

**Contract #J21002 – Amendment No. 2**

**AMENDMENT NO. 2 TO COAL SUPPLY AGREEMENT**

**THIS AMENDMENT NO. 2 TO COAL SUPPLY AGREEMENT** (“Amendment No. 2”) dated as of April 3, 2024 (“Amendment Date”), by and between LOUISVILLE GAS AND ELECTRIC COMPANY (“LG&E”) and KENTUCKY UTILITIES COMPANY (“KU”), each a Kentucky corporation, with an address at 220 West Main Street, Louisville, Kentucky 40202 (LG&E and KU are each individually sometimes herein called a “Buyer”), and ACNR COAL SALES, INC., an Ohio corporation (“Seller”), whose address is 46226 National Road, St. Clairsville, OH 43950.

In consideration of the agreements herein contained, the parties hereto agree as follows.

**A. AMENDMENT**

The Coal Supply Agreement heretofore entered into by the parties, dated as of September 10, 2019, identified as Contract Number J21002, as amended by that certain Amendment No. 1 to Coal Supply Agreement, dated August 19, 2022 and as assigned pursuant to that certain Assignment letter dated September 10, 2020, is hereby amended as set forth below (the September 10, 2019 Coal Supply Agreement, as amended by this Amendment No. 1, and as amended by this Amendment No. 2 are hereafter referred to as the “Agreement”).

This Amendment No. 2 sets forth the Agreement of the parties with respect to on-going make-up tons being elected by the Buyer under the Agreement.

**B. TERM**

**B.1 Article 2. Term.** As of the Amendment Date, the phrase “December 31, 2023” in Article 2 is deleted and replaced with “December 31, 2024”.

**C. DELIVERY**

**C.1 Section 5.1 Barge Delivery Point.** Section 5.1 Barge Delivery Point shall be deleted in its entirety and replaced with the following:

“**Section 5.1 Barge Delivery Point.** The coal shall be delivered to Buyer F.O.B. barge at the Marshall County Dock at Mile Point 110.4 on the Ohio River (“Barge Delivery Point”). Provided, however, if Buyer or Buyer’s barge transportation contractor (“Contractor”) is not permitted or able to take possession and control of the barge at such dock (for example, if the dock is part of a closed harbor), then the coal is not considered delivered hereunder unless and until Buyer or Contractor actually takes possession and control of such barge. In such case, the point where Buyer or Contractor actually takes possession and control of the barge shall be considered the Barge Delivery Point hereunder. Seller may deliver the coal at a mutually-agreeable location different from the Barge Delivery Point. In such a case, however, Seller, upon submittal by Buyer of appropriate documentation acceptable to Seller, whose acceptance shall not be unreasonably withheld, shall reimburse Buyer for any resulting increases in the cost of transporting the coal to the destination designated by Buyer. Any resulting savings in such transportation shall be retained by Buyer.”

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## D. QUALITY

**D.1 Section 6.1 Specifications.** Effective April 1, 2024 and solely with respect to tons shipped thereafter, the table in Section 6.1 is deleted in its entirety and replaced with the following:

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<u>Specifications</u>	<u>Guaranteed Monthly Weighted Average<sup>(1)</sup></u>	<u>Rejection Limits (per Shipment)</u>
BTU/LB.	Min. <u>12,500</u>	< <u>12,100</u>
<u>LBS/MMBTU:</u>		
MOISTURE	Max. <u>7.2</u>	> <u>8.0</u>
ASH	Max. <u>8.0</u>	> <u>9.25</u>
SULFUR	Max. <u>2.75</u>	> <u>3.0</u>
CHLORINE	Max. <u>700 ppm</u>	> <u>900 ppm</u>
ARSENIC	Max. <u>7.8 ppm</u>	> <u>9 ppm</u>
NITROGEN (%)	Max. <u>1.45</u>	> <u>1.65</u>
<u>SIZE (3" x 0"):</u>		
Top size (inches) <sup>(2)</sup>	Max. <u>3" x 0"</u>	> <u>3" x 0"</u>
Fines (% by weight) Passing 1/4" screen	Max. <u>55%</u>	> <u>60%</u>
<u>% BY WEIGHT:</u>		
VOLATILE	Min. <u>36.5</u>	< <u>28</u>
FIXED CARBON	Min. <u>46.5</u>	< <u>40.00</u>
GRINDABILITY (HGI)	Min. <u>54</u>	< <u>48</u>
BASE ACID RATIO (B/A) <sup>(3)</sup>	Max. <u>0.50</u>	> <u>0.60</u>
SLAGGING FACTOR <sup>(4)</sup>	Max. <u>2.30</u>	> <u>2.60</u>
FOULING FACTOR <sup>(5)</sup>	Max. <u>0.25</u>	> <u>0.30</u>
<u>ASH FUSION TEMPERATURE (°F) (ASTM D1857)</u>		
<u>REDUCING ATMOSPHERE</u>		
Initial Deformation	Min. <u>2000</u>	< <u>1950</u>
Softening (H=W)	Min. <u>2075</u>	< <u>2025</u>
Softening (H =1/2W)	Min. <u>2175</u>	< <u>2125</u>
Fluid	Min. <u>2375</u>	< <u>2325</u>
<u>OXIDIZING ATMOSPHERE</u>		

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Initial Deformation	Min. <u>2475</u>	< <u>2375</u>
Softening (H=W)	Min. <u>2500</u>	< <u>2400</u>
Softening (H=1/2W)	Min. <u>2540</u>	< <u>2440</u>
Fluid	Min. <u>2560</u>	< <u>2460</u>
"		

**E. BASE PRICE**

**E.1 Section 8.1(a) Base Price.** Effective April 1, 2024 and solely with respect to tons shipped thereafter, Section 8.1(a) is deleted in its entirety and replaced with the following provision:

"(a) Base Price. The "Base Price" of the coal to be sold hereunder will be firm and be priced at \$44.58 per ton FOB barge at the Barge Delivery Point."

For the avoidance of doubt, the parties agree that this Base Price shall be used, notwithstanding any language to the contrary in Section 8.1(b) and that this Base Price includes the Governmental Imposition Base Price changes referenced in the parties letters dated December 10, 2021 and September 20, 2022."

**E.2 Section 8.2(a) BTU True Up.** Effective April 1, 2024 and solely with respect to tons shipped thereafter, the last paragraph in Section 8.2(a) is deleted in its entirety and replaced with the following provision:

"For the avoidance of doubt, the parties agree to the following example. If the AMWA for a Delivery Month equals 12,000 BTU/LB, the GMWA equals 12,500 BTU/LB and the Base Price Per Ton is \$44.58 per ton, then the Per Ton BTU Adjustment would be  $((12,000 - 12,500) \div 12,500) \times \$44.58 = -\$1.7832$  per ton. If a total of 100,000 tons were unloaded during the Delivery Month, then the BTU adjustment would equal  $-\$178,320$  ( $100,000 \times -\$1.7832$ ). Since it is negative, this amount would be due and owing to Buyer by Seller with respect to coal unloaded by Buyer during that Delivery Month."

**E.3 Section 8.2(b) Other Quality Price Reductions.** Effective April 1, 2024 and solely with respect to tons shipped thereafter, Section 8.2(b) is deleted in its entirety and replaced with the following provision:

"(b) Other Quality Price Reductions. The Base Price is based on Buyer's receipt of coal of a quality that is consistent with or superior to all of the GMWA specifications as set forth in §6.1. Quality price reductions shall be applied for each specification each Delivery Month to account for the Seller's failure to provide coal of a quality superior to the "Discount Values" set forth below.

**DISCOUNT VALUES**

\$/MMBTU  
BTU/LB. 0.2604

\$/LB./MMBTU  
SULFUR 0.1232  
ASH 0.0083  
MOISTURE 0.0016

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For each specification during each Delivery Month with respect to the quality price discounts listed above, there shall be no discount if the AMWA for a specification meets the applicable Discount Point set forth below for that specification. If the AMWA fails to meet the Discount Point, then the applicable Discount Value shall apply, and the quality price reduction shall be calculated on the basis of the difference between the AMWA and the GMWA for such specification.

<u>GUARANTEED MONTHLY WEIGHTED AVERAGE</u>	<u>DISCOUNT POINT</u>
BTU Min. 12,500 BTU/LB	12,300 BTU/LB
ASH Max. 8.0 LB/MMBTU	9.0 LB/MMBTU
MOISTURE Max. 7.20 LB/MMBTU	7.60 LB/MMBTU
SULFUR Max. 2.75 LB/MMBTU	3.0 LB/MMBTU

For example, if the AMWA of sulfur equals 3.14 lb./MMBTU, then the applicable discount would be  $(3.14 \text{ lb.} - 3.00 \text{ lb.}) \times \$0.1232/\text{lb./MMBTU} = \$0.017248 \text{ per MMBTU.}$

**E.4 Section 8.4 Price Adjustments for Changes in Governmental Impositions.** Effective April 1, 2024 and solely with respect to tons shipped thereafter, Section 8.4 is deleted in its entirety.

**F. EXHIBIT I. COAL PROPERTIES LISTING**

**"F.1 Exhibit I. Coal Properties Listing.** The Parties agree, as of the date of this Amendment, the only remaining source and method of delivery of coal under this Agreement is delivery by barge from the Marshall County Mine. The Coal Properties listed in Exhibit I are deleted in their entirety and replaced with the following Coal Property:

<u>Mine Name</u>	<u>County</u>	<u>Type of Operation</u>	<u>Seams</u>
Marshall County Mine	Marshall, WV	Underground	Pittsburgh #8

"

**G. EXHIBIT III. PRODUCER'S INFORMATION**

**G.1 Exhibit III. Producer's Information.** The Producers listed on Exhibit III are deleted in their entirety and replaced with the following Producer:

"

<u>Producer Name</u>	<u>State of Organization</u>	<u>Business Address</u>	<u>Mines</u>
Marshall County Coal Resources, Inc.	Delaware	46226 National Rd W, St. Clairsville, OH 43950	Marshall County Mine

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**H. STATUS OF AGREEMENT**

As amended hereby, the Agreement is hereby ratified and confirmed and shall continue in full force and effect.

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**IN WITNESS WHEREOF**, the parties hereto have executed this Amendment No. 2, intending it to be binding as of the date(s) indicated below and to be performed as set out herein.

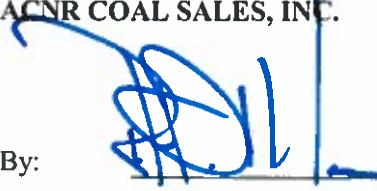
**BUYER**

**SELLER**

**LOUISVILLE GAS AND ELECTRIC COMPANY and KENTUCKY UTILITIES COMPANY**

**ACNR COAL SALES, INC.**

By:  EE41AAED19B3475



Name: Delbert Billiter

Name: Robert D. Moore

Title: Director of Coal Supply and By-Products Marketing

Title: President

Date: 4/7/2024 | 8:40 PM EDT

Date: April 3, 2024

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