



**CONFIRMATION AGREEMENT**

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

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

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

**526 South Church Street, EC02F  
Charlotte NC 28202**

Attn: Jared Griffith  
General Manager - Sales  
Tel. [REDACTED]  
Email: [REDACTED]

Attn: Ken Stover  
Sr. Originator  
Tel. [REDACTED]  
Email: [REDACTED]  
Ref. #: 34815

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 Indiana, LLC; Duke Energy Carolinas, 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:** October 5, 2021

**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, 2024, through December 31, 2024, inclusive (the “Term”)

**Contract Quantity:** Approximately 100,000 tons

**Contract Price:** \$59.00 USD per Ton of Coal delivered at the Delivery Point

**Source:** Tunnel Ridge from the Pitt #8 seam located in Ohio County, WV (“Mine” or “Source”)

**Delivery Point:** F.O.B. barge (via the Ohio River Pike Island Pool) at MP 82.3 on the Ohio River

**Scheduling:** Per the Master Agreement

**Weighing/Sampling and Analysis:** Per the Master Agreement

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

**Coal Quality Price Adjustments:** BTU adjustments per the Master Agreement  
No other quality adjustments to apply

**SO<sub>2</sub> Adjustment:** Per the Master Agreement

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

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

| <b>Characteristic:</b>                                | <b>Specifications</b><br>(Monthly Weighted Average) | <b>Rejection Limit</b><br>(Per Shipment) |
|---|---|--|
| Higher Heating Value (BTU/Lb)                         | 12,600 minimum                                      | <12,300                                  |
| Ash Content (%)                                       | 9.5% maximum  | > 10.5%                                  |
| *SO <sub>2</sub> (Lbs./MMBTU) Content                 | 6.0 Lbs. maximum                                    | >6.3 Lbs.                                |
| Moisture Content (%)                                  | 7.0% maximum  | >9.25%                                   |
| Volatile Matter (%)                                   | 36.0% minimum                                       | <34.0%                                   |
| Fusion Temp (Initial Deformation °F, Reducing Atmos.) | 2145°F minimum                                      | <2125°F                                  |
| Grindability (HGI)                                    | 50 minimum  | < 48                                     |
| Chlorine (ppm)  | 900 maximum   | >1100                                    |
| Top Size  | 2” maximum  | >2.5”                                    |
| Fines (% By Weight Passing ¼” Screen)                 | 55% maximum   | N/A                                      |

\*The pounds SO2 per MMBtu shall be determined by the following formula:

$(\text{As Received Percent Sulfur} \times 20,000) / \text{As Received Btu/Lb.} = \text{Pounds SO2 per MMBtu}$

**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.

**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.

[Signature page follows.]

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 email at the email address specified on the Confirmation.

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

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

**By:** Timothy J. Whelan  
**Name:** Timothy J. Whelan  
**Title:** SVP - Sales & Marketing  
**Date:** 11/11/21

**By:** Brett J. Phipps  
Brett J. Phipps (Jan 5, 2022 12:15 EST)  
**Name:** Brett J. Phipps  
**Title:** Managing Director Fuel Procurement  
**Date:** Jan 5, 2022