of Henderson, Kentucky, a municipal corporation, for and on behalf of said municipal corporation.

My commission expires: _____.

Notary Public

(SEAL)

COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF HENDERSON)

The foregoing Termination and Release of Deed of Easement was acknowledged before me this ____ day of _____, 2008, by City of Henderson Utility Commission, a Kentucky municipal commission, for and on behalf of said commission.

My commission expires: _____.

Notary Public

(SEAL)

This Instrument Was Prepared By:

CHARLES B. WEST, JR.
Stoll Keenon Ogden PLLC
201 C North Main Street
Henderson, KY 42420
270-831-1900
LEX 102300/108916/3528352 2

EXHIBIT B-2

TERMINATION AND RELEASE OF DEED OF EASEMENT

On July 15, 1998, BIG RIVERS ELECTRIC CORPORATION, a Kentucky rural electric cooperative (hereinafter referred to as "Big Rivers") granted to WKE STATION TWO, INC., formerly known as LG&E Station Two, Inc., a Kentucky corporation, LG&E ENERGY MARKETING, INC., an Oklahoma corporation, and WESTERN KENTUCKY ENERGY CORP., a Kentucky Corporation, (hereinafter collectively referred to as the "LG&E Parties") an unexclusive easement for access to Big Rivers' property for the purpose of enabling the LG&E Parties to perform and fulfill their respective obligations under certain agreements relating to the operation and maintenance of Big Rivers Green Station and Reid Station Power Plants and Henderson's Station Two Power Plant, all in accordance with the rights, privileges, reservations, exceptions and limitations recited therein, and

WHEREAS, the LG&E Parties will, upon the effective date of this Termination and Release cease to operate, maintain and control Big Rivers Green Station and Reid Station Power Plants and Henderson's Station Two Power Plant, and will thereupon cease to use the easement and right-of-way granted to them by Big Rivers by the terms of the Deed of Easement and Right-of-Way dated July 15, 1998, of record in Miscellaneous Book 6, at page 378, in the Henderson County Clerk's Office, Henderson County, Kentucky.

NOW, THEREFORE, in consideration of the premises, the said WKE Station Two, Inc., LG&E Energy Marketing, Inc. and Western Kentucky Energy Corp. do hereby bargain, sell, and convey, and by these presents release, remise and quit-claim unto the said Big Rivers Electric Corporation, its successors and assigns, any and all right, title and interest in and to the property described in said Deed of Easement, and all and any other interest the said WKE Station

Two, Inc., LG&E Energy Marketing, Inc. and Western Kentucky Energy Corp., their respective successors and assigns, may have in the said property of Big Rivers.

Prior to the date hereof, WKE Station Two, Inc., formerly known as LG&E Station Two, Inc., a Kentucky corporation, was merged with and into Western Kentucky Energy Corp. in accordance with Kentucky law, with Western Kentucky Energy Corp. being the surviving entity in that merger succeeding to all of the assets, properties, rights, debts, obligations and liabilities of WKE Station Two, Inc., whereby the execution of this document by Western Kentucky Energy Corp. will transfer and convey all right, title and interest of WKE Station Two, Inc. in the Deed of Easement herein referred to.

IN TESTIMONY WHEREOF, the said parties to this Termination and Release of Deed of Easement have hereunto executed this document by their respective duly authorized representatives to be effective on the ____ day of _____, 2008.

LG&E ENERGY MARKETING, INC.

By: _____

Title: _____

WESTERN KENTUCKY ENERGY CORP.

By: _____

Title: _____

BIG RIVERS ELECTRIC CORPORATION

By: _____

Title: _____

EXHIBIT B-3

TERMINATION AND RELEASE OF ASSIGNMENT OF EASEMENTS

By ASSIGNMENT OF EASEMENTS entered into on April 30, 2006 by and among WKE STATION TWO, INC., a Kentucky corporation, LG&E ENERGY MARKETING, INC., an Oklahoma corporation (hereinafter referred to as "Assignors") and WESTERN KENTUCKY ENERGY CORP., a Kentucky corporation (hereinafter referred to as "Assignee"), which Assignment of Easements is of record in Miscellaneous Book 8, beginning at page 902 in the Office of the Henderson County Court Clerk, Henderson County, Kentucky, Assignors assigned to Assignee (1) a Deed of Easement and Right-of-Way by and among the City of Henderson, Kentucky, and the City of Henderson Utility Commission, as Grantors, and WKE Station Two, Inc., LG&E Energy Marketing, Inc. and Western Kentucky Energy Corp., as Grantees, which Deed of Easement is of record in Miscellaneous Book 6, beginning at page 373 in the Office of the Henderson County Court Clerk, and (2) a Deed of Easement and Right-of-Way by and among Big Rivers Electric Corporation, as Grantor, and WKE Station Two, Inc., LG&E Energy Marketing, Inc. and Western Kentucky Energy Corp., as Grantees, which Deed of Easement is of record in Miscellaneous Book 6, beginning at page 378 in the Office of the Henderson County Court Clerk, Henderson County, Kentucky, and

WHEREAS, the purposes for which such Deeds of Easements and Rights-of-Way were granted, and thereafter assigned to Assignee have terminated as of the effective date of this Termination and Release. It is the desire of the Assignors and Assignee to return said easements and rights-of-way to the original Grantors, free and clear of all claims of the Assignors and the Assignee herein.

NOW, THEREFORE, the Assignors and the Assignee do hereby bargain, sell and convey, and do by these presents release, remise and quit-claim unto the said City of Henderson and City of Henderson Utility Commission, their respective successors and assigns, any and all right, title and interest in and to the easement and right-of-way referred to in that certain Deed of Easement and Right-of-Way dated July 15, 1998 and of record in Miscellaneous Book 6, beginning at page 373 in the Office of the Henderson County Court Clerk, and do by these presents release, remise and quit-claim unto the said Big Rivers Electric Corporation its successors and assigns, any and all right, title and interest in and to the easement and right-of-way referred to in that certain Deed of Easement and Right-of-Way dated July 15, 1998 and of record in Miscellaneous Book 6, beginning at page 378 in the Office of the Henderson County Court Clerk, Henderson County, Kentucky.

Prior to the date hereof, WKE Station Two, Inc., formerly known as LG&E Station Two, Inc., a Kentucky corporation, was merged with and into Western Kentucky Energy Corp. in accordance with Kentucky law, with Western Kentucky Energy Corp. being the surviving entity in that merger succeeding to all of the assets, properties, rights, debts, obligations and liabilities of WKE Station Two, Inc., whereby the execution of this document by Western Kentucky Energy Corp. will transfer and convey all right, title and interest of WKE Station Two, Inc. in the Deeds of Easement herein referred to.

IN WITNESS WHEREOF, the Assignors and the Assignee have caused this instrument to be executed by their respective duly authorized representatives to be effective as of the _____ day of _____, 2008.

LG&E ENERGY MARKETING, INC.

By: _____

Title: _____

WESTERN KENTUCKY ENERGY CORP.

By: _____

Title: _____

COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF JEFFERSON)

The foregoing Termination and Release of Assignment of Easements was acknowledged before me this ____ day of _____, 2008, by LG&E Energy Marketing, Inc., an Oklahoma corporation, for and on behalf of said corporation.

My commission expires: _____.

Notary Public

(SEAL)

COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF JEFFERSON)

The foregoing Termination and Release of Assignment of Easements was acknowledged before me this ____ day of _____, 2008, by Western Kentucky Energy Corp., a Kentucky corporation, for and on behalf of said corporation.

My commission expires: _____.

Notary Public

(SEAL)

This Instrument Was Prepared By:

CHARLES B. WEST, JR.
Stoll Keenon Ogden PLLC
201 C North Main Street
Henderson, KY 42420
270-831-1900

EXHIBIT B-4

DEED OF RELEASE OF MORTGAGE AND SECURITY AGREEMENT

This DEED OF RELEASE between WESTERN KENTUCKY ENERGY CORP., a Kentucky corporation, LG&E ENERGY MARKETING, INC., an Oklahoma corporation, and WKE STATION TWO, INC., a Kentucky corporation, parties of the First Part, and BIG RIVERS ELECTRIC CORPORATION, a Kentucky rural electric cooperative, Party of the Second Part.

WITNESSETH:

THAT WHEREAS, by Mortgage and Security Agreement dated the 15th day of July, 1998, and recorded in Mortgage Book 559, beginning at page 123, in the Office of the Henderson County Court Clerk, Henderson County, Kentucky, Second Party did convey by Mortgage and Security Agreement the property described in said Mortgage and Security Agreement to the said Parties of the First Part, and did transfer and convey to Parties of the First Part a security interest in certain real and personal, and tangible and intangible properties as described therein, as security for the payment of obligations and performance of the Secured Agreements referred to therein, and

WHEREAS, upon the effective date of this Deed of Release the Second Party shall have fully paid all of its said obligations to First Parties, and shall have fully performed all of its covenants and agreements as referred to in the Secured Agreements, and shall otherwise have fully performed the terms and provisions of the said Mortgage and Security Agreement to have been performed by Second Party.

NOW, THEREFORE, in consideration of the premises, the said Parties of the First Part, Western Kentucky Energy Corp., LG&E Energy Marketing, Inc., and WKE Station Two, Inc., do hereby bargain, sell and convey, and do by these presents release, remise and quit-claim unto the said Big Rivers Electric Corporation, its successors and assigns, any and all right, title and interest in and to the real estate, personal property, tangible property, intangible property and all other property interests secured by said Mortgage and Security Agreement, by reason of its execution, and all and any other interests the said First Parties may have in the said real properties, personal properties, tangible and intangible properties, Secured Agreements and other tangible and intangible assets.

Prior to the date hereof, WKE Station Two, Inc., formerly known as LG&E Station Two, Inc., a Kentucky corporation, was merged with and into Western Kentucky Energy Corp. in accordance with Kentucky law, with Western Kentucky Energy Corp. being the surviving entity in that merger succeeding to all of the assets, properties, rights, debts, obligations and liabilities of WKE Station Two, Inc., whereby the execution of this document by Western Kentucky Energy Corp. will transfer and convey all right, title and interest of WKE Station Two, Inc.

IN TESTIMONY WHEREOF, the said Western Kentucky Energy Corp. and LG&E Energy Marketing, Inc. have caused this Deed of Release to be executed by their duly authorized representatives to be effective on the ____ day of _____, 2008.

WESTERN KENTUCKY ENERGY CORP.

By: _____

Title: _____

LG&E ENERGY MARKETING, INC.

By: _____

Title: _____

COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF JEFFERSON)

The foregoing Deed of Release of Mortgage and Security Agreement and Amendment to Mortgage and Security Agreement was acknowledged before me this ____ day of _____, 2008, by Western Kentucky Energy Corp., a Kentucky corporation, for and on behalf of said corporation.

My commission expires: _____.

Notary Public

(SEAL)

COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF JEFFERSON)

The foregoing Deed of Release of Mortgage and Security Agreement and Amendment to Mortgage and Security Agreement was acknowledged before me this ____ day of _____, 2008, by LG&E Energy Marketing, Inc., an Oklahoma corporation, for and on behalf of said corporation.

My commission expires: _____.

Notary Public

(SEAL)

This Instrument Prepared By:

CHARLES B. WEST
Stoll Keenon Ogden PLLC
201-C North Main Street
Henderson, KY 42420
270-831-1900

EXHIBIT B-5

**DEED OF RELEASE OF MORTGAGE AND SECURITY AGREEMENT
AND AMENDMENT TO MORTGAGE AND SECURITY AGREEMENT**

THIS DEED OF RELEASE OF MORTGAGE AND SECURITY AGREEMENT between LG&E ENERGY MARKETING, INC., an Oklahoma Corporation, and WESTERN KENTUCKY ENERGY CORP., a Kentucky corporation, Parties of the First Part, and BIG RIVERS ELECTRIC CORPORATION, a Kentucky rural electric cooperative, Party of the Second Part,

WITNESSETH,

THAT WHEREAS, by Mortgage Deed and Security Agreement dated the 15th day of July, 1998 and recorded in Mortgage Book 559, beginning at page 199 in the Office of the Henderson County Clerk, Henderson County, Kentucky, the said Party of the Second Part did convey and mortgage the property described in said Mortgage and Security Agreement to the said Parties of the First Part, and

WHEREAS, by First Amendment to Mortgage and Security Agreement dated August 22, 2002, and of record in Mortgage Book 749, beginning at page 805, in the Office of the Henderson County Clerk, Henderson County, Kentucky, the terms and provisions of the said Mortgage and Security Agreement were amended, and WKE Station Two, Inc. and WKE Corp. were added as Mortgagees, and

WHEREAS, the payments secured by said Mortgage and Security Agreement, as amended, have been fully paid or provided for and the covenants and agreements on the part of the Mortgagor have been fully performed and/or provided for.

NOW, THEREFORE, in consideration of the premises, the said LG&E Energy Marketing, Inc., Western Kentucky Energy Corp., WKE Corp. and WKE Station Two, Inc. do hereby bargain, sell, and convey, and do by these presents release, remise and quit-claim unto the said Big Rivers Electric Corporation, its successors and assigns, any and all right, title and interest in and to the said property described in said Mortgage and Security Agreement, as amended, by reason of their execution, and all and any other interest the said First Parties and WKE Corp. and WKE Station Two, Inc. may have in the said property, real, personal, and mixed.

Prior to the date hereof, WKE Station Two, Inc., formerly known as LG&E Station Two, Inc., a Kentucky corporation, and WKE Corp. were merged with and into Western Kentucky Energy Corp. in accordance with Kentucky law, with Western Kentucky Energy Corp. being the surviving entity in that merger succeeding to all of the assets, properties, rights, debts, obligations and liabilities of WKE Station Two, Inc. and WKE Corp., whereby the execution of this document by Western Kentucky Energy Corp. will transfer and convey all right, title and interest of WKE Station Two, Inc. and WKE Corp.

IN TESTIMONY WHEREOF, the said LG&E Energy Marketing, Inc. and Western Kentucky Energy Corp. have caused this Deed of Release of Mortgage and Security Agreement to be executed by their duly authorized officers or representatives to be effective on the ____ day of _____, 2008.

LG&E ENERGY MARKETING, INC.

By: _____

Title: _____

WESTERN KENTUCKY ENERGY CORP.

By: _____

Title: _____

COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF JEFFERSON)

The foregoing Deed of Release of Mortgage and Security Agreement was acknowledged before me this ____ day of _____, 2008, by LG&E Energy Marketing, Inc., an Oklahoma corporation, for and on behalf of said corporation.

My commission expires: _____.

Notary Public

(SEAL)

COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF JEFFERSON)

The foregoing Deed of Release of Mortgage and Security Agreement was acknowledged before me this ____ day of _____, 2008, by Western Kentucky Energy Corp., a Kentucky corporation, for and on behalf of said corporation.

My commission expires: _____.

Notary Public

(SEAL)

This Instrument Prepared By:

CHARLES B. WEST
Stoll Keenon Ogden PLLC
201-C North Main Street
Henderson, KY 42420
(270) 831-1900

UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER (optional)

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

Charles B. West
Stoll Keenon Ogden PLLC
201 C North Main Street
Henderson, KY 42420

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE # Fixture Filing Book 3, page 270, Henderson Co. Clerk (7/17/98)

1b. This FINANCING STATEMENT AMENDMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS.

2. **TERMINATION:** Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.

3. **CONTINUATION:** Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law.

4. **ASSIGNMENT (full or partial):** Give name of assignee in item 7a or 7b and address of assignee in item 7c; and also give name of assignor in item 9.

5. **AMENDMENT (PARTY INFORMATION):** This Amendment affects Debtor or Secured Party of record. Check only one of these two boxes.

Also check one of the following three boxes and provide appropriate information in items 6 and/or 7.

CHANGE name and/or address: Please refer to the detailed instructions in regards to changing the name/address of a party.

DELETE name: Give record name to be deleted in item 6a or 6b.

ADD name: Complete item 7a or 7b, and also item 7c; also complete items 7e-7g if applicable.

6. **CURRENT RECORD INFORMATION:**

6a. ORGANIZATION'S NAME

OR

6b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

7. **CHANGED (NEW) OR ADDED INFORMATION:**

7a. ORGANIZATION'S NAME

OR

7b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

7c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

7d. **SEE INSTRUCTIONS** ADD'L INFO RE ORGANIZATION DEBTOR 7e. TYPE OF ORGANIZATION 7f. JURISDICTION OF ORGANIZATION 7g. ORGANIZATIONAL ID #, if any NONE

8. **AMENDMENT (COLLATERAL CHANGE):** check only one box.
Describe collateral deleted or added, or give entire restated collateral description, or describe collateral assigned.

9. **NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT** (name of assignor, if this is an Assignment). If this is an Amendment authorized by a Debtor which adds collateral or adds the authorizing Debtor, or if this is a Termination authorized by a Debtor, check here and enter name of DEBTOR authorizing this Amendment.

9a. ORGANIZATION'S NAME

OR

9b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

SEE UCC FINANCING STATEMENT AMENDMENT ADDENDUM

10. OPTIONAL FILER REFERENCE DATA

UCC FINANCING STATEMENT AMENDMENT ADDENDUM

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

11. INITIAL FINANCING STATEMENT FILE # (same as Item 1a on Amendment form)
 Fixture Filing Book 3, page 270, Henderson Co. Clerk

12. NAME OF PARTY AUTHORIZING THIS AMENDMENT (same as item 9 on Amendment form)

12a. ORGANIZATION'S NAME SEE BELOW		
OR	12b. INDIVIDUAL'S LAST NAME	FIRST NAME
		MIDDLE NAME, SUFFIX

13. Use this space for additional information

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. Western Kentucky Energy Corp.

By: _____
 Authorized Representative

2. LG&E Energy Marketing, Inc.

By: _____
 Authorized Representative

Prior to the date hereof, WKE Station Two, Inc., formerly known as LG&E Station Two, Inc., a Kentucky corporation, was merged with and into Western Kentucky Energy Corp. in accordance with Kentucky law, with Western Kentucky Energy Corp. being the surviving entity in that merger succeeding to all of the assets, properties, rights, debts, obligations and liabilities of WKE Station Two, Inc., whereby the execution of this document by Western Kentucky Energy Corp. will transfer and convey all right, title and interest of WKE Station Two, Inc.

Signed by: Western Kentucky Energy Corp.

By: _____
 Authorized Representative

UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

Charles B. West
 Stoll Keenon Ogden PLLC
 201 C North Main Street
 Henderson, KY 42420

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE # Fixture Filing Book 3, page 332, Henderson Co. Clerk (7/17/98) 1b. This FINANCING STATEMENT AMENDMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS.

2. **TERMINATION:** Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.

3. **CONTINUATION:** Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law.

4. **ASSIGNMENT (full or partial):** Give name of assignee in Item 7a or 7b and address of assignee in Item 7c; and also give name of assignor in Item 9.

5. **AMENDMENT (PARTY INFORMATION):** This Amendment affects Debtor Secured Party of record. Check only one of these two boxes.

Also check one of the following three boxes and provide appropriate information in Items 6 and/or 7:

CHANGE name and/or address; Please refer to the detailed instructions in regards to changing the name/address of a party. **DELETE** name: Give record name to be deleted in Item 6a or 6b. **ADD** name: Complete Item 7a or 7b, and also Item 7c; also complete Items 7e-7g (if applicable).

6. **CURRENT RECORD INFORMATION:**

6a. ORGANIZATION'S NAME

OR

6b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
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7. **CHANGED (NEW) OR ADDED INFORMATION:**

7a. ORGANIZATION'S NAME

OR

7b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
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7c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
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7d. SEE INSTRUCTIONS	ADD'L INFO RE ORGANIZATION DEBTOR	7e. TYPE OF ORGANIZATION	7f. JURISDICTION OF ORGANIZATION	7g. ORGANIZATIONAL ID #, if any
-----------------------------	-----------------------------------	--------------------------	----------------------------------	---------------------------------

NONE

8. **AMENDMENT (COLLATERAL CHANGE):** check only one box.

Describe collateral deleted or added or give entire restated collateral description, or describe collateral assigned.

9. **NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT** (name of assignor, if this is an Assignment). If this is an Amendment authorized by a Debtor which adds collateral or adds the authorizing Debtor, or if this is a Termination authorized by a Debtor, check here and enter name of DEBTOR authorizing this Amendment.

9a. ORGANIZATION'S NAME

OR

SEE UCC FINANCING STATEMENT AMENDMENT ADDENDUM

9b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
----------------------------	------------	-------------	--------

10. OPTIONAL FILER REFERENCE DATA

UCC FINANCING STATEMENT AMENDMENT ADDENDUM

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

11. INITIAL FINANCING STATEMENT FILE # (same as Item 1a on Amendment form)
Fixture Filing Book 3, page 332, Henderson Co. Clerk

12. NAME OF PARTY AUTHORIZING THIS AMENDMENT (same as Item 9 on Amendment form)

12a. ORGANIZATION'S NAME SEE BELOW			
OR	12b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME, SUFFIX

13. Use this space for additional information

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. Western Kentucky Energy Corp.

By: _____
 Authorized Representative

2. LG&E Energy Marketing, Inc.

By: _____
 Authorized Representative

Prior to the date hereof, WKE Station Two, Inc., formerly known as LG&E Station Two, Inc., a Kentucky corporation, was merged with and into Western Kentucky Energy Corp. in accordance with Kentucky law, with Western Kentucky Energy Corp. being the surviving entity in that merger succeeding to all of the assets, properties, rights, debts, obligations and liabilities of WKE Station Two, Inc., whereby the execution of this document by Western Kentucky Energy Corp. will transfer and convey all right, title and interest of WKE Station Two, Inc.

Signed by: Western Kentucky Energy Corp.

By: _____
 Authorized Representative

EXHIBIT B-8

**PARTIAL TERMINATION AND RELEASE OF
DEED OF EASEMENT**

On August 12, 2003 the City of Henderson, Kentucky and the City of Henderson Utility Commission granted unto WKE Station Two, Inc., LG&E Energy Marketing, Inc., Western Kentucky Energy Corp., WKE Corp. and Big Rivers Electric Corporation a non-exclusive, irrevocable easement for access to, and ingress and egress over, Grantors' property for the construction, operation, maintenance and removal of an 8 inch diameter high pressure natural gas line and related valves, fittings and ancillary facilities, all as more particularly described in said Deed of Easement which is of record in Deed Book 527, at page 421, in the office of the Henderson County Court Clerk.

By the terms of paragraph 7 of said Deed of Easement it is provided that the rights and privileges of WKE Station Two, Inc., LG&E Energy Marketing, Inc., Western Kentucky Energy Corp. and WKE Corp., their successors and assigns will terminate at such time as they shall cease to operate and maintain Big Rivers Electric Corporation's Reid Station and Big Rivers Electric Corporation's combustion turbine generating unit, both located in Henderson County, Kentucky.

Prior to the date hereof, WKE Station Two, Inc. and WKE Corp. were merged with and into Western Kentucky Energy Corp. in accordance with Kentucky law, with Western Kentucky Energy Corp. being the surviving entity in that merger succeeding to all of the assets, properties, rights, debts, obligations and liabilities of WKE Station Two, Inc. and WKE Corp. At the same time LG&E Energy Marketing, Inc. assigned all of its rights and interests in said gasline easement to Western Kentucky Energy Corp.

Prior to the execution of this Partial Termination and Release of Deed of Easement, WKE Station Two, Inc., LG&E Energy Marketing, Inc., WKE Corp. and Western Kentucky Energy Corp. ceased to operate and maintain Big Rivers Electric Corporation's Reid Station and Big Rivers Electric Corporation's combustion turbine generating unit, whereby all rights and interests granted to them pursuant to the terms and provisions of this Deed of Easement terminated in their entirety.

NOW THEREFORE pursuant to the requirements of paragraph 7 of said Deed of Easement, WKE Station Two, Inc. and WKE Corp. acting by and through Western Kentucky Energy Corp., LG&E Energy Marketing, Inc. and Western Kentucky Energy Corp. hereby permanently and irrevocably release and discharge all rights and interests created by the terms and provisions of the said Deed of Easement, upon which termination they shall have no further easement rights or rights of ingress or egress over or with respect to the Grantors' property under said Deed of Easement, and shall be deemed to be fully and forever remised, released and discharged by Grantors and Big Rivers Electric Corporation of and from any and all obligations, liabilities, rights and privileges arising under or pursuant to such Deed of Easement.

IN WITNESS WHEREOF the said Western Kentucky Energy Corp., acting for itself and WKE Station Two, Inc. and WKE Corp., and LG&E Energy Marketing, Inc. hereby execute this Partial Termination and Release of Deed of Easement this ____ day of _____, 2008.

LG&E ENERGY MARKETING, INC.

By: _____

Title: _____

WESTERN KENTUCKY ENERGY CORP.,
acting for itself and for WKE Station Two, Inc.
and WKE Corp.

By: _____

Title: _____

COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF JEFFERSON)

The foregoing Partial Termination and Release of Deed of Easement was acknowledged before me this ____ day of _____, 2008, by LG&E Energy Marketing, Inc., an Oklahoma corporation, for and on behalf of said corporation.

Notary Public

My commission expires: _____

COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF JEFFERSON)

The foregoing Partial Termination and Release of Deed of Easement was acknowledged before me this ____ day of _____, 2008, by Western Kentucky Energy Corp., a Kentucky corporation, for and on behalf of said corporation, acting also for WKE Station Two, Inc. and WKE Corp.

Notary Public

My commission expires: _____

This instrument prepared by:

Charles B. West
STOLL KEENON OGDEN PLLC
201-C North Main Street
Henderson, KY 42420

EXHIBIT B-9

PARTIAL RELEASE OF GRANTORS' RIGHTS TO RIGHTS AND EASEMENTS

Effective on April 1, 2005, Big Rivers Electric Corporation and Western Kentucky Energy Corp. granted and conveyed to the City of Henderson, Kentucky and the City of Henderson Utility Commission certain rights of access, easements of location and use, and easements of ingress and egress across lands owned by Big Rivers Electric Corporation, and leased to Western Kentucky Energy Corp., located in Henderson County, Kentucky, for use in connection with the City's Station Two Power Plant and the construction and addition thereto of selective catalytic recovery systems, such Grant of Rights and Easements is of record in Deed Book 548, at page 169, in the office of the Henderson County Court Clerk. Big Rivers Electric Corporation and Western Kentucky Energy Corp. reserved unto themselves certain rights and privileges in connection with said Grant of Rights and Easements.

Western Kentucky Energy Corp. has prior to the execution of this Agreement terminated its Lease of Big Rivers Electric Corporation's property and improvements thereon, and by these presents terminates its rights and privileges reserved in its Grant of Rights and Easements to the City of Henderson, Kentucky and the City of Henderson Utility Commission under terms and provisions of the said Grant of Rights and Easements.

NOW THEREFORE, Western Kentucky Energy Corp., a Kentucky corporation, acting for itself and its affiliates does hereby release and forever discharge all of its rights and interests reserved by it under the terms and provisions of the said Grant of Rights and Easements dated April 1, 2005, having terminated its Lease of the Big Rivers property and improvements thereon upon which said rights and easements were granted to the City of Henderson, Kentucky and the City of Henderson Utility Commission.

WITNESS the signature of the undersigned duly authorized representative of Western Kentucky Energy Corp. this ____ day of _____, 2008.

WESTERN KENTUCKY ENERGY CORP.

By: _____

Title: _____

COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF JEFFERSON)

The foregoing Partial Release of Grantors' Rights to Rights and Easements was acknowledged before me this ____ day of _____, 2008, by Western Kentucky Energy Corp., a Kentucky corporation, for and on behalf of said corporation.

Notary Public

My commission expires: _____

This instrument prepared by:

Charles B. West
STOLL KEENON OGDEN PLLC
201-C North Main Street
Henderson, KY 42420

EXHIBIT C

STATION TWO WORK PLAN

A. O&M and Capital Project Lists Submitted by Mark A. Bailey on behalf of Big Rivers on February 14, 2008 (PCS Case No. 2007-00-455)

		GROSS CAPITAL BUDGET
I.	2008 Capital Budget – Page C-4 Attached	\$ 4,095,684
II.	2009 Capital Budget – Page C-5 Attached	5,653,192
III.	2010 Capital Budget – Page C-6 Attached	3,783,080
IV.	2008 O&M Non-Labor Budget – Pages C-7 through C-10 Attached	10,573,064
V.	2009 O&M Non-Labor Budget – Pages C-11 through C-13 Attached	10,944,055
VI.	2010 O&M Non-Labor Budget – Pages C-14 through C-16 Attached	11,768,042

B. Additional O&M and Capital Projects

		PROJECT TO BE COMPLETED IN BUDGET YEAR			TOTAL PROJECTED COST
		2009	2010	2011	
VII.	H1 Precipitator Repairs*	2009			\$ 3,224,074
VIII.	H2 Precipitator Repairs*		2010		3,224,074
IX.	H1 Repair Dry Side Ductwork*	2009			297,222
X.	H2 Repair Dry Side Ductwork*		2010		297,222
XI.	H1 Structural & Life Assessments*	2009	2010	2011	1,192,362
XII.	H2 Structural & Live Assessments*	2009	2010	2011	1,192,362
XIII.	H1 Booster Fan*	2009			104,901
XIV.	H2 Booster Fan*		2010		104,901
XV.	H1 Clean Coal Dusts & Flyash*	2009	2010		346,045
XVI.	H2 Clean Coal Dust & Flyash*	2009	2010		346,045
XVII.	H1 Boiler Structural Painting**		2010		3,000,000
XVIII.	H2 Boiler Structural Painting**			2011	3,000,000
XIX.	H1 SCI Baseline Repairs*	2009	2010	2011	1,192,362
XX.	H2 SCI Baseline Repairs*	2009	2010	2011	1,192,362

C. Repair Lists by Exothermic Engineering Co., LLC for the City Utility Commission (To Be Included Following Receipt)

		PROJECT TO BE COMPLETED IN BUDGET YEAR			TOTAL PROJECTED COST
XXI.	H1 and H2 Exothermic Engineering Repair List	2009	2010	2011	\$17,134,000
XXII.	H1 Exothermic Engineering Dry Fire Fire Assessment Repair		2010	2011	3,484,344

D. Ash Pond

XXIII.	Dredging Station Two Ash Pond**	2009	2010		5,424,000
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* As described in the Big Rivers Electric Corporation Draft Work Plan Reid/HMP&L Stations, dated February 11, 2007.

** Cost for Project estimated by the City Utility Commission.

**EXOTHERMIC ENGINEERING VISUAL CONDITION
ASSESSMENT REPAIRS COST ESTIMATE**

AMI Visual Assessment Category Estimates

H1 Boiler Area	\$ 2,722,000
H2 Boiler Area	\$ 2,007,000
H1 Boiler Building Internal	\$ 236,000
H2 Boiler Building Internal	\$ 277,000
H1 Ash System	\$ 19,000
H2 Ash System	\$ 18,000
Ash System Common	\$ 216,000
North Cooling Tower	See Below
South Cooling Tower	See Below
Cooling Water Intake	\$ 61,000
FGD and SCR Systems	\$ 532,000
Coal Handling System	\$ 4,678,000
Water Plant	\$ 99,000
Construction Overhead and Equipment	\$ 953,000
Total AMI Visual Assessment Repair Estimate	\$ 11,818,000

Exothermic Engineering Visual Condition Additional Estimates

Switchgear Repair	\$ 80,000
H1 Cooling Tower Switchgear Replace	\$ 400,000
H2 Cooling Tower Switchgear Replace	\$ 400,000
Coal Yard Switchgear Replace	\$ 250,000
Motor Repair	\$ 282,000
H1 High Energy Piping Hanger Replace	\$ 527,000
H2 High Energy Piping Hanger Replace	\$ 527,000
H1 Cooling Tower Repairs	\$ 1,095,000
H2 Cooling Tower Repairs	\$ 1,095,000
Site Project Engineer	\$ 660,000
Total Exothermic Engineering Additional Estimate	\$ 5,316,000

Exothermic Engineering Visual Assessment Total Repair Cost **\$ 17,134,000**

Big Rivers Electric Cooperative 2008 Capital Budget

Project Description	Gross Capital Budget	City of Henderson Share	Net Capital Budget
Reid / HMPL Station II			
RGH - 3-Ton Electric Hoist	5,000	572	4,428
RGH - Misc Safety Equipment	20,000	2,286	17,714
RGH - CSI Vibration Equipment	45,000	5,144	39,856
RGH - #2 Screen Wash Pump - Green pays 10%	11,000	1,258	9,742
RH - Misc Capital Projects	100,000	25,199	74,801
RH - Misc Tools & Equipment	10,000	2,520	7,480
RH - 1 Hr Self Contained Breathing Apparatus(SCBA) (2)	7,000	1,764	5,236
RH - Client's Monitors	16,000	4,032	11,968
RH - Bobcat Loader (Operations)	37,000	9,324	27,676
RH - Portable Gas Analyzers (2) - Moved \$15K from 2007 for 3	12,000	3,024	8,976
RH - 4" Slurry Pump (Trash) - Moved from 2007	15,450	3,893	11,557
H1 - "A" Station Air Compressor (2 of 2) - added \$25K	225,000	72,115	152,885
RH - Upgrade 2-way Radios-Cell Phones	5,000	1,260	3,740
RH - Misc Capital Valves	90,000	22,679	67,321
RH - Misc Conveyor Belts (2B & #1)	90,000	22,679	67,321
H0 - CCS Engineering	44,000	0	44,000
H0 - DCS Engineering	83,000	26,603	56,397
H1 - WDPF FGD & SCR Controls	10,000	3,205	6,795
H1 - CCS Controls	60,000	38,462	21,538
H2 - CCS Controls	620,000	226,823	393,177
H2 - CCS Field Devices	750,000	240,385	509,615
H2 - Control Room	100,000	32,051	67,949
H0 - Aux Water Strainers	110,000	35,256	74,744
H0 - Engineering for Wetbottom Drains	50,000	16,026	33,974
H0 - Install GPS Clock on DCS/PI Systems	5,000	1,603	3,397
H0 - Rpl Hydrazine Day Tanks	8,000	2,564	5,436
H0 - Rpl Cooling Tower Fan Gear Box	113,300	36,314	76,986
H0 - Spare Precip Transformer	80,000	25,641	54,359
H1 - Rpl 4th Floor Roof	0	0	0
H2 - Air Preheater Baskets (Cold End)	875,000	280,448	594,551
H2 - Cooling Tower Distribution Deck	200,000	64,103	135,897
H2 - Drum Safety	12,000	3,846	8,154
H2 - Feedwater Regulator Rexa Drive	25,000	8,013	16,987
H2 - High Energy Pipe Hangers	30,000	9,615	20,385
H2 - Hydrogen Purity Meter	22,000	7,051	14,949
H2 - Install Sootblower Power Disconnects	16,000	5,128	10,872
H2 - Penthouse Isomembrane Installation	175,000	56,090	118,910
H2 - Rpl AH Steam Coils (2)	12,000	3,846	8,154
H2 - Rpl Slag Grinders (2)	70,000	22,436	47,564
H2 - Rpl Sootblowers (11-13 of 23) 3 total	65,000	20,833	44,167
H2 - Rpl Wall Blowers (1-3 of 24) 3 total	40,000	12,821	27,179
R1 - CO2 Monitor	13,000	0	13,000
R1 - Flow Monitor	22,000	0	22,000
R1 - NOX Monitor	14,000	0	14,000
R1 - SO2 Monitor	12,500	0	12,500
R1 - Rpl AH Steam Coils (2)	12,000	0	12,000
RH - High Pressure Transmitter Tester (2)	10,000	2,520	7,480
RH - Rpl #1 & #2 Carbon Filters	40,000	10,080	29,920
H0 - Rpl Layer of Catalyst	1,550,000	471,955	1,078,045
Total Reid / HMPL Station II	\$ 5,937,250	\$ 1,841,566	\$ 4,095,684

Big Rivers Electric Cooperative 2009 Capital Budget

Project Description	Gross Capital Budget	City of Henderson Share	Net Capital Budget
Reid / HMPL Station II			
RH - Misc Capital Projects	100,000	25,199	74,801
RH - Misc Tools & Equipment	10,000	2,520	7,480
RH - Electric Wrench	5,000	1,260	3,740
RH - Passport Multi Gas	7,000	1,764	5,236
RH - Passport Ammonia	6,000	1,512	4,488
RH - Remodel Operations Locker Room	35,000	8,820	26,180
RH - Client & Monitors	20,000	5,040	14,960
RH - 4" Sump Pump and Hose - Moved from 2008	25,750	6,489	19,261
RH - Misc Capital Valves	90,000	22,679	67,321
RH - Misc Conveyor Belts	90,000	22,679	67,321
H0 - DCS Engineering	166,000	53,205	112,795
H1 - Rpl WDPF FGD & SCR Controls	140,000	44,872	95,128
H1 - CCS Controls	560,000	185,897	394,103
H1 - Control Room	100,000	32,051	67,949
H0 - Upgrade CEMs	80,000	25,641	54,359
R1 - Upgrade CEMs	55,000	13,859	41,141
H2 - Rpl WDPF FGD & SCR Controls	60,000	19,231	40,769
H0 - Rpl Bleed Lines 8" (2)	400,000	128,205	271,795
H0 - Rpl Elevator Doors/Frames	100,000	32,051	67,949
H0 - Rpl Thickener Return Line 16"	200,000	64,103	135,897
H0 - Wetbottom Drains	300,000	96,154	203,846
H1 - AH Inlet Expansion Joints (2)	160,000	51,282	108,718
H1 - Burner Deck Vent Fans	30,000	9,615	20,385
H1 - Cooling Tower Distribution Deck	200,000	64,103	135,897
H1 - FD Fan Outlet Damper A&B Rexa Drives	20,000	6,410	13,590
H1 - High Energy Pipe Hangers	35,000	11,218	23,782
H1 - Hydrogen Purity Meters	22,000	7,051	14,949
H1 - Install Sootblower Power Disconnects	16,000	5,128	10,872
H1 - Rpl AH Steam Coils (2)	12,000	3,846	8,154
H1 - Rpl Mist Eliminator	175,000	56,090	118,910
H1 - Rpl Precip Hoppers (9-12)	250,000	80,128	169,872
H1 - Rpl Slag Grinders (2)	75,000	24,038	50,962
H1 - Rpl Sootblowers (20-23 of 23) 4 total	112,000	35,897	76,103
H1 - Rpl Wallblowers (8-10 of 24) 3 total	40,000	12,821	27,179
H2 - #5 HP Heater Re-tube	300,000	96,154	203,846
R1 - Rpl Reclaim Vent Fan	30,000	0	30,000
R1 - Stack Lighting	200,000	0	200,000
RH - Booth System Control Box	22,000	5,544	16,456
RH - Loop Calibrators (2)	4,000	1,008	2,992
RH - Plant Phone & PA New System	650,000	163,793	486,207
H0 - Rpl Layer of Catalyst	300,000	78,441	221,559
HMPL SCR Catalyst Replacement-additional \$ (net)	610,731		610,731
HMPL Stack Lighting	200,000		200,000
R-CT reliability study & upgrades	1,125,509	0	1,125,509
Total Reid / HMPL Station II	\$ 7,158,990	\$ 1,505,798	\$ 5,653,192

Big Rivers Electric Cooperative 2010 Capital Budget

Project Description	Gross Capital Budget	City of Henderson Portion	Net Capital Budget
Reid / HMPL Station			
RQH - Misc Safety Equipment	20,000	2,407	17,593
RQH - Rpl Panama Bldg External Sheeting	40,000	4,453	35,547
RH - Misc Capital Projects	100,000	25,199	74,801
RH - Misc Tools & Equipment	10,000	2,520	7,480
RH - Electric Welding Machine	5,000	1,260	3,740
RH - Client & Monitors	20,000	5,040	14,960
RH - 1 Ton Mtc Truck (Rpl S9 - 1990 Ford)	20,000	5,040	14,960
RH - Misc Capital Valves	90,000	22,679	67,321
RH - Misc Conveyor Belts	90,000	22,679	67,321
H0 - DCS Engineering	99,600	31,923	67,677
H0 - PI Tags	25,000	8,013	16,987
H2 - Rpl WDPF FGD & SCR Controls	80,000	28,846	61,154
H1 - Performance OPT Software	150,000	48,077	101,923
H2 - Performance OPT Software	150,000	48,077	101,923
H0 - Rpl F1-F4 Building Heating Fans	200,000	64,103	135,897
H2 - #6 Heater Retube	300,000	96,154	203,846
H2 - AH Outlet Expansion Joint	85,000	27,244	57,756
H2 - Boiler to AH Breeching Expansion Joints (2)	130,000	41,667	88,333
H2 - Burner Igniter Conversion	150,000	48,077	101,923
H2 - High Energy Pipe Hangers	35,000	11,218	23,782
H2 - Rpl AH Steam Coils (2)	12,000	3,846	8,154
H2 - Rpl Mist Eliminator	175,000	56,090	118,910
H2 - Rpl Precip Hoppers on #9-#12	200,000	64,103	135,897
H2 - Rpl Precip Outlet Duct to Bypass Stack Breeching	300,000	96,154	203,846
H2 - Rpl Slag Grinders (2)	75,000	24,038	50,962
H2 - Rpl Sootblowers (14-17 of 23) 4 total	115,000	36,859	78,141
H2 - Rpl Wallblowers (4-6 of 24) 9 total	48,000	15,385	32,615
H2 - Feedwater Heater MOV Extraction Valves - Chg is 3%	160,000	51,282	108,718
H2 - Voltage Regulator	175,000	56,090	118,910
H2 - Waterwall Overlay	1,000,000	320,513	679,487
R1 - Rpl AH Steam Coils (2) - Moved from 2009	12,000	0	12,000
RH - "5A" Raw River Reclaim vent fans	25,000	6,300	18,700
RH - 480 Volt Welder	3,000	756	2,244
RH - Barge Unloader Bucket	70,000	17,639	52,361
RH - Rpl 480 Volt MCC	200,000	50,393	149,607
RH - Rpl River Intake 480 Volt MCC	100,000	25,199	74,801
RH - Temperature Bath Calibrator	8,000	2,016	5,984
HMPL SCR Catalyst Replacement	666,820	0	666,820
Total Reid / HMPL Station II	\$ 5,154,420	\$ 1,371,340	\$ 3,783,080

BREC - Reid/Station Two
2000 O&M Non-Labor Budget (Gross)

Number	Description	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	TOTAL
RDMAIR	RDM Air System	4,650	3,420	4,740	1,300	4,670	2,120	1,300	5,350	3,850	3,920	3,430	1,250	40,000
STMPAS	STM Air System	1,160	3,840	3,160	2,350	3,700	2,900	3,650	1,750	3,800	3,800	2,000	3,000	35,000
RDMASH	RDM Ash Handling	5,250	5,550	3,760	7,050	1,350	10,350	8,650	4,050	8,700	4,000	8,600	4,400	69,000
STMASH	STM Ash Handling	7,950	16,100	16,300	12,900	5,550	27,750	11,300	19,900	10,750	10,750	11,800	10,100	156,000
RDMBSGU	RDM Boilers & Burners	10,200	13,000	9,150	6,500	3,100	3,300	4,700	3,600	2,850	12,300	12,000	9,200	80,000
STMSGU	STM Boilers & Burners	22,100	17,900	29,600	24,500	23,850	45,900	22,800	20,400	26,850	19,900	22,100	22,600	299,000
RDMFOS	RDM Fuel Oil System	800	800	300	1,300	800	400	200	100	650	800	700	400	7,030
STMFOS	STM Fuel Oil System	400	1,200	1,700	1,400	950	2,100	2,500	800	1,050	1,250	1,300	800	15,900
RDMCDS	RDM Condensate System	1,000	730	1,000	1,450	480	670	375	345	450	1,500	2,000	1,100	11,000
STMCDS	STM Condensate System	1,900	2,900	2,600	1,650	1,700	3,250	3,000	3,350	10,100	3,050	3,250	1,250	38,000
RDMDWS	RDM Demineralized Water System	1,400	2,100	1,000	1,000	1,300	800	300	900	300	1,300	1,300	800	12,500
RDMBFW	RDM Feedwater System	700	2,200	1,100	2,000	80	200	300	60	360	1,600	1,200	1,300	11,010
STMBFW	STM Feedwater System	5,000	5,500	10,700	6,700	5,000	6,800	4,200	5,700	7,800	6,200	7,400	5,000	74,000
RDMSPFW	RDM Fans/Drift System	1,500	3,400	1,700	2,600	550	480	2,650	1,020	1,950	600	3,500	3,600	23,885
STMSGUFE	STM Fans/Drift System	2,500	5,650	5,600	5,200	5,300	10,000	5,300	4,200	9,750	6,400	4,600	3,300	66,000
RDMFPP	RDM Fire Protection	700	850	3,400	700	650	500	200	700	2,100	2,900	2,000	1,050	21,500
STMFPS	STM Fire Protection	1,550	1,050	3,750	1,550	1,550	1,550	1,750	1,550	1,550	1,050	3,560	1,050	21,500
RDMPLS	RDM Plant Lighting System	1,800	5,600	200	4,500	300	1,800	4,500	500	1,500	3,900	2,000	450	27,400
STPLS	STM Plant Lighting System	8,300	2,800	3,100	5,700	5,700	3,100	6,500	6,500	3,300	6,200	5,100	3,500	82,200
RDMOHC	RDM Overhead Cranes & Hoists	800	1,500	2,600	2,000	0	3,000	2,500	1,000	2,500	0	2,000	0	20,000
STMOHC	STM Overhead Cranes & Hoists	1,450	1,900	1,000	1,500	1,500	1,800	1,800	1,450	1,500	1,600	2,100	1,000	16,800
RDMPCM	RDM Plant Communications	1,800	1,950	1,600	1,600	1,500	1,700	1,600	1,600	1,600	1,900	1,600	1,300	18,400
STMPCM	STM Plant Communications	2,900	2,600	2,100	6,600	2,000	3,100	8,800	1,500	2,900	3,860	2,050	3,300	42,200
RDMFST	RDM Bldgs & Grounds Site Misc Improvements	2,500	3,400	3,500	2,800	3,300	3,500	3,700	3,800	3,500	4,200	4,800	4,900	44,000
RDMEL	RDM Bldgs & Grounds: Elevators	2,600	3,300	3,100	3,100	3,600	2,600	3,300	4,000	2,600	3,200	4,400	2,200	39,000
STMEL	STM Bldgs & Grounds: Elevators	550	650	7,550	2,650	550	7,650	13,250	9,950	3,050	2,850	1,750	550	51,000
RDMWTS	RDM Bldgs & Grounds: Sumps	630	3,530	1,030	3,830	3,030	3,200	4,100	3,950	3,600	400	4,600	2,100	34,000
RDMHVC	RDM Bldgs & Grounds: HVAC	1,200	3,000	3,750	2,900	6,800	4,500	4,900	3,850	3,700	1,500	3,000	1,200	40,000
RDMHPP	RDM Bldgs & Grounds: Winterization	1,000	400	400	800	0	0	0	400	100	12,900	500	500	17,000
RDMCW	RDM Cooling Water System	0	350	425	400	0	320	330	0	350	350	470	0	2,995
STMCW	STM Cooling Water System	1,600	700	750	1,500	1,000	1,700	2,000	1,750	750	700	1,160	0	13,000
RDMCWS	RDM Circulating Water/Cooling Towers	1,000	1,000	400	500	1,900	1,350	1,400	1,450	600	1,700	500	1,700	13,500
STMCWS	STM Circulating Water/Cooling Towers	5,700	5,000	6,800	8,800	7,900	7,800	7,500	8,800	7,900	41,000	5,800	6,000	116,000
RDMFCS	RDM Controls/Computer Systems	500	500	16,000	500	1,000	1,100	1,000	1,000	1,000	900	1,000	500	25,000
STMFCS	STM Controls/Computer Systems	2,100	1,900	2,100	1,000	1,000	1,000	0	1,000	2,100	2,000	1,400	1,400	17,000
RDMPLC	RDM Controls/Computer Systems	3,100	4,100	64,400	10,100	2,900	16,200	6,800	5,500	4,200	2,900	4,300	4,200	117,500
STMRID	STM Recording/Indicating Devices	1,000	1,500	750	600	225	250	240	450	180	900	1,000	800	7,995
RDMRID	RDM Recording/Indicating Devices	600	600	2,850	1,100	4,000	4,100	1,150	5,100	1,100	4,500	1,100	1,100	18,300
RDMMBLU	RDM Plant Lubrication	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	36,000
STMGSM	STM Consumables	19,010	17,760	17,260	19,750	17,750	18,750	16,750	20,010	21,750	17,750	20,750	15,750	223,120
RDMNEW	RDM Emission Controls: CEM	2,500	1,700	1,750	2,500	1,400	1,400	1,000	1,200	650	4,200	3,100	1,500	23,000
STMEVS	STM Emission Controls: CEM	6,200	5,900	9,350	5,700	13,100	4,400	7,500	5,500	5,400	12,250	3,200	5,400	84,000
RDMSGUPCP	RDM Emission Controls: Precipitators	500	700	5,800	400	800	1,100	500	800	1,100	300	300	700	13,000

\\source.station2\cbs\BREC Business Plan\BREC O&M Non-Labor Budget Summary.xls

BREC - Reid/Station Two

2008 O&M Non-Labor Budget (Gross)

Number	Description	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	TOTAL
STMFGUPRP	STM Emission Controls: Precipitators	2,000	3,500	5,000	1,250	5,000	5,000	5,750	5,000	3,750	2,000	1,500	750	40,500
STMFGXMEW	STM Emission Controls: SDRS Mist Eliminator	0	1,600	2,800	600	0	3,300	200	2,200	2,000	200	1,400	900	15,200
STMFGXPWS	STM Emission Controls: SDRS Potable Water	200	200	300	300	200	200	300	200	100	200	100	100	2,400
STMFGXSAB	STM Emission Controls: SDRS Absorber Bldg	1,500	4,000	2,000	1,000	2,500	1,000	3,600	1,300	2,000	1,500	1,400	1,200	23,000
STMFGXSBB	STM Emission Controls: SDRS Scrubber Bldg	150	150	150	150	150	200	150	150	150	100	150	100	1,700
STMFGXSTK	STM Emission Controls: SDRS Scrubber Stack	500	0	1,000	400	0	1,400	0	500	1,700	1,000	0	700	7,900
STMFGXTRW	STM Emission Controls: SDRS Thickener Return	850	9,250	750	750	750	950	750	1,150	750	1,150	750	750	18,700
STMFGD	STM Emission Controls: Scrubbers	3,050	3,450	21,350	8,600	6,000	13,150	3,050	4,250	8,950	8,100	10,400	2,350	93,000
STMFCR	STM Nox Reduction-SCR Maintenance	0	0	27,200	43,500	2,000	5,000	22,200	3,000	3,000	8,100	0	0	114,000
RDMWWS	RDM Effluent Control(Waste Water Treatment)	1,925	1,325	1,325	10,325	1,325	1,325	1,325	1,375	1,325	1,325	1,325	1,325	25,000
RDMWWS	STM Fuel Feed: Fuel Conveying System	350	350	350	600	350	400	300	400	300	400	550	350	4,700
RDMWWS	STM Fuel Feed: Mills and Feeders	11,400	30,300	23,600	43,400	25,920	38,520	27,920	28,020	27,320	23,780	17,900	23,420	321,500
RDMWWS	STM Fuel Feed: Fuel Conveying System	3,000	6,300	5,500	5,800	8,400	5,700	8,600	6,100	6,900	6,100	3,150	6,850	74,000
RDMWWS	STM Fuel Feed: Mills and Feeders	2,500	4,800	2,500	5,400	600	2,200	1,600	1,400	800	3,900	1,600	2,200	29,500
RDMWWS	STM Fuel Feed: Mills and Feeders	8,700	3,700	4,500	9,100	3,800	7,400	5,000	4,800	6,400	7,000	8,500	3,800	75,000
RDMWWS	STM Fuel Feed: Mills and Feeders	3,500	3,500	12,450	4,500	9,500	15,250	9,000	7,100	4,000	5,800	13,900	6,000	93,500
RDMWWS	STM Fuel Feed: Mills and Feeders	500	1,050	12,000	7,000	2,500	500	3,800	3,200	2,500	500	500	500	34,450
RDMWWS	STM Fuel Feed: Mills and Feeders	600	350	370	500	1,100	300	900	450	500	800	450	500	7,120
RDMWWS	STM Fuel Feed: Mills and Feeders	100	100	100	100	100	100	100	100	100	100	100	100	1,200
RDMWWS	STM Fuel Feed: Mills and Feeders	250	800	450	650	400	6,350	800	6,400	6,000	700	500	100	23,400
RDMWWS	STM Fuel Feed: Mills and Feeders	1,900	7,400	6,500	1,400	7,000	7,700	6,550	1,200	7,250	1,200	32,400	1,200	62,000
RDMWWS	STM Fuel Feed: Mills and Feeders	100	70	200	600	200	200	250	230	0	1,250	0	500	3,600
RDMWWS	STM Fuel Feed: Mills and Feeders	1,700	1,200	2,700	1,700	1,200	2,700	2,200	1,200	3,200	1,700	1,700	2,700	23,900
RDMWWS	STM Fuel Feed: Mills and Feeders	3,500	3,400	4,050	3,250	3,900	4,000	4,700	6,900	5,600	4,500	5,500	4,500	52,500
RDMWWS	STM Fuel Feed: Mills and Feeders	2,500	2,500	1,950	1,750	400	1,000	800	800	1,100	2,250	2,100	2,250	19,400
RDMWWS	STM Fuel Feed: Mills and Feeders	4,000	5,000	3,100	6,250	3,500	4,000	5,400	4,100	3,150	4,500	4,000	3,000	46,000
RDMWWS	STM Fuel Feed: Mills and Feeders	200	200	400	600	200	400	200	400	200	400	200	200	3,600
RDMWWS	STM Fuel Feed: Mills and Feeders	3,100	4,600	2,650	4,000	5,000	4,300	3,150	2,450	4,000	4,500	3,200	2,350	43,500
RDMWWS	STM Fuel Feed: Mills and Feeders	1,450	3,250	1,250	1,250	1,250	24,250	6,250	3,250	1,250	1,250	3,250	1,250	49,000
RDMWWS	STM Fuel Feed: Mills and Feeders	0	400	800	300	500	900	300	500	400	0	600	300	5,200
RDMWWS	STM Fuel Feed: Mills and Feeders	0	450	600	650	500	700	600	400	200	700	3,000	200	8,000
RDMWWS	STM Fuel Feed: Mills and Feeders	100	100	7,100	3,400	2,600	100	100	100	2,100	17,900	61,300	100	95,000
RDMWWS	STM Fuel Feed: Mills and Feeders	6,700	6,700	46,700	6,700	6,700	6,700	6,700	6,700	6,700	58,700	6,700	6,700	170,400
RDMWWS	STM Fuel Feed: Mills and Feeders	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500	102,000
RDMWWS	STM Fuel Feed: Mills and Feeders	0	0	11,000	0	11,000	0	11,000	22,000	0	11,000	0	0	68,000
RDMWWS	STM Fuel Feed: Mills and Feeders	5,250	3,750	2,250	3,900	4,650	9,275	4,650	3,150	5,775	1,275	750	5,250	49,925
RDMWWS	STM Fuel Feed: Mills and Feeders	1,900	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
RDMWWS	STM Fuel Feed: Mills and Feeders	700	700	700	700	700	700	700	700	700	700	700	700	9,400
RDMWWS	STM Fuel Feed: Mills and Feeders	6,150	6,150	5,150	5,150	5,150	5,150	5,150	5,150	5,150	6,150	5,150	5,150	61,000
RDMWWS	STM Fuel Feed: Mills and Feeders	0	0	0	0	0	0	0	0	0	0	0	0	324,000
RDMWWS	STM Fuel Feed: Mills and Feeders	4,284	13,984	21,284	16,084	7,384	13,884	5,084	3,084	6,584	13,984	4,684	6,584	115,410
RDMWWS	STM Fuel Feed: Mills and Feeders	3,250	3,250	3,250	3,250	3,250	3,250	3,250	3,250	3,250	3,250	3,250	3,250	39,000
RDMWWS	STM Fuel Feed: Mills and Feeders	42,022	42,022	42,022	42,022	42,022	42,022	42,022	42,022	42,022	42,022	42,022	42,022	504,254
RDMWWS	STM Fuel Feed: Mills and Feeders	17,110	17,110	18,478	(6,691)	15,719	23,047	16,750	19,169	21,080	2,473	19,165	17,135	170,523

Source: Submittals 08/08/08 BREC Business Plan/08/08 BREC DAM Non-Labor Sabres Summary.xls

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BREC - Reid/Station Two

O&M Non-Labor Budget (Gross)

Number	Description	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	TOTAL
STOLAB	STO Laboratory	12,550	14,850	25,400	23,450	21,900	33,600	12,800	14,950	71,900	15,750	15,300	21,950	283,860
STODLGE	ST Dredging Ash Ponds	0	0	0	0	0	5,000	0	0	0	0	0	0	5,000
STOPST	STO Buildings & Grounds	11,245	14,045	11,245	19,246	10,245	11,985	11,980	35,245	10,245	10,245	19,245	11,245	176,215
STOCSM	STO Consumables	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
RDOSGUPPE	RDO Mills and Feeders	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	35,000
STOSGUPPE	STO Mills and Feeders	13,500	13,500	13,500	7,000	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	155,500
STOTR	STO Tool Room	0	0	2,550	0	1,000	0	1,500	0	350	1,000	0	1,000	7,400
STOTGN	STO Turbine/Generator	5,330	5,330	5,330	5,330	5,330	5,330	5,330	5,330	5,330	5,330	5,330	5,330	64,080
STOIS	STO Outside Industrial Svc	12,675	12,675	12,675	12,675	12,675	12,675	12,675	12,675	12,675	12,675	12,675	12,675	152,102
STOISG	STO Boilers and Burners	17,000	17,000	17,000	0	34,200	24,900	17,000	0	25,800	40,000	17,000	0	246,500
RD108FPO	R1 - Fall Planned Outage (Ops)	0	0	0	0	0	0	0	0	61,000	0	0	0	61,000
ST108XXO	H1 - Planned Outage (Ops)	0	0	0	0	0	0	0	0	0	0	0	0	0
ST208FFO	H2 - Fall Planned Outage (Ops)	0	0	0	0	0	0	0	0	367,000	0	0	0	367,000
RD108xxx	R1 - Major Initiatives	0	0	0	0	0	45,000	80,000	0	0	0	0	0	105,000
ST108xxx	H1 - Major Initiatives	0	0	29,000	0	0	0	30,000	30,000	0	90,000	0	0	179,000
ST208xxx	H2 - Major Initiatives	0	0	30,000	0	0	30,000	0	0	30,000	0	0	0	90,000
RD108USO	R1 - Unscheduled Outages	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	0	0	5,600	5,600	56,000
ST108USO	H1 - Unscheduled Outages	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	360,000
ST208USO	H2 - Unscheduled Outages	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	0	0	7,000	70,000
RD108FFG	R1 - Fall Planned Outage (Mtc)	0	0	0	0	0	0	0	0	785,200	0	0	0	785,200
ST108XXG	H1 - Planned Outage (Mtc)	0	0	0	0	0	0	0	0	0	0	0	0	0
ST208SPG	H2 - Spring Planned Outage (Mtc)	0	0	0	0	0	0	0	0	860,200	1,328,050	0	0	2,188,250
Total 2008 Budget		410,451	528,791	770,902	676,330	494,325	719,623	601,291	567,876	2,567,741	2,124,889	582,196	414,610	10,673,084
HMPL Allocation		100,160	128,428	194,648	179,511	126,748	174,276	139,068	145,571	527,688	610,135	102,311	89,880	2,659,680
BREC Allocation		0	0	0	0	0	0	0	0	0	0	0	0	0
WKE Share		310,291	400,363	576,254	496,819	367,577	545,347	462,222	421,304	2,140,074	1,514,754	459,885	314,730	8,013,404

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BREC - Reid/Station Two

2008 O&M Non-Labor Budget (Gross)

Number	Description	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	TOTAL
2008 SUMMARY (Gross)														
	Operations	69,000	101,800	79,060	53,500	81,200	76,750	66,235	71,000	72,160	92,000	77,000	53,012	892,777
	Maintenance	177,275	210,925	361,160	231,169	178,730	381,029	312,630	244,690	248,120	343,859	219,785	169,636	3,062,096
	Fuel Handling Maintenance	24,600	46,800	88,250	60,400	60,620	66,170	62,120	49,920	44,920	92,280	41,860	41,870	659,400
	Fuel Handling Operations	20,600	19,100	28,600	18,250	31,000	24,825	31,000	40,500	21,125	27,825	16,100	20,600	300,125
	FGD O&M	52,656	74,858	91,656	68,806	99,056	75,108	66,158	55,056	64,256	66,858	61,708	53,708	780,674
	Combustion Turbine	100	950	8,500	4,350	3,600	1,700	1,200	1,000	2,700	18,600	64,900	600	108,200
	Laboratory	12,550	14,850	25,400	23,450	21,900	33,800	12,600	14,850	71,900	15,750	15,300	21,850	283,800
	SCR O&M	0	0	21,200	177,500	10,000	13,000	11,000	30,200	11,000	108,100	60,000	0	438,000
	Administrative	17,110	17,110	18,476	16,691	15,719	23,047	16,750	18,169	21,080	1,358,050	35,600	17,135	170,523
	Outage O&M	42,600	42,600	42,600	42,600	42,600	42,600	42,600	42,600	2,110,400	1,358,050	35,600	42,600	3,887,450
	TOTAL	418,491	528,791	770,902	678,330	494,326	718,923	601,281	567,875	2,687,741	2,124,889	692,196	414,610	10,573,004
2008 SUMMARY (Net)														
	Operations	52,873	77,407	80,398	41,279	60,738	57,410	49,544	68,108	53,976	70,877	58,887	40,913	676,581
	Maintenance	137,356	163,672	271,967	179,057	133,345	280,191	248,629	183,517	186,119	259,300	169,444	127,096	2,337,762
	Fuel Handling Maintenance	18,244	34,576	65,723	44,875	37,349	49,197	38,540	36,915	39,238	68,761	30,989	30,826	489,353
	Fuel Handling Operations	15,409	14,287	21,383	14,399	23,188	18,420	23,188	30,294	16,802	20,664	12,043	15,409	224,497
	FGD O&M	38,829	54,130	66,954	60,767	43,280	55,139	40,568	40,498	46,897	48,705	45,123	39,561	568,442
	Combustion Turbine	100	950	8,500	4,350	3,600	1,700	1,200	1,000	2,700	18,600	64,900	600	108,200
	Laboratory	9,388	11,108	18,589	17,541	16,381	25,133	9,425	11,108	53,842	11,791	11,445	16,194	212,345
	SCR O&M	0	0	18,918	123,464	8,955	9,042	7,651	21,004	7,651	76,166	34,776	0	304,636
	Administrative	12,798	12,798	16,651	13,464	12,788	18,592	13,874	16,728	16,913	13,098	12,798	12,817	173,127
	Outage O&M	31,334	31,334	31,334	31,334	31,334	31,334	31,334	31,334	1,725,467	944,541	26,465	31,334	2,870,400
	TOTAL	316,331	400,383	578,637	520,510	388,970	546,156	483,753	425,505	2,141,605	1,529,791	460,840	314,750	8,074,411

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EREC - Reid/Station Two
2009 O&M Non-Labor Budget (Gross)

Number	Description	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	TOTAL
RDMAIR	RDM Air System	5,000	3,420	5,000	26,650	4,270	4,290	1,830	5,800	4,350	3,520	3,920	960	68,000
STMTPAS	STM Air System	4,680	3,580	3,950	2,100	18,500	3,100	2,750	3,050	3,300	3,650	1,950	2,600	52,600
RDMASH	RDM Ash Handling	6,250	5,300	3,854	6,750	755	12,950	5,880	3,435	8,186	10,200	4,400	4,400	71,500
STMASH	STM Ash Handling	9,300	18,600	14,850	11,250	2,850	18,700	12,100	18,050	13,000	10,800	17,800	10,200	157,500
RDMBSU	RDM Boilers & Burners	10,300	12,500	11,300	6,500	2,580	3,350	4,750	3,800	2,850	12,800	12,500	9,200	82,570
STMBSU	STM Boilers & Burners	36,950	27,100	28,050	29,050	29,050	18,250	20,350	27,325	18,225	27,000	28,450	24,350	315,600
RDMFOS	RDM Fuel Oil System	1,100	900	1,200	850	650	1,300	1,100	1,200	600	400	800	1,300	7,400
STMFCOS	STM Fuel Oil System	1,000	1,250	1,000	1,600	600	700	600	500	850	1,500	1,500	1,400	11,600
RDMCDS	RDM Condensate System	1,900	1,280	1,800	1,650	1,700	1,500	1,625	2,175	10,600	2,950	2,250	1,250	28,500
STMCD	STM Condensate System	900	1,300	1,000	1,000	1,800	800	900	1,000	400	1,800	1,300	1,300	14,000
RDMOWS	RDM Demineralized Water System	1,400	2,200	1,200	1,550	200	400	400	300	650	900	1,200	1,400	12,900
RDMBFW	RDM Feedwater System	5,000	5,900	9,800	6,700	4,500	6,000	5,200	5,200	7,000	7,000	7,900	5,500	75,500
STMFBFW	STM Feedwater System	1,500	3,400	1,600	3,600	750	1,000	2,550	1,100	1,900	600	2,600	5,500	26,000
RDMGUFDE	RDM Fans/Draft System	1,000	4,750	6,250	5,500	4,000	6,500	3,200	3,500	7,350	2,600	3,700	1,800	51,950
STMGUFDE	STM Fans/Draft System	400	1,200	1,200	2,700	650	1,800	200	700	1,100	2,800	800	800	14,350
RDMFPS	RDM Fire Protection	1,000	1,000	3,500	1,500	3,000	1,000	1,500	1,500	2,500	1,000	3,500	1,000	22,000
STMFPS	STM Fire Protection	1,700	4,200	200	4,400	200	4,400	1,850	4,600	350	5,700	900	350	28,850
RDMPLS	RDM Plant Lighting System	9,300	5,800	10,450	5,800	8,600	4,750	5,500	6,200	4,700	8,100	8,000	6,500	83,500
STMPLS	STM Plant Lighting System	3,000	600	3,000	1,900	0	5,500	2,000	400	3,700	4,000	1,000	2,100	21,900
RDMOHC	RDM Overhead Cranes & Hoists	0	2,500	3,600	4,000	0	1,000	0	0	4,000	1,600	1,500	1,000	18,200
STMHC	STM Overhead Cranes & Hoists	1,350	1,700	1,850	1,850	1,500	1,600	1,700	1,960	1,600	2,200	1,500	1,250	19,300
RDMPCM	RDM Plant Communications	1,600	1,600	1,800	1,500	1,950	2,150	2,300	1,800	1,800	1,800	2,100	1,300	20,900
STMPCM	STM Plant Communications	3,100	3,600	2,900	2,800	2,800	4,500	7,400	2,500	3,300	3,550	4,450	3,700	44,000
RDMPS	RDM Bldgs & Grounds Site Miscellipn	3,875	3,875	3,875	3,875	3,875	3,875	3,875	3,875	3,875	3,875	3,875	3,875	46,550
STMEL	STM Bldgs & Grounds: Elevators	3,875	3,875	3,875	3,875	3,875	3,875	3,875	3,875	3,875	3,875	3,875	3,875	46,550
RDMWTS	RDM Bldgs & Grounds: Sumps	3,250	1,650	8,050	4,250	1,050	15,450	15,450	9,450	3,650	4,050	1,250	3,150	60,100
RDMHVC	RDM Bldgs & Grounds: HVAC	580	3,980	1,980	3,680	2,680	3,460	5,075	3,600	5,050	340	3,260	2,040	35,720
STMHVC	STM Bldgs & Grounds:HVAC	1,200	3,630	3,750	3,750	5,750	5,760	6,275	4,250	4,100	2,050	5,000	2,285	47,800
RDMPPF	RDM Bldgs & Grounds:Winterization	1,510	1,000	600	500	500	0	0	410	1,050	15,410	410	610	22,000
STMPPF	STM Cooling Water System	400	350	125	400	200	150	330	480	350	150	170	0	3,020
RDMCW	STM Cooling Water System	1,000	700	950	1,000	1,500	1,700	1,500	1,150	750	700	1,150	1,500	13,500
RDMCWS	RDM Circulating Water/Cooling Tower	5,460	4,550	6,650	6,350	1,900	1,350	1,400	1,450	600	1,700	0	1,700	14,100
RDMPCS	RDM Controls/Computer Systems	1,800	1,000	16,000	500	1,000	8,050	5,550	5,550	6,000	15,800	5,200	5,200	81,100
STMPLC	STM Plant Controls	3,100	2,800	1,900	1,700	1,800	1,800	1,900	1,200	1,900	2,000	1,300	1,300	25,700
RDMRID	RDM Recording/indicating Devices	1,000	1,500	183,340	4,900	3,500	17,850	2,800	4,250	2,800	3,000	3,500	2,750	19,700
STMRID	STM Recording/indicating Devices	300	1,160	750	800	225	450	740	450	180	900	1,000	500	8,290
RDMIBLU	RDM Plant Lubrication	3,000	3,000	3,350	1,800	500	0	0	1,000	1,500	1,500	1,500	0	13,700
STMCSM	STM Consumables	27,838	26,088	23,793	26,463	26,053	24,441	26,717	29,594	32,148	25,575	28,754	26,488	324,351
RDMENY	RDM Emission Controls: CEM	3,500	1,570	2,100	2,550	820	1,050	600	900	1,700	4,200	3,100	1,910	24,000
STMENV	STM Emission Controls:CEM	6,400	7,050	9,050	5,700	14,000	4,200	7,500	5,250	5,200	11,850	4,200	5,400	85,500
RDMGUPCP	RDM Emission Controls: Precipitators	500	500	5,800	5,000	700	1,100	1,500	500	500	200	200	700	13,300
STMGUPCP	STM Emission Controls: Precipitators	4,000	6,500	7,000	4,000	8,000	6,000	5,500	5,000	6,500	5,000	3,500	500	61,500
STMFGXMEW	STM Emission Controls: SDRS Mist EI	0	1,500	4,300	500	0	3,100	800	2,000	2,000	500	2,000	900	17,600
STMFGXPS	STM Emission Controls:SDRS Potable	400	200	100	200	500	200	100	200	100	200	100	500	2,800
STMFGXSAB	STM Emission Controls:SDRS Aboard	1,500	5,000	1,000	1,500	2,500	1,000	3,100	1,300	1,500	1,500	2,400	1,200	23,500

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BREC - Reid/Station Two
2009 O&M Non-Labor Budget (Gross)

Number	Description	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	TOTAL
STMFGXSBB	STM Emission Controls:SDRS Scrubb	100	150	100	150	100	150	700	150	150	150	150	250	2,300
STMFGXSTK	STM Emission Controls:SDRS Scrubb	500	0	1,000	400	0	1,400	0	500	1,700	500	700	700	7,400
STMFGXTRW	STM Emission Controls:SDRS Thicker	750	750	750	750	900	7,750	800	750	1,050	750	1,150	750	16,900
STMFGD	STM Emission Controls: Scrubbers	7,250	7,800	22,700	10,450	6,650	14,225	2,900	5,700	12,300	9,675	13,100	2,200	114,950
STMSCR	STM Nox Reduction-SCR Maintenance	1,000	1,000	20,200	44,500	2,000	5,000	3,000	22,200	10,600	9,100	1,000	1,000	127,600
RDMMWS	RDM Effluent Control(Waste Water Tr	750	13,000	750	1,000	750	1,000	750	1,000	1,000	750	750	1,000	22,500
STMVWS	STM Effluent Control(Waste Water Tre	500	400	350	400	500	400	500	400	500	400	350	400	5,100
RDMMCHS	RDM Fuel Feed: Fuel Conveying Syste	11,400	30,320	22,800	42,620	25,420	41,020	27,420	35,520	27,320	28,000	17,400	23,420	333,540
STMCHS	STM Fuel Feed: Fuel Conveying Syste	3,975	8,200	6,175	6,275	9,075	6,175	8,200	7,475	7,975	5,525	3,550	7,025	78,225
RDMSGUPE	RDM Fuel Feed: Mills and Feeders	2,500	5,800	2,500	6,400	600	7,400	6,000	4,500	9,000	7,000	8,500	3,900	88,150
STMAGUPE	STM Fuel Feed: Mills and Feeders	6,100	8,250	14,500	9,500	5,500	7,400	6,000	4,500	9,000	7,000	8,500	3,900	102,800
RDMMCHSBS	RDM Fuel Handling:Coal Unloading B	4,000	3,500	14,750	4,500	7,000	12,500	1,800	10,100	4,000	7,800	15,400	5,000	61,000
RDMMCHSINT	RDM Screenwell Maintenance	2,500	7,050	13,500	12,000	2,800	1,800	5,400	4,300	3,550	2,500	2,500	4,000	61,000
RDMPWS	RDM Potable Water System	600	350	370	500	1,100	620	900	450	500	850	450	600	7,490
STMVWS	STM Service Water System	100	100	100	100	100	100	100	100	100	100	100	100	1,200
RDMMEDT	RDM Switchgear/Bus	250	1,300	450	1,400	1,400	6,000	300	7,700	6,000	200	500	100	24,350
STMEDT	STM Switchgear/Bus	1,400	7,900	7,500	2,400	6,500	6,700	7,850	450	8,250	1,200	12,400	1,200	63,750
STMEDT	STM Switchgear/Bus	1,400	70	0	600	200	0	200	500	0	1,500	0	800	3,970
STMEDT	STM Diesel/Generator	1,700	1,700	2,700	1,700	1,700	2,700	2,200	1,200	3,200	1,700	1,200	2,700	24,400
RDMMGEU	RDM General Use Equipment	3,500	3,400	4,050	3,250	3,600	4,000	4,700	6,000	5,500	4,500	6,500	4,500	52,500
STMTR	STM Tool Room	2,500	2,500	2,600	1,750	700	850	1,100	800	1,100	1,750	2,100	2,250	20,000
RDMMTGN	RDM Turbine/Generator	4,000	5,000	3,100	4,750	3,500	3,500	5,400	4,600	4,450	5,500	4,000	3,000	50,500
RDMMTGN	RDM Turbine/Generator	200	500	200	500	200	500	200	500	200	500	200	500	4,200
RDMPVE	RDM Non-Fuels Equipment	3,400	4,900	2,900	4,050	5,050	4,950	2,800	2,800	4,450	6,000	4,100	2,350	48,400
RDMMBEINT	RDM Maintenance Training	1,250	3,250	1,250	1,250	1,250	24,250	6,250	3,250	1,250	1,250	3,250	1,250	49,000
RDMMEDGT	RDM Combustion Turbine-Electrical D	400	400	800	300	500	900	500	500	400	0	600	300	5,600
RDMMFSPGT	RDM Combustion Turbine-Fire Protec	1,000	1,000	600	600	500	200	600	400	200	400	3,600	200	8,050
RDMMEDT	RDM Combustion Turbine	0	1,000	7,000	3,200	2,000	0	1,000	0	3,000	17,700	61,100	1,000	97,000
RDMMEDT	RDM Combustion Turbine	6,700	6,700	6,700	6,700	69,700	6,700	6,700	6,700	6,700	46,700	6,700	6,700	173,400
RDMMEDT	RDM Mobile Fuels Equipment	8,600	8,600	8,600	8,600	8,600	8,600	8,600	8,600	8,600	8,600	8,600	8,600	103,200
STOMEQ	STO Mobile Fuels Equipment - Fuel H	0	0	12,000	0	12,000	0	12,000	22,000	0	12,000	0	0	70,000
STOCHSBS	STO Coal Unloading Barge - Fuel Han	5,750	5,750	2,750	5,900	5,150	11,275	5,150	5,150	6,275	3,275	2,750	5,750	64,925
STOCHPST	STO Buildings & Grounds - Fuel Hand	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
STOCHSM	STO Consumables - Fuel Handling	700	700	700	700	700	700	700	700	700	700	700	700	8,400
STOCHTR	STO Tool Room - Fuel Handling	6,500	5,500	6,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	66,000
STOCHSIS	ST Outside Industrial Service - Fuel H	6,250	30,250	6,250	6,250	6,250	126,250	6,250	6,250	6,250	62,250	62,250	6,250	373,000
STOCSR	STO HMPL SCR Operation	4,888	14,588	21,388	18,188	12,988	11,988	10,688	8,688	7,188	13,188	10,188	6,188	140,160
STMFGX	STM Limestone Grinding/Processing	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	39,600
STOMEQCVH	STO Vehicles (MC, Gas, Oil)	38,638	38,638	38,638	38,638	38,638	38,638	38,638	38,638	38,638	38,638	38,638	38,638	463,656
STOFGD	STO HMPL FGD Shared Equipment	16,104	16,104	14,131	15,103	15,964	6,175	18,995	18,405	17,657	7,594	5,254	16,129	165,713
STOADM	STO Administrative	13,050	15,350	30,400	10,750	22,300	33,700	13,200	15,450	30,960	16,250	15,500	23,700	254,930
STDLAB	STO Laboratory	0	0	0	0	0	5,000	0	0	10,000	0	0	0	15,000
STDREDE	ST Dredging Ash Ponds	11,640	14,640	19,595	19,595	10,595	12,095	12,095	35,595	10,595	10,595	19,595	11,695	180,375
STOPOST	STO Buildings & Grounds - Operations	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
STOCSM	STO Consumables - Operations	5,000	5,000	5,000	5,000	5,000	0	0	0	0	0	0	0	35,000
RDMSGUPE	RDO Mills and Feeders	13,500	13,500	7,000	7,000	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	185,500
STOTR	STO Tool Room - Operations	0	0	2,550	0	1,000	0	1,500	0	350	1,000	0	1,000	7,400
STOTGN	STO Turbine/Generator	5,330	5,330	5,330	5,330	5,330	5,330	5,330	5,330	5,330	5,330	5,330	5,330	64,000

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BREC - Reid/Station Two
2002 O&M Non-Labor Budget (Gross)

Number	Description	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	TOTAL
ST01S	ST Outside Industrial Service - Operat	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	166,000
ST05GU	STO Boilers and Burners	27,000	33,000	25,600	0	19,200	42,000	18,000	10,000	27,800	33,000	18,000	0	243,500
RD109xxx	R1 - Major Initiatives	0	0	0	18,000	0	19,500	98,000	0	18,500	0	0	0	162,000
RD09xxx	RD - Major Initiatives	30,943	30,943	30,943	30,943	30,943	30,943	30,943	30,943	30,943	30,943	30,943	30,943	371,315
ST109xxx	H1 - Major Initiatives	0	80,000	150,000	0	0	0	0	0	30,000	0	0	0	280,000
ST209xxx	H2 - Major Initiatives	0	0	0	0	0	0	39,000	0	0	0	0	0	39,000
RD109USO	H0 - Major Initiatives	30,943	30,943	30,943	30,943	30,943	30,943	30,943	30,943	30,943	30,943	30,943	30,943	371,315
ST109USO	R1 - Unscheduled Outages	17,500	17,500	17,500	17,500	17,500	17,500	17,500	17,500	17,500	17,500	17,500	17,500	210,000
ST209USO	H1 - Unscheduled Outages	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	70,000
RD109SPO	H2 - Unscheduled Outages	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	360,000
ST109SPO	R1 - Planned Outage (Ops)	0	0	0	0	0	0	0	0	0	0	0	0	0
ST209SPO	H1 - Spring Planned Outage (Ops)	0	0	157,000	0	0	0	0	0	0	0	0	0	157,000
RD109XXX	H2 - Planned Outage (Ops)	0	0	0	0	0	0	0	0	0	0	0	0	0
ST109SPG	R1 - Planned Outage (Mtc)	0	0	0	0	0	0	0	0	0	0	0	0	0
ST209SPG	H1 - Spring Planned Outage (Mtc)	0	0	2,169,765	0	0	0	0	0	20,000	0	0	0	2,179,765
ST209XXG	H2 - Planned Outage (Mtc)	0	0	0	0	0	0	0	0	0	0	0	0	0
Total 2009 R/STH Non-Labor O&M (Gross)		550,298	724,853	3,378,655	685,277	643,079	847,553	723,040	645,478	748,164	771,682	740,005	519,884	10,944,055
HMPL Allocation		122,587	180,391	973,000	188,688	163,317	206,040	140,769	749,247	167,139	176,702	181,344	114,884	2,894,475
Total 2009 R/STH Non-Labor O&M (Net)		427,711	544,462	2,405,655	529,811	490,591	642,513	576,061	495,929	589,027	594,980	578,661	404,910	8,249,580

BREC - Reid/Station Two

2010 O&M Non-Labor Budget (Gross)

Number	Description	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sept-10	Oct-10	Nov-10	Dec-10	TOTAL
RDMAIR	RDM Air System	4,450	3,520	2,870	26,000	4,720	2,370	15,250	5,000	2,850	2,670	3,100	1,300	74,460
STMFAIR	STM Air System	1,000	4,050	3,000	8,300	12,000	3,000	3,000	2,150	9,900	3,700	2,100	3,000	55,200
RDMASH	RDM Ash Handling	6,450	6,150	4,000	7,350	1,500	10,650	5,350	3,350	7,000	3,350	6,100	3,800	67,000
STMASH	STM Ash Handling	7,650	17,000	15,200	13,100	6,450	27,650	24,100	19,800	6,700	11,450	11,750	9,950	170,800
RDMBSU	RDM Boilers & Burners	0	0	0	0	0	3,385	3,385	3,350	0	0	0	0	10,160
STMBSU	STM Boilers & Burners	28,450	24,050	35,450	32,450	28,950	51,050	29,150	24,125	30,425	28,450	25,950	24,750	364,250
RDMFOS	RDM Fuel Oil System	0	0	0	0	0	3,000	3,000	3,000	0	0	0	0	9,000
STMFOC	STM Fuel Oil System	900	1,700	1,500	1,150	450	1,100	1,100	1,800	1,300	500	700	800	13,100
RDMCDS	RDM Condensate System	0	0	0	0	0	3,000	3,000	3,000	0	0	0	0	9,000
STMCDL	STM Condensate System	2,750	1,650	3,700	1,650	2,250	2,750	2,575	2,575	11,500	2,150	3,400	1,250	38,200
RDMDWS	RDM Demineralized Water System	1,400	2,100	1,000	1,000	1,300	11,000	1,000	1,000	300	1,200	1,300	800	24,000
RDMDFW	RDM Feedwater System	0	0	0	0	0	3,000	3,000	3,000	0	0	0	0	9,000
STMDFW	STM Feedwater System	8,000	5,500	10,700	8,200	5,000	5,800	3,000	8,900	0,300	5,000	11,800	5,500	86,700
RDMGUFDE	RDM Fans/Draft System	0	0	0	0	0	3,000	3,000	3,000	0	0	0	0	9,000
STMGUFDE	STM Fans/Draft System	1,800	5,250	4,450	5,100	3,200	9,000	2,900	4,300	6,250	4,400	2,900	3,100	52,650
RDMFPS	RDM Fire Protection	700	850	3,400	700	650	500	500	700	2,100	2,800	750	700	14,350
STMFPS	STM Fire Protection	1,550	2,050	2,750	2,550	1,650	2,050	1,250	2,550	1,550	1,050	4,050	1,050	24,000
RDMPLS	RDM Plant Lighting System	2,400	5,700	300	5,100	400	2,100	2,100	4,700	500	3,800	2,100	550	29,650
STMPLS	STM Plant Lighting System	9,100	6,450	8,950	8,200	7,850	4,900	9,000	4,100	5,000	10,700	9,300	6,100	87,650
RDMOHC	RDM Overhead Cranes & Hoists	3,000	1,300	5,300	2,400	0	3,000	2,500	1,000	3,500	1,900	2,000	0	25,900
STMPCM	STM Overhead Cranes & Hoists	1,000	2,500	2,600	3,000	0	1,000	2,000	0	3,500	1,500	2,600	1,000	20,800
RDMPCW	RDM Plant Communications	1,450	2,200	1,000	1,650	1,500	1,700	1,800	1,450	1,600	2,200	1,000	1,850	19,400
STMPCW	STM Plant Communications	1,300	1,700	3,100	1,900	1,300	1,900	1,600	1,300	3,200	1,900	1,300	1,200	21,700
RDMPSL	RDM Bldgs & Grounds Site Mtc/In	3,000	2,900	2,100	7,700	2,100	4,100	14,200	2,200	3,200	4,150	2,350	3,600	50,500
RDMEL	RDM Bldgs & Grounds: Elevators	3,600	3,900	4,100	4,100	4,100	4,100	4,500	4,100	3,600	4,600	3,600	4,600	48,700
STMEL	STM Bldgs & Grounds: Elevators	4,800	4,800	3,300	4,350	3,850	3,800	3,500	3,200	3,600	3,400	3,600	3,400	45,700
RDMWTS	RDM Bldgs & Grounds: Sumps	550	650	11,750	4,650	550	8,650	15,250	9,850	4,050	2,850	1,750	550	61,200
RDMHVC	RDM Bldgs & Grounds: HVAC	730	3,630	1,030	4,130	3,130	3,600	4,200	4,075	3,800	500	4,950	2,300	38,070
STMHVC	STM Bldgs & Grounds: HVAC	1,900	3,700	4,415	3,600	5,800	4,500	4,900	3,850	3,700	2,200	3,700	1,900	44,160
RDMPEP	RDM Bldgs & Grounds: Winterizatic	1,500	900	800	800	0	4,500	4,900	400	100	12,900	1,220	1,000	19,720
RDMCW	RDM Cooling Water System	0	350	525	400	0	320	330	0	530	350	470	0	3,670
STMCW	STM Cooling Water System	1,600	700	1,800	1,500	1,000	1,700	2,000	1,150	750	700	1,150	0	14,050
RDMCWB	RDM Circulating Water/Cooling Tow	1,000	1,000	400	500	1,900	1,350	2,700	1,450	600	1,700	500	1,700	14,800
STMCWB	STM Circulating Water/Cooling Tow	5,000	4,700	6,000	6,150	5,700	16,550	4,750	4,900	5,700	40,500	4,800	4,200	108,950
RDMPCS	RDM Controls/Computer Systems	0	0	15,000	0	0	0	0	0	0	0	0	0	15,000
STMPCS	STM Plant Controls	2,100	1,900	2,100	1,000	3,200	1,000	0	1,900	2,100	2,000	1,400	1,400	19,260
STMPLC	STM Controls/Computer Systems	3,100	4,100	121,000	8,100	2,900	16,200	5,600	5,600	4,200	2,900	4,300	4,200	182,190
RDMRID	RDM Recording/indicating Devices	1,000	1,500	750	600	225	0	540	450	380	900	1,000	0	7,345

BREC - Reid/Station Two
2010 O&M Non-Labor Budget (Gross)

Number	Description	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	TOTAL
STMTRD	STM Recording/Indicating Devices	900	1,150	3,350	2,000	500	200	500	1,000	1,500	1,500	1,500	0	14,100
RDMMBLU	RDM Plant Lubrication	3,000	3,500	3,500	4,000	2,500	4,000	3,500	4,000	3,000	4,000	3,000	4,000	42,000
STMCSM	STM Consumables	21,320	20,070	19,570	22,070	20,070	21,070	19,070	22,320	23,070	19,070	22,070	17,070	246,840
RDMENV	RDM Emission Controls:CEM	0	0	0	0	0	3,000	3,000	3,000	0	0	0	0	9,000
STMIEVS	STM Emission Controls:CEM	6,200	6,900	9,850	5,700	13,100	4,400	8,600	5,500	5,400	12,250	3,200	5,400	86,500
RDMSSUPCP	RDM Emission Controls:Precipitat	0	0	0	0	0	3,000	3,000	3,000	0	0	0	0	9,000
STMGGUPRP	STM Emission Controls: Precipitat	4,000	6,500	7,000	4,000	8,000	6,000	5,750	5,000	6,750	5,000	3,500	500	62,000
STMFGXMEM	STM Emission Controls: SDRS Mis	0	3,100	3,200	600	0	4,100	200	2,200	2,500	200	1,800	800	18,800
STMFGXPWS	STM Emission Controls:SDRS Pote	200	200	300	1,500	300	200	300	200	200	100	100	100	3,800
STMFGXSAB	STM Emission Controls:SDRS Abs	1,500	5,000	2,000	1,000	2,500	1,000	3,600	1,300	2,000	1,500	1,400	1,200	24,000
STMFGXSBB	STM Emission Controls:SDRS Scr	150	150	150	1,000	100	200	150	150	150	100	150	100	2,550
STMFGXSTK	STM Emission Controls:SDRS Scr	500	0	1,000	1,200	0	1,400	0	600	1,700	0	700	700	7,800
STMFGXTRW	STM Emission Controls:SDRS Thic	800	9,250	750	750	350	300	750	1,150	750	1,150	550	750	17,300
STMFGSCR	STM Emission Controls: Scrubbers	3,350	7,900	26,800	11,550	3,950	14,325	3,500	5,800	13,450	10,775	10,300	2,300	114,000
STMMSCR	STM Nox Reduction-SCR Maintena	4,000	4,000	51,200	26,500	4,000	5,000	4,000	22,200	24,000	17,500	4,000	4,000	170,400
RDMNWS	RDM Effluent Control(Waste Water	950	950	1,000	9,950	950	950	950	900	850	850	850	850	20,000
STMWWS	STM Effluent Control(Waste Water	350	350	350	1,500	350	400	300	400	300	400	550	350	5,600
RDMCHS	RDM Fuel Feed: Fuel Conveying Sy	11,400	33,300	25,600	45,400	25,920	39,720	27,920	28,020	28,020	23,020	17,900	23,420	330,440
STMCHS	STM Fuel Feed: Fuel Conveying Sy	3,950	6,375	6,900	7,300	9,300	7,200	10,400	9,100	8,300	8,100	2,850	5,750	85,225
RDMMSGUFPE	RDM Fuel Feed: Mills and Feeders	0	0	0	0	0	3,000	3,000	3,000	0	0	0	0	9,000
STMMSGUFPE	STM Fuel Feed: Mills and Feeders	5,800	9,700	12,000	11,100	3,800	7,400	5,000	4,900	9,900	8,000	11,100	3,900	92,600
RDMCHSBUS	RDM Fuel Handling:Coal Unloading	3,500	3,500	16,450	4,500	10,500	15,250	10,000	7,100	4,000	5,800	13,900	6,300	99,800
RDMCWSINT	RDM Screenwell Maintenance	200	3,700	21,300	14,200	13,200	200	7,200	4,500	8,450	200	200	200	73,550
RDMIPWS	RDM Potable Water System	800	350	370	500	2,350	300	900	450	500	800	450	600	8,370
STMIPWS	STM Service Water System	100	100	100	100	100	100	100	100	100	100	100	100	1,200
RDMIEDT	RDM Switchgear/Bus	250	800	450	650	400	6,350	800	6,400	6,000	700	500	100	23,400
STMIEDT	STM Switchgear/Bus	1,900	8,400	7,500	1,400	7,000	9,700	6,850	1,200	7,250	1,200	14,400	1,300	67,100
STMGTNDGS	STM Diesel/Generator	100	70	300	600	300	200	250	330	200	1,250	0	500	4,100
RDMGEU	RDM General Use Equipment	1,700	1,200	2,700	2,700	1,200	2,700	2,200	1,200	3,200	1,700	1,700	2,700	24,900
STMTR	STM Tool Room	3,500	3,400	4,050	3,250	3,600	4,000	4,700	6,000	5,500	4,500	5,500	4,500	52,500
RDMWTGN	RDM Turbine/Generator	0	0	0	0	0	3,000	3,000	3,000	0	0	0	0	9,000
STMWTGN	STM Turbine/Generator	4,000	5,000	3,100	5,250	3,500	4,000	5,400	7,600	3,150	4,500	4,000	3,000	52,500
RDMMEQ	RDM Non-Fuels Equipment	900	900	1,100	1,300	900	1,100	900	1,100	900	1,100	900	900	12,000
RDMPEV	RDM Vehicles	3,200	5,400	3,950	4,100	5,800	4,500	3,250	2,650	4,100	5,300	3,400	2,450	47,200
RDMMBMT	RDM Maintenance Training	1,250	3,250	1,250	1,250	1,250	24,250	6,250	3,250	1,250	1,250	3,250	1,250	49,000
RDMEDGT	RDM Combustion Turbine-Electricit	0	400	800	300	500	900	4,500	500	500	0	600	300	9,300
RDMFSPGT	RDM Combustion Turbine-Fire Prol	0	350	400	2,900	300	700	600	400	0	1,700	3,000	280	10,550
RDMFST	RDM Combustion Turbine	100	100	6,100	5,100	6,100	100	100	100	4,100	20,100	66,000	100	111,600
RDMMEQCCLRDM	Mobile Fuels Equipment	6,200	6,200	6,200	6,700	6,700	66,700	6,700	6,700	6,700	6,700	6,700	6,700	138,900

BREC - Reid/Station Two

2010 O&M Non-Labor Budget (Gross)

Number	Description	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	TOTAL
STMF0X	STM Limestone Grinding/Processin	5,535	15,235	21,594	16,934	13,934	12,134	7,034	3,934	7,334	12,464	5,334	6,334	127,540
STOMEQ	STO Mobile Fuels Equipment - Fue	8,700	8,700	8,700	8,700	8,700	8,700	8,700	8,700	8,700	8,700	8,700	8,700	104,400
STOCHS	STO Coal Unloading Barge - Fuel H	0	0	13,000	0	13,000	0	13,000	22,000	0	13,000	0	0	74,000
STOCHP	STO Buildings & Grounds - Fuel H	6,000	6,000	3,000	6,750	6,000	12,125	6,000	6,000	7,125	3,525	3,000	6,000	71,525
STOCHS	STO Buildings & Grounds - Operat	11,895	14,895	11,895	19,695	10,695	12,195	12,195	35,695	10,695	10,695	19,695	11,895	182,140
STOCHS	STO Consumables - Fuel Handlin	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
STOCHS	STO Consumables - Operations	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
RDOSGUF	RDOSGUFERDO Mills and Feeders	0	0	0	0	0	0	0	0	0	0	0	0	0
STOSGUF	STOSGUFPE STO Mills and Feeders	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	192,000
STOCHTR	STO Tool Room - Fuel Handling	700	700	700	700	700	700	700	700	700	700	700	700	8,400
STOTR	STO Tool Room - Operations	0	0	2,550	0	1,000	0	1,500	0	350	1,000	0	1,000	7,400
STOTGN	STO Turbine/Generator	5,330	5,330	5,330	5,330	5,330	5,340	5,330	5,330	5,340	5,330	5,330	5,340	64,000
STOMEQ	STO Vehicles	3,350	3,350	3,350	3,350	3,350	3,350	3,350	3,350	3,350	3,350	3,350	3,350	40,200
STOF0D	STO HMP L FGD Shared Equipment	35,254	35,254	35,254	35,254	35,254	35,254	35,254	35,254	35,254	35,254	35,254	35,254	423,048
STOADM	STO Administrative	15,453	15,453	14,937	10,654	15,978	5,941	17,148	18,171	19,371	3,403	4,603	15,463	188,693
STOLAB	STO Laboratory	14,050	16,350	25,400	20,050	23,300	43,700	14,200	16,450	37,180	17,250	16,900	23,700	266,530
STOREDGE	ST Dredging Ash Ponds	0	0	0	0	0	6,000	6,000	10,000	0	0	0	0	15,000
STOCHOIS	ST Outside Industrial Service - Fue	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	72,000
STOIS	ST Outside Industrial Service - Ops	13,400	13,400	13,400	13,400	13,400	13,400	13,400	13,400	13,400	13,400	13,400	13,400	160,800
STOSCR	STO HMP L SCR Operat	9,000	9,000	9,000	9,000	9,000	129,000	9,000	9,000	9,000	65,000	87,000	9,000	394,000
STOSGV	STO Boilers and Burners	27,000	30,000	19,000	0	19,200	39,000	18,000	0	27,000	30,000	18,000	9,000	235,000
RD110xxx	BREC Additions	22,765	22,765	22,765	22,765	22,765	22,765	22,765	22,765	22,765	22,765	22,765	22,765	273,182
RD110xxx	R1 - Major Initiatives	130,550	30,550	155,050	395,550	30,550	60,000	370,000	0	497,550	30,550	30,550	30,514	1,761,414
ST1210xxx	H1 - Major Initiatives	0	0	142,000	80,000	0	0	0	0	0	0	0	0	222,000
ST1210xxx	H2 - Major Initiatives	0	0	22,000	56,000	0	0	30,600	0	0	0	0	0	107,000
RD110USO	R1 - Unscheduled Outages	0	0	0	0	0	0	0	0	0	0	0	0	0
ST110USO	H1 - Unscheduled Outages	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	360,000
ST110USO	H2 - Unscheduled Outages	7,000	7,000	3,500	0	3,500	7,000	7,000	7,000	7,000	7,000	7,000	7,000	70,000
RD110SPO	R1 - Spring Planned Outage (Ops)	0	0	0	0	0	0	0	0	0	0	0	0	0
ST110SPO	H1 - Spring Planned Outage (Ops)	0	0	0	0	0	0	0	0	0	0	0	0	0
ST110SPO	H2 - Spring Planned Outage (Ops)	0	0	0	0	0	0	0	0	0	0	0	0	0
RD110XPO	R1 - Planned Outage (Mtc)	0	0	0	0	0	0	0	0	0	0	0	0	0
ST110XPO	H1 - Planned Outage (Mtc)	0	0	0	0	0	0	0	0	0	0	0	0	0
ST110XPG	H1 - Planned Outage (Mtc)	0	0	0	0	0	0	0	0	0	0	0	0	0
ST1210SPO	H2 - Spring Planned Outage (Mtc)	0	0	967,810	1,451,195	0	0	0	0	0	0	0	0	2,119,005
Total 2010 R/STIL Non-Labor O&M (Gross)		577,982	577,347	1,789,005	2,770,577	562,661	961,494	1,001,896	694,884	1,097,739	697,271	676,692	460,970	11,765,042
HMP L Allocation		112,263	139,634	462,527	690,812	133,938	233,135	152,731	143,492	162,936	169,923	163,118	107,707	2,692,306
Total 2010 R/STIL Non-Labor O&M (Net)		465,719	437,713	1,326,378	2,079,764	428,643	728,359	849,165	451,402	944,802	527,348	523,573	352,869	9,115,735

SCHEDULE 2.1

STATION TWO TERMINATED AGREEMENTS

1. Station Two Agreement;
2. Station Two G&A Allocation Agreement, dated July 15, 1998, among the City Utility Commission, Big Rivers and Station Two Subsidiary;
3. Agreement with Respect to Operating Reserves and Amendment No. 1 to Systems Reserve Agreement, dated July 15, 1998, among the City Utility Commission, Big Rivers and LEM;
4. Assignment and Assumption Agreement (Station Two), dated July 15, 1998, between Big Rivers and Station Two Subsidiary;
5. Deed of Easement and Right-of-Way, dated July 15, 1998, between Big Rivers, as grantor, and Station Two Subsidiary, LEM and WKEC, as grantees;
6. Deed of Easement and Right-of-Way, dated July 15, 1998, between the City of Henderson, the City Utility Commission, as grantors, and Station Two Subsidiary, LEM and WKEC, as grantees;
7. Mortgage and Security Agreement, dated July 15, 1998, by Big Rivers to WKEC and LEM;
8. Mortgage Deed and Security Agreement, dated July 15, 1998, by Big Rivers to LEM and WKEC, as amended by First Amendment to Mortgage and Security Agreement, dated August 22, 2002;

9. Acknowledgement and Consent, dated July 15, 1998, among the City of Henderson, the City Utility Commission and LEM;

10. Designated Representative Appointment Agreement, dated September 24, 2007 among the City of Henderson, the City Utility Commission, Big Rivers, Western Kentucky Energy Corp., Gregory Black and Ralph Bowling;

11. Letter Agreement, dated October 20, 2003, among WKEC, LEM and Big Rivers, relating to the sharing of costs for the Reid Station gas line;

12. E.ON Guarantee, and any written consents, acknowledgments or assurances that may have been given by LEC or E.ON at any time prior to the Closing with respect to the enforceability or effectiveness of the E.ON Guarantee and/or the applicability of the E.ON Guarantee to any debts, obligations or liabilities of any other E.ON Station Two Party, Station Two Subsidiary or WKE;

13. Agreement for Interim Funding Station Two SCR System, dated May 7, 2002, as amended, among the City of Henderson, the City Utility Commission, WKEC (including as successor by merger with Station Two Subsidiary and WKE) and LEM;

14. Supplementary Agreement on SO₂ Emission Allowances, dated January 18, 2002, between the City Utility Commission and WKEC (including as successor by merger with Station Two Subsidiary and WKE);

15. Excess Power Agreement (letter agreement) dated July 23, 1999, between LEM and the City Utility Commission;

16. Non-Disturbance Agreement;
17. Participation Agreement.

SCHEDULE 3.1

RELEASED STATION TWO CONTRACTS

1. Power Sales Contract, dated August 1, 1970, among the City of Henderson, the City Utility Commission, Big Rivers, Station Two Subsidiary (as assignee of Big Rivers) and LEM (as assignee of Station Two Subsidiary), as amended;
2. Amendment No. 1 dated March 2, 1971, to Power Sales Contract, dated August 1, 1970, among the City of Henderson, the City Utility Commission, Big Rivers, Station Two Subsidiary (as assignee of Big Rivers) and LEM (as assignee of Station Two Subsidiary);
3. Amendments, dated May 1, 1993, to Contracts among the City of Henderson, the City Utility Commission, Big Rivers, Station Two Subsidiary (as assignee of Big Rivers) and LEM (as assignee of Station Two Subsidiary);
4. Amendments to Contracts among the City of Henderson, the City Utility Commission and Big Rivers, dated July 15, 1998;
5. Power Plant Construction and Operation Agreement, dated August 1, 1970, among the City of Henderson, the City Utility Commission, Big Rivers and Station Two Subsidiary (as assignee of Big Rivers), as amended;
6. Joint Facilities Agreement, dated August 1, 1970, among the City of Henderson, the City Utility Commission, Big Rivers and Station Two Subsidiary (as assignee of Big Rivers), as amended;
7. 2005 Amendments to Contracts, dated as of April 1, 2005, among the City of Henderson, the City Utility Commission, Big Rivers, Station Two Subsidiary and LEM;

8. Deed of Easement, dated August 12, 2003, but with retroactive effect to June 1, 1999, among the City of Henderson, the City Utility Commission, Big Rivers, WKEC, LEM, Station Two Subsidiary and WKE, relating to the Reid Station gas line;

9. Agreement for Transmission and Transformation Capacity, dated April 11, 1975, between Big Rivers and the City Utility Commission;

10. Spare Transformer Agreement, dated July 1, 1972, among the City of Henderson, the City Utility Commission and Big Rivers;

11. Grant of Rights and Easements, dated as of April 1, 2005, among the City of Henderson, the City Utility Commission, Big Rivers and WKEC.

12. Letter Agreement, dated May 13, 1994, between Big Rivers and the City Utility Commission;

13. Settlement Agreement for Diverter Dampers and NEMS Systems, dated April 28, 2005, among WKEC (including as successor by merger with Station Two Subsidiary and WKE), the City Utility Commission, Alstom Power Inc., Zachry Construction Corporation, and the consortium comprised of Alstom Power Inc. and Zachry Construction Corporation pursuant to that certain Consortium Agreement dated effective April 2, 2002 (the "Consortium").

14. Agreement Regarding Costs in Connection with Correction or Repair of Diverter Dampers and NEMS Systems, dated May 5, 2005, among the City Utility Commission, WKEC (including as successor by merger with Station Two Subsidiary and WKE), and Big Rivers, including the Amendment thereto executed on December 18, 2006, but dated effective December 13, 2006.

15. Agreement and Supplemental Settlement Agreement dated December 13, 2006, among the City Utility Commission, WKEC, Alstom Power Inc., Zachry Construction Corporation, the Consortium and Big Rivers.

16. Station Two Unit 2 Controls – Siemens Proposals RFCN03161-LS-6233 dated 10/10/03, RFCN03161-LS-6233A dated 10/16/03 and RFCN03161-LS-6233B dated 10/17/03; Project 051-H-0096.

17. Reid Station Unit 1 Controls – Siemens Proposals RFCN03180-LS-6246 dated 10/21/03.

18. Letter Agreement dated March 28, 2006, among WKEC, the City Utility Commission and Siemens Power Generation, Inc. (“Siemens”).

19. Letter Agreement dated January 10, 2007, among WKEC, the City Utility Commission and Siemens.

20. Agreement (commonly referred to as the “Subordination Agreement”) dated as of April 1, 2005, among the City of Henderson, the City Utility Commission, Big Rivers, Station Two Subsidiary, LEM, WKEC, WKE, The United States of America, Ambac Assurance Corporation, National Rural Utilities Cooperative Finance Cooperation, Credit Suisse, U.S. Bank National Association, PBR-1 Statutory Trust, PBR-2 Statutory Trust, PBR-3 Statutory Trust, FBR-1 Statutory Trust, FBR-2 Statutory Trust, PBR-1 OP Statutory Trust, PBR-2 OP Statutory Trust, PBR-3 OP Statutory Trust, FBR-1 OP Statutory Trust, FBR-2 OP Statutory Trust, Bluegrass Leasing, Trisail Capital Corporation, AME Investments, LLC, CoBank, ACB, AME Asset Funding, LLC and Ambac Credit Products, LLC.

SCHEDULE 4.1
MATERIAL PERMITS

SCHEDULE 5.1

CLOSING YEAR RECONCILIATION AS BETWEEN E.ON STATION TWO PARTIES AND BIG RIVERS

10.1 Interim Period Reconciliations.

(a) In any Year which includes . . . the date of termination or expiration of the Term, Big Rivers, on the one hand, and Station Two Subsidiary and LEM, on the other hand, hereby agree that, on or before 30 days after . . . the date of termination or expiration of the Term, . . . (or as soon thereafter as is reasonably possible, in the event the relevant data is not available within 30 days), there shall be a reconciliation between Big Rivers and the LG&E Companies of the following charges and costs actually paid or accrued while Station Two was being operated . . . by Station Two Subsidiary during the Term, as compared with the estimates of such charges and costs paid or accrued (based on the Annual Budget with Henderson) during the period of operation of Station Two by . . . Station Two Subsidiary . . .: (1) all charges and costs for operation and maintenance of Station Two under the Station Two Operating Agreement, as actually paid or accrued by . . . Station Two Subsidiary . . . during the period of . . . operations of Station Two, as compared with payments made or accrued by Henderson to . . . Station Two Subsidiary . . . under Section 13.6 of the Station Two Operating Agreement based upon estimates included in the Annual Budget; and (2) all amounts paid or accrued to Henderson . . . (pursuant to Section 6.1 of the Station Two Power Sales Agreement) of estimated Capacity costs and charges (based on the Annual Budget with Henderson) by . . . Station Two Subsidiary or LEM during the period of . . . Station Two Subsidiary's . . . operations of Station Two, as compared with the actual aggregate Capacity costs and charges that should have been paid or accrued

(based on actual charges and costs so paid or accrued in the operation of Station Two) . . . by LEM or Station Two Subsidiary during the period of . . . operation of Station Two.

(c) For purposes of reconciling operating and maintenance costs and Capacity charges between Big River, on the one hand, and LEM and Station Two Subsidiary, on the other hand, incurred during the Partial Year prior to the date of expiration or termination of this Agreement, the provisions of this Section 10.1(c) shall govern. If during the Partial Year ending on the termination or expiration date: (1) the sum of the operating and maintenance costs actually paid or accrued by Station Two Subsidiary in such Partial Year plus the estimated Capacity costs and charges . . . paid in or payable for such Partial Year directly to Henderson . . . by Station Two Subsidiary (or its successors or permitted assigns) (reduced, however, by the amounts that Big Rivers reimburses or must reimburse Station Two Subsidiary for Capacity charges in such Partial Year associated with Big Rivers' share of Debt Service, Big Rivers' share of Henderson Incremental Environmental O&M or Big Rivers' share of all Station Two Improvements funded during that Partial Year) exceeds (2) the sum of the estimated operating and maintenance costs paid or accrued by Henderson as a reimbursement to Station Two Subsidiary during such Partial Year plus the Capacity costs and charges that (based on actual charges and costs paid or accrued in the operation of Station Two during such Partial Year, and not based on estimates) should have been . . . paid in or payable for the Partial Year directly to Henderson . . . by Station Two Subsidiary (or its successors or permitted assigns) (reduced, however, by the amounts that Big Rivers reimburses or must reimburse Station Two Subsidiary for Capacity charges incurred during such Partial Year associated with Big Rivers' share of Debt Service, Big Rivers' share of Henderson Incremental Environmental O&M or Big Rivers' share of Station Two Improvements funded during that Partial Year); then Big Rivers shall pay to LEM and/or Station Two

Subsidiary such excess amount within 45 days after the termination or expiration date (or, if the determination of those amounts cannot reasonably be made within the initial 30-day period as contemplated in Section 10.1(a), then within 15 days after that determination can be reasonably made). If, however, the sum described in (2), above, exceeds the sum described in (1), above, then Station Two Subsidiary (or its designated Affiliate) shall pay to Big Rivers the amount of such deficiency within 45 days after the termination or expiration date (or, if the determination of those amounts cannot reasonably be made within the initial 30-day period as contemplated in Section 10.1(a), then within 15 days after that determination can be reasonably made). As between Big Rivers, on the one hand, and Station Two Subsidiary and LEM, on the other hand, such Parties acknowledge and agree that neither Station Two Subsidiary nor LEM, nor any other LG&E Company, shall have any right or interest in the proceeds due from Henderson, or any duty or obligation to Big Rivers or Henderson for proceeds due to Henderson, in the annual reconciliation required by Section 9.4 of the Station Two Power Sales Agreement and Section 16.6 of the Station Two Operating Agreement for the Year which includes the date of expiration or termination of the Term. . . .

(d) Notwithstanding anything herein to the contrary, the agreements set forth above are solely between Big Rivers, Station Two Subsidiary and LEM, and shall not impose upon Henderson any duty or obligation to Big Rivers, Station Two Subsidiary or LEM relating to such interim period reconciliations or the annual reconciliations required by the Station Two Operating Agreement and the Station Two Power Sales Agreement which are in addition to or different than the duties and obligations required of Henderson under such Station Two Contracts. . . .

BIG RIVERS ELECTRIC CORPORATION'S
RESPONSE TO THE ATTORNEY GENERAL'S OCTOBER 24, 2008
SUPPLEMENTAL REQUEST FOR INFORMATION TO JOINT APPLICANTS
PSC CASE NO. 2007-00455
November 7, 2008

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Item 34) Please refer to the Potline Reduction Sales section of the proposed Retail Electric Service Agreement. Please estimate the net proceeds to the smelter if a Potline Reduction Sale was implemented at the full amount for the calendar year 2010. Please show and provide the supporting calculations.

Response) Potline Reduction Sales term in the Smelter Agreements allows each Smelter to request Kenergy to cause Big Rivers to sell 115 MW (plus or minus 10 MW) per hour to third parties in the event a potline is taken out of service under circumstances defined in the Retail Electric Service Agreements. The Smelter is credited with the net proceeds of Potline Reduction Sales made on its behalf into the market. The following example provides a pro forma estimate of the net proceeds to the Smelter if a Potline Reduction Sale were implemented at the full amount for the calendar year 2010 based on the assumptions in the Unwind Financial Model:

- Column A states the charges the Smelter would be responsible for paying related to 115MW of potline capacity, prior to giving effect to any credit for Potline Reduction Sales, based on assumptions in the Financial Model filed 10/08.

- Column B states the gross proceeds generated by diverting energy related to 115MW of potline capacity to market sales at the rate projected in the Financial Model filed 10/08, or \$59.20/MWh. Net of administrative fees of \$0.25/ MWh, a total of \$58.2 million in operating receipts is generated from the sale.

- Column C states the net proceeds of selling energy related to 115MW of potline capacity into the market that benefit the Smelters, equal to the Potline Reduction Credit less charges associated with the 115MW (Col. B - Col. A).

Witness) C. William Blackburn

BIG RIVERS ELECTRIC CORPORATION'S
 RESPONSE TO THE ATTORNEY GENERAL'S OCTOBER 24, 2008 SUPPLEMENTAL REQUEST FOR INFORMATION TO JOINT APPLICANTS
 PSC CASE NO. 2007-00455
 November 7, 2008

	Location in Financial Model	A Charges Related to Potline Capacity	B Credit For Potline Reduction Sales Contract Provisions	C Net Proceeds to Smelter Col. D - Col. A
1	Energy			
2	Capacity (MW)	115	115	
	Load Factor	98%	98%	
3	Energy @ 98% Load Factor (TWh)	0.99	0.99	
4				
5	Rates (\$/ MWh)			
6	Smelter Rate (cash)	44.61		
7	Market Rate	-	59.20	
8	Administrative Fee	-	<u>0.25</u>	
9	Net	<u>44.61</u>	<u>58.95</u>	
10				
11	Smelter Revenue (M\$; Cash Basis)	44.0	58.2	14.2