



**CONFIRMATION AGREEMENT**

**Seller :**

**Alliance Coal, LLC**

**1717 South Boulder Avenue, Suite 400  
Tulsa, OK 74119**

Attn: Jared Griffith  
Vice President - Sales  
Tel. [REDACTED]  
Email: [REDACTED]

**Buyer :**

**Duke Energy Kentucky, Inc.**

**525 South Tryon Street, DEP-20A2  
Charlotte NC 28202**

Attn: Adam Pritchard  
Originator, Fuels & Systems Optimization  
Tel. [REDACTED]  
Email: [REDACTED]  
Ref. #: 35761

This confirms the agreement entered into to be effective as of the date executed as provided below, by and between Duke Energy Kentucky, Inc. (“**Buyer**”) and Alliance Coal, LLC (“**Seller**”), Buyer and Seller shall be referred to individually as a “Party” and collectively as the “Parties,” regarding the sale and purchase of coal (the “**Transaction**”) under the terms specified herein.

This Coal Purchase Confirmation (the “**Confirmation**”) constitutes an agreement for the sale and purchase of coal and constitutes a “Confirmation” under the Master Agreement (as defined below). This Confirmation supplements, forms part of, and is subject to, the Master Agreement for the Sale and Purchase of Coal dated as of January 1, 2017, as it has been or may be amended and supplemented from time to time between Seller and Duke Energy Business Services LLC as agent individually and separately for each of Duke Energy Carolinas, LLC; Duke Energy Kentucky, Inc.; Duke Energy Florida, LLC; Duke Energy Indiana, LLC; and Duke Energy Progress, LLC (the “**Master Agreement**”). For the avoidance of doubt, however, none of Duke Energy Business Services, LLC; Duke Energy Carolinas, LLC; Duke Energy Indiana, LLC; Duke Energy Florida, LLC; or Duke Energy Progress, LLC will have any rights, duties or obligations pursuant to this Confirmation. All provisions contained in the Master Agreement govern this Confirmation to the extent not in conflict with the terms hereof. The terms of this Confirmation shall prevail in the event of an inconsistency between the terms of this Confirmation and the Master Agreement. The Confirmation shall be effective on the date Buyer has executed this Confirmation. Terms used but not defined herein shall have the meanings ascribed to them in the Master Agreement.

**Quote Date:** June 25, 2024

**Commodity:** Crushed coal, containing no synthetic fuels, and free from any extraneous materials, with no intermediate sizes added or removed and otherwise meeting the Specifications of this Confirmation.

**Term:** January 1, 2025 through March 31, 2027, inclusive (the “**Term**”), subject to the provisions of the Flexibility Section below.

**Contract Quantity:** During the period commencing on January 1, 2025 and ending on December 31, 2025, inclusive (“**CY2025**”), approximately 300,000 Tons (“**2025 Tons**”) subject to the Flexibility Section below.

During the period commencing on January 1, 2026 and ending on December 31, 2026, inclusive (“**CY2026**”), approximately 300,000 Tons (“**2026 Tons**”) subject to the Flexibility Section below.

During the period commencing on January 1, 2027 and ending on March 31, 2027, inclusive (“**CY2027**”) the Contract Quantity will be the sum of the FlexDown Tons from CY2026, if any, plus any Rollover Tons from CY2026, if any. If there are no Rollover Tons or FlexDown Tons from CY2026 then the CY2027 Contract Quantity will be zero (0) Tons and this Agreement will automatically expire on December 31, 2026.

**Flexibility:** Buyer, in its sole discretion, shall have the right, by providing thirty (30) days’ written notice prior to the beginning of a calendar quarter (“**Quarter**”), as to whether it will flex the Contract Quantity up (increase Tons) or down (decrease Tons) by up to twenty percent (20%) of the quarterly base volume during the succeeding Quarter. For example, the total tonnage with respect to CY2025 could be plus or minus 15,000 Tons per Quarter, up to a maximum of plus or minus 60,000 Tons during CY2025. Therefore, if Buyer exercised its total tonnage flexibility rights during CY2025, the total tonnage obligation for CY2025 could be a maximum of 360,000 Tons of Coal or a minimum of 240,000 Tons of Coal.

Any increase in volume during a Quarter will be added to the total Contract Quantity obligation for such calendar year (as previously or subsequently adjusted as provided herein). Any decrease in volume during a Quarter (“**FlexDown Tons**”) will be subtracted from the total Contract Quantity obligation for such year (as previously or subsequently adjusted as provided herein). Promptly after the expiration of each Year (CY2025 and CY2026, as applicable) the Parties will work together to aggregate and determine the total net Contract Quantity of Coal for such Year, taking into account any increases or decreases during each Quarter thereof as provided herein.

- (a) If (i) Buyer does not exercise its rights to increase or decrease the Contract Quantity during any Quarter of such Year and (ii) Seller has delivered and Buyer has accepted, 100% of the 2025 Tons or 2026 Tons (as applicable for such Year), then there will be no Rollover Tons or FlexDown Tons for such Year.
- (b) If (i) Buyer does not exercise its rights to increase or decrease the Contract Quantity during any Quarter of such Year but (ii)

Seller has delivered and Buyer has accepted, less than 100% of the 2025 Tons or 2026 Tons (as applicable for such Year), then the “**Rollover Tons**” applicable to such Year will be determined by subtracting the volume of Coal that was delivered by Seller and accepted by Buyer during such Year from the 2025 Tons or 2026 Tons (as applicable for such Year).

- (c) If (i) Buyer exercises its flexibility rights (increase or decrease) during any one or more Quarter(s) and (ii) after taking into account all increases and decreases during such Year the 2025 Tons or 2026 Tons as applicable, would be more than 300,000 Tons, then the 2025 Tons or 2026 Tons, as applicable, will be the aggregate total of (x) the 300,000 Tons plus (y) any increased volumes minus (z) any decreased volumes and the “**Rollover Tons**” applicable to such year will be determined by subtracting the volume of Coal that was delivered by Seller and accepted by Buyer during such Year from the revised 2025 Tons or 2026 Tons (as applicable for such Year) calculated pursuant to this paragraph (c).
- (d) If (i) Buyer exercises its flexibility rights (increase or decrease) during any one or more Quarter(s) and (ii) after taking into account all increases and decreases during such Year the as adjusted 2025 Tons or 2026 Tons, as applicable, would be less than 300,000 Tons, then the 2025 Tons or 2026 Tons, as applicable, will nonetheless remain 300,000 Tons and the “**FlexDown Tons**” applicable to such year will be determined by subtracting the as adjusted volume applicable to such Year from 300,000 Tons. Furthermore, the “**Rollover Tons**” with respect to such Year will be determined by subtracting the volume of Coal that was delivered by Seller and accepted by Buyer during such Year from the as adjusted 2025 Tons or 2026 Tons (as applicable for such Year).

The foregoing right to increase or decrease the Contract Quantity applicable in any one or more Quarters, whether during CY2025 or CY2026 is separate and individual and will not be obligated, limited, or otherwise impacted by Buyer’s exercise or non-exercise of such right with respect to any other Quarter.

**Rollover:** Any 2025 Tons or 2026 Tons, if any, that are not FlexDown Tons but were not delivered and accepted during CY2025 or CY2026 will constitute “**Rollover Tons**” and will be made up during the first three months of the immediately following Year and will be the first tons of Coal that are delivered and accepted during such Year.

**Contract Price:** The Contract Price for all 2025 Tons is \$50.00 USD per Ton of Coal delivered at the Delivery Point.

The Contract Price for all 2026 Tons is \$52.00 USD per Ton of Coal delivered at the Delivery Point.

**Source:** Seller's Tunnel Ridge Mine, Pitt #8 seam in Ohio County, WV ("**Mine**" or "**Source**")

**Delivery Point:** F.O.B. barge at Seller's loading facilities (via the Ohio River Pike Island Pool) located at MP 82.3 on the Ohio River

**Scheduling:** As mutually agreed to between Buyer, Seller, and the Terminal otherwise per the Master Agreement.

**Weighing/Sampling and Analysis:**

The following provisions supplant Section 7 of the Master Agreement:

Each Shipment shall be sampled at the load port by Seller's appointed laboratory Standard Laboratories (the "**Independent Laboratory**"). The Independent Laboratory shall prepare one physical composite sample at the load port and divide the sample into four (4) splits clearly labelled in air tight containers as follows: (1) the analysis sample split; (2) the umpire sample split (the "**Umpire Sample Split**"); (3) Seller's sample split; and (4) Buyer's sample split. All costs of sampling and analysis including use of mechanical sampler shall be for Seller's account.

The Independent Laboratory will retain the Umpire Sample Split until the sixtieth (60th) day after the Bill of Lading date for the applicable Shipment.

The analysis sample split shall be analysed by the Independent Laboratory. The analysis of the characteristics listed in the Typical Specifications shall be determined in accordance with ISO or ASTM Standards. Seller shall ensure that the Independent Laboratory issues to the Parties a certificate (the "**Analysis Certificate**") certifying the results of such analysis within two (2) days after sampling. All percentages referred to in the Analysis Certificate shall be percentages by weight. The Analysis Certificate shall be final and binding on the Parties for all purposes of the Agreement, except in the case of fraud or manifest error, or as provided herein for the Umpire Certificate. All costs of analysis of the analysis sample split shall be for Seller's account.

Either Buyer or Seller may have an analysis determined on its respective sample split at its sole expense. Either Party may, within five (5) days after its receipt of the Analysis Certificate, give notice in writing to the other Party challenging any analysis result for the characteristics contained in the Analysis Certificate and calling for the Umpire Sample Split to be submitted for analysis of those characteristics at its expense

to a mutually acceptable independent commercial laboratory (the “**Umpire Laboratory**”), being appointed by such Party for and on behalf of both Parties jointly. Any analysis result in an Analysis Certificate which is not so challenged shall become a Final Result. The challenging Party shall ensure that the Umpire Laboratory perform an analysis of the relevant characteristics and issue to Buyer and Seller a certificate certifying the results of such analysis within five (5) Business Days after the date of its submission of the Umpire Sample Split for analysis (the “**Umpire Certificate**”). If the analysis results in the Umpire Certificate fall outside the Reproducibility Limits of the analysis results in the Analysis Certificate, the results of the Umpire Certificate shall be the Final Results, except in the case of fraud or manifest error. If the analysis results in the Umpire Certificate fall within the Reproducibility Limits of the analysis results of the Analysis Certificate, the results of the Analysis Certificate shall be the Final Results, except in the case of fraud or manifest error.

The weight of each Shipment shall be determined by a Certified Belt Scale taken at load port. Seller shall prepare and issue to both Parties as soon as possible a barge manifest for the weight of each Shipment (the “**Weight Certificate**”), which shall be final and binding on the Parties, except in the case of fraud or manifest error. All costs of weighing shall be for the account of Seller.

**Billing and Payment:** Per the Master Agreement

**Coal Quality**

**Price Adjustments:** The BTU Contract Price Adjustment set forth in Section 8.1.1 of the Master Agreement will apply to this Confirmation. No other quality price adjustments will apply.

**Government**

**Impositions:** The provisions of Section 4.3 of the Master Agreement do not apply to this Transaction.

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**Coal Quality (“As-Received” basis):**

Specification	Typical	Max/Min Limits
Btu	12,600	< 12,300
SO <sub>2</sub>	5.5 lb./MMBtu	> 6.3 lb./MMBtu
Moisture (AR) %	7.0%	> 9.25%
Ash (AR) %	9.5%	> 10.5%
VM %	37%	< 34%
HGI	50	< 48
Chlorine (PPM)	1000	> 1300
Size	2 x 0	2.5max
Fusion Temp	2,004 °F Reducing	1,975 °F Reducing
Fines % by wt:	55 max	>60

**Other Terms and Conditions.**

Seller represents and warrants that, as of the Quote Date and as of the date of this Confirmation, and, to the extent applicable, covenants for the Term of this Transaction that:

- (a) Seller presently owns or otherwise controls, and shall continue to own and control, whether directly or through an affiliate, Coal reserves in an amount sufficient to fulfill the terms of this Confirmation, the Coal contained in such reserves is mineable and of the quality called for by this Confirmation,
- (b) There are no existing contractual commitments with respect to Coal reserves that would prevent delivery of the quantities of Coal specified in this Confirmation and Seller will not enter into contractual commitments during the Term of this Confirmation that will prevent such delivery,
- (c) Seller owns and has in operation, and shall continue to own and operate, whether directly or through an affiliate, mining facilities and equipment sufficient to produce the quantities of Coal to be delivered under this Confirmation and has obtained all necessary governmental and other third party permits (excluding unforeseen events as set forth in Section 12 of the Master Agreement), approvals and licenses, and shall continue to retain or take all prudent and timely steps necessary for submission and application for renewal of governmental or third party permits, approvals and licenses, required in connection with the execution, delivery and performance of this Confirmation, and
- (d) Seller, directly or through an affiliate, will at all times conduct its mining operations in a prudent manner consistent with good and acceptable practice in the coal mining industry, and Buyer shall have the right, upon reasonable notice, at its own expense and risk, to have its representatives and/or qualified consultants observe and inspect Seller’s facilities and operations, provided that such representatives and/or consultants shall comply with all applicable safety requirements and check-in procedures and shall not interfere with such operations.

**Dodd-Frank.** Duke Energy Kentucky, Inc. represents and warrants that: (a) it is a regulated electric load serving utility with an obligation to provide electric service to its customers and is entering into this Confirmation to secure a source of physical supply of coal to operate its electric generating units to meet such load service obligations; and (b) the embedded volumetric

optionality is primarily intended to address physical factors or regulatory requirements that reasonably influence demand for the coal.

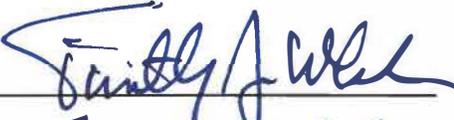
**No Precedent:** The terms and conditions set forth in this Confirmation are for the purpose of the Transaction contemplated herein only and will not set or be construed or deemed to set a precedent for any future Transaction, if any, that may be entered into between Buyer and Seller.

**Electronic Signatures:** Each Party agrees that the Electronic Signatures, whether digital or encrypted, of the Parties to this Confirmation are intended to authenticate this writing and have the same force and effect as manual signatures. “**Electronic Signature**” means any electronic sound, symbol, or process attached to or logically associated with a record and executed and adopted by a Party with the intent to sign such record.

Please confirm that the foregoing correctly sets forth the terms of the agreement between Buyer and Seller as to this Transaction by timely returning an executed copy of this letter by facsimile or email at the email address specified on the Confirmation.

**Seller :**  
**Alliance Coal, LLC**

**Buyer :**  
**Duke Energy Kentucky, Inc.**

**By:**   
**Name:** Timothy J. Whelan  
**Title:** SVP - Sales & Marketing  
**Date:** 9/29/24

**By:**   
John Verderame (Sep 30, 2024 15:35 EDT)  
**Name:** John Verderame  
**Title:** VP Fuels & Systems Optimizati  
**Date:** 09/30/2024