

SULLIVAN, MOUNTJOY, STAINBACK & MILLER PSC

ATTORNEYS AT LAW

Ronald M. Sullivan

Jesse T. Mountjoy

Frank Stainback

James M. Miller

Michael A. Fiorella

Allen W. Holbrook

R. Michael Sullivan

Bryan R. Reynolds

Tyson A. Kamuf

Mark W. Starnes

C. Ellsworth Mountjoy

Susan Montalvo-Gesser

November 24, 2008

Via Federal Express

Ms. Stephanie Stumbo
Executive Director
Public Service Commission
211 Sower Boulevard, P.O. Box 615
Frankfort, Kentucky 40602-0615

RECEIVED

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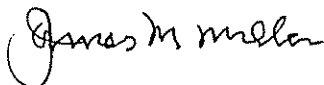
**PUBLIC SERVICE
COMMISSION**

Re: The Applications of Big Rivers Electric Corporation for: (I) Approval of Wholesale Tariff Additions for Big Rivers Electric Corporation, (II) Approval of Transactions, (III) Approval to Issue Evidences of Indebtedness, and (IV) Approval of Amendments to Contracts; and of E.ON U.S., LLC, Western Kentucky Energy Corp., and LG&E Energy Marketing, Inc., for Approval of Transactions, PSC Case No. 2007-00455

Dear Ms. Stumbo:

Enclosed for filing on behalf of Big Rivers Electric Corporation are an original and ten copies of (i) a Motion to Amend and Supplement Application ("Motion to Amend"), and (ii) a petition seeking confidential treatment of certain documents filed as Exhibits 109 and 110 to the Motion to Amend. The entire letter filed as Exhibit 109 is confidential. One sealed copy of that confidential letter is attached to the petition. A copy of a page indicating that the entire letter has been redacted are attached to each copy of the Motion to Amend. One sealed copy of Exhibit 110 with the confidential information highlighted with transparent ink is attached to the petition, and a copy of Exhibit 110 with the confidential information redacted is attached to each copy of the Motion to Amend. A copy of this cover letter, the Motion to Amend, the petition, the page noting that the entirety of Exhibit 109 has been redacted, and a redacted copy of Exhibit 110 have been served on the attached service list.

Sincerely yours,



James M. Miller

JMM/ej
Enclosures

cc: Mark A. Bailey
David Spainhoward
Service List

Telephone (270) 926-4000
Telecopier (270) 683-6694

100 St. Ann Building
PO Box 727
Owensboro, Kentucky
42302-0727

SERVICE LIST
BIG RIVERS ELECTRIC CORPORATION
PSC CASE NO. 2007-00455

Hon. Robert Michel
Orrick, Herrington & Sutcliffe
666 Fifth Avenue
New York, NY 10103

Hon. Kyle Drefke
Orrick, Herrington & Sutcliffe
Columbia Center
1152 15th Street, NW
Washington, DC 20005

Charles Buechel
Utility & Economic Consulting Inc.
116 Carrie Court
Lexington, KY 40515

Hon. Doug Beresford
Hon. Geof Hobday
Hogan & Hartson
555 Thirteenth Street, NW
Washington, DC 20004

Paul Thompson
E.ON U.S. LLC
220 West Main Street
Louisville, KY 40202

David Sinclair
E.ON U.S. LLC
220 West Main Street
Louisville, KY 40202

D. Ralph Bowling
Western Kentucky Energy Corp.
P. O. Box 1518
Henderson, KY 42419

Hon. Kendrick Riggs
Stoll, Keenon & Ogden PLLC
500 West Jefferson Street
Louisville, KY 40202

Hon. Allyson Sturgeon
E.ON U.S. LLC
220 West Main Street
Louisville, KY 40202

Kelly Nuckols
Jackson Purchase Energy Corp.
P. O. Box 4030
Paducah, KY 42002-4030

Burns Mercer
Meade County RECC
P. O. Box 489
Brandenburg, KY 40108

Sandy Novick
Kenergy Corp.
P. O. Box 18
Henderson, KY 42419

Hon. Frank N. King
Dorsey, King, Gray,
Norment & Hopgood
318 Second Street
Henderson, KY 42420

Hon. David Denton
Denton & Kueler, LLP
P.O. Box 929
555 Jefferson Street, Suite 301
Paducah, KY 42002-0929

Hon. Tom Brite
Brite and Butler
P. O. Box 309
Hardinsburg, KY 40143

Jack Gaines
JDG Consulting, LLC
P. O. Box 88039
Dunwoody, GA 30356

SERVICE LIST
BIG RIVERS ELECTRIC CORPORATION
PSC CASE NO. 2007-00455

Hon. Michael L. Kurtz
Boehm, Kurtz & Lowry
Suite 2110
36 East Seventh Street
Cincinnati, OH 45202

Hon. David Brown
Stites & Harbison, PLLC
1800 Aegon Center
400 West Market Street
Louisville, KY 40202

Henry Fayne
1980 Hillside Drive
Columbus, Ohio 43221

Allan Eyre
631 Mallard Lane
Henderson, KY 42420

Russell Klepper
Energy Services Group
316 Maxwell Road
Alpharetta, GA 30004

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

Gary Quick
Henderson Municipal Power & Light
100 5th Street
Henderson, KY 42420

Hon. John N. Hughes
124 West Todd Street
Frankfort, Kentucky 40601

Hon. Dennis Howard
Assistant Attorney General
Office of the Attorney General
Utility & Rate Intervention Division
1024 Capital Center Drive, Suite 200
Frankfort, KY 40601-8204

Mr. David Brevitz
Brevitz Consulting Services
3623 Southwest WoodValley Terrace
Topeka, KS 66614

Don Meade
800 Republic Building
420 W. Muhammad Ali Blvd.
Louisville, KY 40202

Katherine Simpson Allen
Stites & Harbison, PLLC
401 Commerce Street
Suite 800
Nashville, Tennessee 37219

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In The Matter Of:

THE APPLICATION OF BIG RIVERS)
ELECTRIC CORPORATION FOR:)
(I) APPROVAL OF WHOLESALE TARIFF)
ADDITIONS FOR BIG RIVERS ELECTRIC)
CORPORATION, (II) APPROVAL OF)
TRANSACTIONS, (III) APPROVAL TO)
ISSUE EVIDENCES OF INDEBTEDNESS,) CASE NO. 2007-00455
AND (IV) APPROVAL OF AMENDMENTS)
TO CONTRACTS; AND)
)
OF E.ON U.S., LLC, WESTERN)
KENTUCKY ENERGY CORP. AND)
LG&E ENERGY MARKETING, INC.)
FOR APPROVAL OF TRANSACTIONS)

**PETITION OF BIG RIVERS ELECTRIC CORPORATION FOR CONFIDENTIAL
PROTECTION**

Big Rivers Electric Corporation ("Big Rivers") hereby petitions the Kentucky Public Service Commission ("Commission"), pursuant to 807 KAR 5:001 Section 7 and KRS 61.878(1)(c), to grant confidential protection to a letter outlining the terms and conditions of a revolving line of credit agreement between Big Rivers and National Rural Utilities Cooperative Finance Corporation ("CFC") (the "CFC Letter") and to portions of a revolving line of credit agreement between Big Rivers and CoBank ACB ("CoBank") (the "CoBank Agreement"). The CFC Letter replaces the agreement that Big Rivers filed under a petition for confidential treatment as Exhibit 45 to Big Rivers' March 28, 2008, First Amendment and Supplement to Application (the "First Amendment"). The CoBank Agreement replaces the agreement that Big Rivers filed under a petition for confidential treatment as Exhibit 46 to the First Amendment. Together, CFC and CoBank are hereinafter referred to as the "Creditors." The CFC Letter and

the portions of the CoBank Agreement that Big Rivers seeks to protect are referred to herein as the “Confidential Information.” In support of this petition, Big Rivers states as follows:

1. The entirety of the CFC Letter is confidential pursuant to the terms of the CFC Letter. As such, one (1) sealed copy of that letter is marked confidential and is attached to this Petition, and ten (10) copies of a sheet noting that the entire letter has been redacted are attached as Exhibit 109 to the Motion to Amend and Supplement Application filed with this Petition. One (1) sealed copy of the CoBank Agreement, with the Confidential Information highlighted with transparent ink is attached to this Petition, and ten (10) copies of the CoBank Agreement with the Confidential Information redacted are attached as Exhibit 110 to the Motion to Amend and Supplement Application filed with this Petition. 807 KAR 5:001 Sections 7(2)(a)(2), 7(2)(b).

2. Copies of this Petition, the sheet noting that the entire CFC Letter is redacted, and the redacted CoBank Agreement have been served on all parties. 807 KAR 5:001 Section 7(2)(c).

3. If and to the extent that any of the Confidential Information becomes generally available to the public, whether through filings required by other agencies or otherwise, Big Rivers will notify the Commission and have its confidential status removed. 807 KAR 5:001 Section 7(9)(a).

4. As discussed below, the Confidential Information is entitled to confidential protection based upon KRS 61.878(1)(c)(1), which protects “records confidentially disclosed to an agency or required by an agency to be disclosed to it, generally recognized as confidential or proprietary, which if openly disclosed would permit an unfair commercial advantage to competitors of the entity that disclosed the records.” KRS 61.878(1)(c)(1).

A. Big Rivers Faces Actual Competition

5. Big Rivers competes, on the basis of its costs, for service it provides to its three member distribution cooperatives (the “Members,” or individually, a “Member”). Increases in costs at Big Rivers affect Big Rivers’ ability to sell more power to its Members. The amount of Big Rivers’ Members’ loads depend upon its Members’ retail load level. The Members are served by Big Rivers under “all requirements” contracts¹; if Member load increases, Big Rivers is required to meet that demand, and its load increases. If Member load diminishes, Big Rivers’ load decreases without recourse against the Members for the load reduction.

6. The Members are required by contract to pay for the electricity they purchase from Big Rivers at rates set by the Commission based upon Big Rivers’ costs. The Members compete daily with other electric utilities for new commercial and industrial customers. The competition is stiff for a new industry, which brings jobs and economic growth to a utility’s service area. As Commissioner Robert Spurlin noted in his dissent from an order in PSC Case No. 2003-00226 denying the motions of a number of utilities to intervene in a territorial dispute over service to an industrial facility:

The cooperatives have a vital interest in proceedings that will affect whether they will be able to protect their right to serve large industrial customers that locate within their respective territories. Without such large customers, the cooperatives’ residential rates will remain higher, in general, than those of investor-owned electric companies.

Order dated November 13, 2003, in *Re CTA Acoustics, Inc.*, PSC Case No. 2003-00226

(Commissioner Robert E. Spurlin, dissenting).

7. A principal factor in the ability of a Member to compete for those commercial and industrial customers is the tariff rate at which the Member can offer service. The wholesale rate a Member is required to pay Big Rivers is a major determinant of the Members’ retail rate. If

¹ One of Big Rivers’ Members, Kenergy Corp., has a carve-out from its all-requirements contract that authorizes it to purchase power for resale to its aluminum smelter customers from any wholesale source.

Big Rivers' costs increase, the Member's rates increase, and the Member's ability to increase its load and the load of Big Rivers is diminished. In other words, Big Rivers' ability to compete with other utilities for Member load growth is affected by increases in its expenses. This is the fundamental economic relationship between a G & T and its Member.

8. Big Rivers also directly competes on the basis of price with other wholesale power suppliers as a source for Tier 3 Power sales to one of its Members, Kenergy Corp., for resale to Kenergy Corp.'s two aluminum smelter customers, as Kenergy Corp.'s wholesale power contract with Big Rivers allows Kenergy Corp. to purchase that power from other wholesale suppliers.²

9. Big Rivers was created to provide electric service to its Members in competition with all other sources. *See Kentucky Utilities Co. v. Public Service Commission*, 390 S.W.2d 168, 170 (Ky. 1965). While it has the comfort of contracts with its Members, those contracts are for a defined term, and have expiration dates. If Big Rivers' rates are not expected to be competitive with those of power suppliers, Big Rivers' Members will likely take the steps necessary to secure a lower-cost power supply.

10. Big Rivers also competes in the wholesale power market to sell energy excess to its Members' needs at the highest possible price, which will produce the highest possible sales margin. By definition, that margin is the difference between its cost of the energy sold and the sales price of that energy. Big Rivers' ability to successfully compete in the wholesale power market is dependent upon a combination of its ability to get the maximum price for the power sold, and keeping the cost of producing that power as low as possible. Fundamentally, if Big Rivers' cost of producing a kilowatt hour increases, its ability to sell that kilowatt hour in competition with other utilities is adversely affected.

² See Application ¶ 40, filed December 28, 2007.

11. These basic economic principals did not change because Big Rivers publicly disclosed the financial information it has filed in this proceeding. Big Rivers is currently and actively in competition with other utilities to sell energy in the wholesale market at the highest price. A potential buyer of energy from Big Rivers in the wholesale power market cannot take the information Big Rivers has filed in this case and predict the exact price at which Big Rivers will sell energy in any particular transaction. In any event, the ability of Big Rivers to reduce an expense that affects the cost of producing that energy can only make Big Rivers more competitive in its ability to obtain a sale of energy, and the best margin on sales of energy in the wholesale power market.

B. The Confidential Information is Generally Recognized as Confidential or Proprietary

12. The Confidential Information is the type of information that is generally recognized as confidential or proprietary under Kentucky law. The Confidential Information is the product of extensive negotiations between Big Rivers and its Creditors. These commercially sensitive provisions represent the prices, costs, concessions, terms, and conditions that Big Rivers has been able to negotiate for its and its Members' benefit. The Confidential Information is derived from Big Rivers and its Creditors' internal examinations, criteria and related analytical methods which should not be disclosed, and it involves estimates and evaluations with respect to financial instruments that are proprietary and should not be disclosed.

13. The Confidential Information is precisely the sort of information meant to be protected by KRS 61.878(1)(c)(1), and the Commission and Kentucky courts have often found that such information about a company, including confidential financial data and the confidential terms of a company's contracts, are generally recognized as confidential and proprietary. *See, e.g., Hoy v. Kentucky Indus. Revitalization Authority*, 907 S.W.2d 766, 768 (Ky. 1995) ("It does

not take a degree in finance to recognize that such information concerning the inner workings of a corporation is ‘generally recognized as confidential or proprietary’”); *Marina Management Service, Inc. v. Com. Of Ky., Cabinet for Tourism*, 906 S.W.2d 318, 319 (Ky. 1995) (finding that a marina’s financial records, including information on asset values, notes payable, rental amounts on houseboats, related party transactions, profit margins, net earnings, and capital income, were entitled to confidential protection); Order dated April 3, 2006, in *In the Matter of: The Joint Application of Nuon Global Solutions USA, BV, Nuon Global Solutions USA, Inc., AIG Highstar Capital II, LP, Hydro Star, LLC, Utilities, Inc. and Water Service Corporation of Kentucky for Approval of an Indirect Change in Control of a Certain Kentucky Utility Pursuant to the Provisions of KRS 278.020(5) and (6) and 807 KAR 5:001, Section 8*, PSC Case No. 2005-00433 (finding that certain terms contained in a Stock Purchase Agreement were confidential and proprietary and that disclosure could result in competitive harm).

14. The Confidential Information is not publicly available, it is not disseminated within Big Rivers except to those employees and professionals with a legitimate business need to know and act upon the information, it is not disseminated to others without a legitimate need to know and act upon the information, and when it is disseminated to others (such as to certain other parties in this proceeding), it is done so only under a confidentiality agreement. As such, the Confidential Information is generally recognized as confidential and proprietary.

C. DISCLOSURE OF THE CONFIDENTIAL INFORMATION WOULD PERMIT AN UNFAIR COMMERCIAL ADVANTAGE TO BIG RIVERS’ COMPETITORS

15. Disclosure of the Confidential Information would permit an unfair commercial advantage to Big Rivers’ competitors. As discussed above, Big Rivers faces actual competition. The Commission has implicitly recognized this fact in a number of Big Rivers’ petitions for confidential treatment that the Commission has granted. For example, in this proceeding, by

letter dated April 29, 2008, the Commission granted Big Rivers' petition for confidential treatment dated February 14, 2008, which sought confidential treatment of information contained in Big Rivers' responses to the initial data requests of the Commission Staff, the Attorney General, and Henderson Municipal Power & Light. *See* Letter from Stephanie Stumbo to James M. Miller, Tyson Kamuf, Douglas L. Beresford, and George F. Hobday, dated April 29, 2008. That letter granted confidential protection "on the grounds relied upon in the Petition." *Id.* One of the grounds relied upon by Big Rivers in the petition was that "Big Rivers and WKEC operate in a competitive marketplace for wholesale power and the public disclosure of sensitive records and information relating to the operation and maintenance of Station Two would place them at a severe competitive disadvantage among other wholesale power generators with which they compete." Petition of Big Rivers Electric Corporation for Confidential Treatment dated February 14, 2008. The Commission's letter granting confidential treatment operates as a finding that Big Rivers operates in a competitive marketplace for wholesale power because such a finding was necessary in order for the Commission to grant confidential protection as requested in Big Rivers' February 14 petition for confidential treatment.

16. Second, it is likely that Big Rivers would suffer competitive injury if the Confidential Information is publicly disclosed. In PSC Case No. 2003-00054, the Commission granted confidential protection for bids submitted to Union Light Heat & Power ("ULH&P"). ULH&P's argued, and the Commission implicitly accepted, that the bidding contractors would not want their bid information publicly disclosed, and that disclosure would reduce the contractor pool available to ULH&P, which would drive up ULH&P's costs, hurting its ability to compete with other gas suppliers. Order dated August 4, 2003, in *In the Matter of: Application of the Union Light, Heat and Power Company for Confidential Treatment*, PSC Case No. 2003-00054.

In PSC Case No. 2005-00433, the Commission recognized that public disclosure of confidential information contained in a company's financial statements could shrink the pool of investors available to that company, resulting in competitive harm to that company. Order dated April 3, 2006, in *In the Matter of: The Joint Application of Nuon Global Solutions USA, BV, Nuon Global Solutions USA, Inc., AIG Highstar Capital II, LP, Hydro Star, LLC, Utilities, Inc. and Water Service Corporation of Kentucky for Approval of an Indirect Change in Control of a Certain Kentucky Utility Pursuant to the Provisions of KRS 278.020(5) and (6) and 807 KAR 5:001, Section 8*, PSC Case No. 2005-00433. And in *Hoy v. Kentucky Indus. Revitalization Authority*, the Kentucky Supreme Court found that without protection for confidential information provided to a public agency, "companies would be reluctant to apply for investment tax credits for fear the confidentiality of financial information would be compromised. *Hoy v. Kentucky Indus. Revitalization Authority*, 907 S.W.2d 766, 769 (Ky. 1995).

17. In Big Rivers' case, the Creditors and others in the financial industry would not favor public disclosure of the pricing and concessions that they agreed to because those contractual terms could then be used against them in future negotiations with other customers. Confidentiality is a requirement for many financial institutions to enter into agreements similar to the one contemplated by the CFC Letter and the CoBank Agreement. In fact, the CFC Letter contains a confidentiality provision. Financial institutions often rely on the confidentiality of their agreements, and if they believed that the Commission would deny confidential treatment for their agreements with Big Rivers, and that those agreements would be publicly disclosed, it is likely that many of them would not enter into future agreements with Big Rivers. As such, public disclosure of the Confidential Information would likely reduce the pool of financial institutions willing to enter into agreements with Big Rivers, resulting in increased prices for Big

Rivers and its members and less favorable contracts for Big Rivers. Big Rivers operates in a competitive marketplace for wholesale power, and if Big Rivers is subject to higher prices and less favorable contracts, Big Rivers would be at a severe competitive disadvantage among other wholesale power generators with which it competes.

18. In addition, public disclosure of the Confidential Information would put other financial institutions in a position to determine which terms and conditions Big Rivers is willing to accept. Those financial institutions still willing to negotiate with Big Rivers would then have an important competitive advantage because they could use that information in future negotiations or proposals with Big Rivers. In PSC Case No. 2003-00054, the Commission granted confidential protection to bids submitted to ULH&P. In addition to the other arguments discussed above, ULH&P argued, and the Commission implicitly accepted, that if the bids it received were publicly disclosed, contractors on future work could use the bids as a benchmark, which would likely lead to the submission of higher bids. Order dated August 4, 2003, in *In the Matter of: Application of the Union Light, Heat and Power Company for Confidential Treatment*, PSC Case No. 2003-00054. The Commission also implicitly accepted ULH&P's further argument that the higher bids would lessen ULH&P's ability to compete with other gas suppliers. *Id.*

19. In Big Rivers' case, financial institutions could use the amounts and terms agreed upon Big Rivers in the CFC Letter and the CoBank Agreement as a benchmark or starting point in their negotiations (since they would know Big Rivers is willing to accept them), which would likely lead to higher prices for Big Rivers and its members and less favorable agreements for Big Rivers. For an example, the Commission need only look to the CFC Letter and the CoBank Agreement. Those instruments have different terms. If CFC and CoBank had known the terms

Big Rivers had given the other, Big Rivers would have been terrible disadvantaged in its negotiations, and would certainly not have achieved terms as financially favorable as those reflected in those instruments. Big Rivers competes in the wholesale power market, and as its costs rise (including financing costs), and with less favorable agreements, it is less competitive in that market.

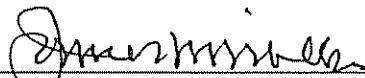
20. Based on the foregoing, the Confidential Information is entitled to confidential protection.

D. THE COMMISSION IS REQUIRED TO HOLD AN EVIDENTIARY HEARING

21. The Confidential Information should be given confidential protection. If the Commission disagrees that Big Rivers is entitled to confidential protection, due process requires the Commission to hold an evidentiary hearing. *Utility Regulatory Com'n v. Kentucky Water Service Co., Inc.*, 642 S.W.2d 591 (Ky. App. 1982).

WHEREFORE, Big Rivers respectfully requests that the Commission classify and protect as confidential the Confidential Information filed with this petition.

On this the 21st day of November, 2008.



James M. Miller
Tyson Kamuf
Sullivan, Mountjoy, Stainback
& Miller, P.S.C.
100 St. Ann Street
P.O. Box 727
Owensboro, Kentucky 42302-0727
(270) 926-4000

Douglas L. Beresford
George F. Hobday
Hogan & Hartson, LLP
Columbia Square

555 Thirteenth Street, NW
Washington, D.C. 20004
(202) 637-5600

COUNSEL FOR BIG RIVERS
ELECTRIC CORPORATION

1 COMMONWEALTH OF KENTUCKY
2 BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
3

4 In the Matter of:

5 THE APPLICATIONS OF BIG RIVERS)
6 ELECTRIC CORPORATION FOR:)
7 (I) APPROVAL OF WHOLESale TARIFF)
8 ADDITIONS FOR BIG RIVERS ELECTRIC) CASE NO. 2007-00455
9 CORPORATION, (II) APPROVAL OF)
10 TRANSACTIONS, (III) APPROVAL TO ISSUE)
11 EVIDENCES OF INDEBTEDNESS, AND)
12 (IV) APPROVAL OF AMENDMENTS TO)
13 CONTRACTS; AND)
14)
15 OF E.ON U.S., LLC, WESTERN KENTUCKY)
16 ENERGY CORP. AND LG&E ENERGY MARKETING,)
17 INC. FOR APPROVAL OF TRANSACTIONS)
18

19 **MOTION TO AMEND AND SUPPLEMENT APPLICATION**
20

21 The Applicant Big Rivers Electric Corporation ("Big Rivers") moves the Kentucky
22 Public Service Commission ("Commission") pursuant to 807 KAR 5:001 Section 3(5) for an
23 order allowing Big Rivers to amend and supplement the application filed in this matter
24 ("Application") (1) to substitute revisions to one of Big Rivers' proposed tariff sheets; (2) to
25 substitute two revised revolving line of credit instruments; (3) to substitute revised coordination
26 agreements between Big Rivers and two aluminum smelters (the "Smelter Coordination
27 Agreements"); and (4) to substitute a revised Exhibit A to the proposed wholesale agreements
28 between Big Rivers and Kenergy Corp. ("Kenergy") that relate to Kenergy's retail service to the
29 smelters (the "Smelter Wholesale Agreements") and to the proposed retail agreements between
30 Kenergy and the smelters (the "Smelter Retail Agreements"). These items correct or update
31 prior filings.

32 1. The revisions to Big Rivers' proposed tariff filed with the Applicants' October 9,
33 2008, Motion to Amend and Supplement Application ("October Motion to Amend") removed

1 the existing Member Discount Adjustment rider (“MDA”). The expiration of the MDA was
2 described in the Third Supplemental Testimony of C. William Blackburn, Exhibit 78 to the
3 October Motion to Amend, at pages 8, 31, and 55. By eliminating the MDA tariff, Big Rivers
4 deleted the definition of “Unadjusted Billing Revenues,” a term that is also used in Big Rivers’
5 Rate Schedule 15 (the Rebate Adjustment tariff). Big Rivers proposes to correct this inadvertent
6 error by revising tariff Sheet No. 70 (attached hereto as Exhibit 107) to reincorporate a definition
7 for Unadjusted Billing Revenues. Big Rivers asks that the Commission enter an order allowing
8 Big Rivers to substitute the revised tariff Sheet No. 70, attached hereto as Exhibit 107, for the
9 corresponding tariff sheet contained in Exhibit 83 to the October Motion to Amend. A
10 comparison of the attached tariff Sheet No. 70 against the tariff Sheet No. 70 filed in October is
11 attached hereto as Exhibit 108.

12 2. Big Rivers also asks that the Commission allow Big Rivers to amend the
13 Application to substitute the revised revolving line of credit instruments attached hereto as
14 Exhibits 109 and 110 for the corresponding agreements filed as Exhibits 45 and 46 to Big
15 Rivers’ March 28, 2008, First Amendment and Supplement to Application (the “First
16 Amendment to Application”). In the First Amendment to Application, Big Rivers proposed a
17 Revolving Line of Credit Agreement with National Rural Utilities Cooperative Finance
18 Corporation (“CFC”) and a Revolving Credit Agreement with CoBank ACB (“CoBank”). The
19 original CFC and CoBank agreements are discussed in Paragraphs 11 through 15 of the First
20 Amendment to Application. CoBank and CFC have each required that their respective
21 agreements be revised to reflect current market conditions. The revised CoBank agreement
22 attached hereto as Exhibit 110 is in substantially final form. Big Rivers is seeking confidential
23 treatment for certain terms in the CoBank agreement for the same reasons it sought to protect


1 similar information in the CoBank agreement filed with the First Amendment to Application.
2 The CFC letter filed under a petition for confidential treatment as Exhibit 109 hereto reflects the
3 principal terms for a revised CFC agreement. But the revised CFC agreement will not be
4 approved by CFC's credit committee until Friday, November 28, 2008. The revised CFC
5 agreement will be filed with the Commission prior to the December 2 hearing.

6 3. Big Rivers further asks that the Commission allow it to substitute the revised
7 Smelter Coordination Agreements attached hereto as Exhibit 111 for the agreements attached as
8 Exhibit 81 to the October Motion to Amend. A comparison of each of the revised Smelter
9 Coordination Agreements against the ones filed with the October Motion to Amend is attached
10 hereto as Exhibit 112. The Smelter Coordination Agreements are revised to add a new Section
11 3.3(c), which memorializes the additional closing incentive payment agreement described by C.
12 William Blackburn in his Third Supplemental Testimony filed as Exhibit 78 in the October
13 Motion to Amend, at pages 53 and 54.

14 4. Big Rivers further asks that the Commission allow it to add an updated Exhibit A
15 to the Smelter Wholesale Agreements and Smelter Retail Agreements that were filed as Exhibit
16 81 to the October Motion to Amend. Exhibit A was last filed with the Smelter Wholesale
17 Agreements and Smelter Retail Agreements filed as Exhibit 20 to the original Application in this
18 proceeding. The updated Exhibit A is attached hereto as Exhibit 113. Exhibit A contains
19 examples of the calculations required by the terms of those agreements. Big Rivers proposes to
20 update Exhibit A in each of the Smelter Wholesale Agreements and Smelter Retail Agreements
21 to reflect terms that have changed (and have been filed with the Commission) since that exhibit
22 was originally filed.

Verification

I, C. William Blackburn, Vice President and Chief Financial Officer for Big Rivers Electric Corporation, hereby state that I have read the foregoing Motion and that the statements contained therein are true and correct to the best of my knowledge and belief, on this the 23 day of November, 2008.


C. William Blackburn
Vice President and Chief Financial Officer
Big Rivers Electric Corporation

COMMONWEALTH OF KENTUCKY)
COUNTY OF HENDERSON)

The foregoing verification statement was SUBSCRIBED AND SWORN to before me by C. William Blackburn, as Vice President and Chief Financial Officer of Big Rivers Electric Corporation, on this the 23 day of November, 2008.

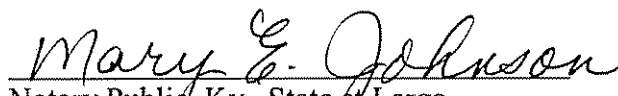

Notary Public, Ky., State at Large
My commission expires: 7/29/11

EXHIBIT 107

REVISED TARIFF SHEET NO. 70

For All Territory Served By
Cooperative's Transmission System
P.S.C.KY.NO. 23

Original SHEET NO. 70

Big Rivers Electric Corporation
(Name of Utility)

CANCELLING P.S.C.KY.NO. _____

_____ SHEET NO. _____

RULES AND REGULATIONS

credit to Members. Any rebate would be credited to the power bills to Members during a single month of the year. Rebates to Members shall be computed by allocating the total rebate amount to each Member system on the basis of total Unadjusted Billing Revenues received from each Member during the fiscal year for which the rebate amount was established. Unadjusted Billing Revenues shall equal the total of all bills issued to Members for service under Rate Schedules C.4.d.(1) and (2), C.7.C.(2) (a) and (b) and C.13.d. Big Rivers will apply to the Commission for authorization to provide a rebate to Members within six months after the end of the fiscal year. The rebate would then be provided to Members upon receipt of Commission approval.

DATE OF ISSUE November 2008 DATE EFFECTIVE Per Order of Commission

ISSUED BY Big Rivers Electric Corporation, 201 3rd St., Henderson, KY 42420
(Signature of Officer)

Issued by Authority of PSC Case No. 2007-00455, Order dated _____

EXHIBIT 108

COMPARISON OF REVISED TARIFF SHEET NO. 70

For All Territory Served By
Cooperative's Transmission System
P S C KY NO 23

Original SHEET NO. 73

Big Rivers Electric Corporation
(Name of Utility)

CANCELING P S C KY NO _____
SHEET NO. _____

RULES AND REGULATIONS

credit to Members Any rebate would be credited to the power bills to Members during a single month of the year Rebates to Members shall be computed by allocating the total rebate amount to each Member system on the basis of total Unadjusted Billing Revenues received from each Member during the fiscal year for which the rebate amount was established Unadjusted Billing Revenues shall equal the total of all bills issued to Members for service under Rate Schedules C.4.d. (1) and (2), C. 7.C. (2) (a) and (b) and C. 13. d. Big Rivers will apply to the Commission for authorization to provide a rebate to Members within six months after the end of the fiscal year. The rebate would then be provided to Members upon receipt of Commission approval

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DATE OF ISSUE November 2008 DATE EFFECTIVE Per Order of Commission

ISSUED BY Big Rivers Electric Corporation, 201 3rd St., Henderson, KY 42420
(Signature of Officer)

Issued by Authority of PSC Case No 2007-00455. Order dated _____

EXHIBIT 109

**CFC LETTER AND TERM SHEET FOR REVISED REVOLVING LINE OF CREDIT
AGREEMENT**

(ENTIRE LETTER AND TERM SHEET REDACTED)

EXHIBIT 110

**REVISED REVOLVING CREDIT AGREEMENT BETWEEN BIG RIVERS AND
COBANK, ACB**

(REDACTED)

COBANK, ACB
\$50,000,000 REVOLVING CREDIT LOAN FACILITY
TO
BIG RIVERS ELECTRIC CORPORATION

LOAN CLOSING DOCUMENTS

No. DOCUMENT

1. Loan Agreement
 - Exhibit A: Definitions and Rules of Interpretation
 - Exhibit B: Form of Request for Loan
 - Exhibit C: Intentionally Deleted
 - Exhibit D: Methodology for Calculating Premium
 - Exhibit E: Form of Promissory Note
 - Exhibit F: Big Rivers Electric Corporation Subsidiaries
 - Exhibit G. Big Rivers Material Litigation
2. Promissory Note
3. Articles of Incorporation, Bylaws, Board Resolutions and Incumbency Certificate
4. Evidence of All Consents and Approvals
5. Evidence of Insurance
6. Opinion of Counsel to Company
7. Good Standing Certificate
8. Delegation and Wire and Electronic Transfer Authorization

REVOLVING CREDIT AGREEMENT

THIS REVOLVING CREDIT AGREEMENT (this "Agreement") is entered into as of February _____, 2009 (the "Effective Date"), by and between **BIG RIVERS ELECTRIC CORPORATION**, a Kentucky corporation (the "Company"), and **CoBANK, ACB**, a federally chartered instrumentality of the United States ("CoBank").

In consideration of the agreements herein and in the other "Loan Documents" (as hereinafter defined) and in reliance upon the representations and warranties set forth herein and therein, the parties agree as follows:

ARTICLE 1

DEFINITIONS AND RULES OF INTERPRETATION

SECTION 1.01. Definitions. Capitalized terms used in this Agreement and defined in Exhibit A hereto shall have the meanings set forth in that Exhibit.

SECTION 1.02. Rules of Interpretation. The rules of interpretation set forth in Exhibit A shall apply to this Agreement.

ARTICLE 2

AMOUNT AND TERMS OF LOANS

SECTION 2.01. Commitment.

(A) **Amount of Commitment and Commitment Fee.** On the terms and subject to the conditions set forth herein, CoBank agrees to make senior unsecured loans to the Company (the "Loans") from time to time during the period commencing on the date hereof and ending on the third anniversary of the date hereof, in an aggregate principal amount not to exceed, at any one time outstanding \$50,000,000.00 (the "Commitment"). Within the limits and during the term of the Commitment, the Company may borrow, repay and reborrow. [REDACTED]

(B) **Reduction of Commitment.** The Company shall have the right, upon ten (10) Business Days' prior written notice to CoBank (which notice shall be irrevocable), to permanently cancel all or, subject to the next sentence hereof, a portion of the unused portion of the Commitment. Each reduction must be in a minimum amount of \$5,000,000, and, in the case of amounts in excess thereof, in \$1,000,000 increments.

SECTION 2.02. Purpose. The purpose of the Loans is for (a) interim financing of capital expenditures and (b) general corporate purposes.

SECTION 2.03. Availability. Subject to Article 3 hereof, the Loans will be made available from the closing of this Agreement until the Business Day immediately preceding the expiration of the Commitment or any extension thereof, upon the written request of the Company. Each request for a Loan (each a "Request for Loan") must be: (a) in the form attached hereto as Exhibit B; (b) duly executed and completed by the Company; and (c) be received by CoBank not later than 10:00 AM Mountain Time three (3) Business Days before the

SECTION 2.05. Repayment. The Loans shall due and payable in full on the third anniversary of the date hereof (the "Maturity Date").

SECTION 2.06. Prepayment and Premium.

(A) Voluntary. The Company may prepay the Loans in whole or in part; provided, however, that in the case of partial prepayments, the minimum amount that may be prepaid at any one time shall be \$2,000,000 and amounts in excess thereof shall be in increments of \$1,000,000. In the event the Company desires to prepay the Loans, it shall notify CoBank thereof in writing not less than three (3) Business Days prior to the date on which the Company intends to prepay the Loans. Unless otherwise agreed to by CoBank in writing, all such notices shall be irrevocable. On the date fixed for prepayment, the Company shall prepay the Loans (or so much thereof as provided in the Company's notice), together with accrued interest thereon and, if applicable, any premium owing under Subsection (C) hereof.

(B) Mandatory. The Company shall prepay the Loans (i) if and to the extent that the unpaid principal balance of the Loans exceeds the maximum amount permitted to be outstanding under Section 2.01(A) hereof, (ii) if the Company sells assets subject to the Indenture, to the extent that there are excess proceeds after payments of the required amounts due under the Indenture, except that this subsection (ii) does not apply to any environmental credits or allowances that may be sold by the Company, and (iii) if there is a change of control of the Company. All such prepayments shall be due and payable on the date of the mandatory prepayment event, and shall be accompanied by a payment of all accrued interest thereon and, if applicable, any premium owing under Subsection (C) hereof.

(C) Premium. The Company agrees that in the event any Loan is repaid prior to its scheduled payment date (whether such payment is made voluntarily, as a result of a prepayment, as a result of an acceleration, or otherwise), or the Company fails to borrow any Loan on the date scheduled therefore (whether such failure is due to the inability to meet applicable conditions precedent, the suspension or termination of the Commitment, or otherwise), the Company shall pay to CoBank a premium in an amount calculated pursuant to Exhibit D hereto. Such premium shall be due and payable on the date such payment is made, the date on which the Loan was to commence, or at such other time as is contemplated herein.

SECTION 2.07. Note. The Company's obligation to repay the Loan shall be evidenced by a promissory note in substantially the form of Exhibit E hereto (the "Note"). The Note shall be duly completed, dated the date hereof, and in the amount of \$50,000,000 or such lesser amount as may from time to time be outstanding under this Agreement.

SECTION 2.08. Security. The Company's obligations hereunder and under the

Note shall be secured by a statutory first priority Lien on all equity which the Company may now own or hereafter acquire or be allocated in CoBank.

SECTION 2.09. Payments.

(A) Manner of Making Payments. The Company shall make all payments to CoBank under this Agreement and the Note by wire transfer of immediately available funds in accordance with the following wire transfer instructions (or in accordance with such other wire transfer instructions as CoBank may direct by notice pursuant to Section 9.03):

Name of Bank: CoBANK
Location: Greenwood Village, CO
ABA No.: 307088754
Reference: Big Rivers Electric Corporation Revolver

In addition, the Company agrees that CoBank need not present the Note as a condition for receiving payment thereon.

(B) Late Payments; Default Rate. In the event the Company fails to make any payment when due, then without limiting any other rights or remedies that CoBank may have for or on account of such failure, such payment shall be due and payable on demand and, at CoBank’s option in each instance, shall accrue interest from the date due to the date paid at the Default Rate.

(C) Business Days. In the event any day on which principal, interest, premium, and/or fees is due and payable is not a Business Day, then such payment shall be made on the next Business Day and interest shall continue to accrue during such period on the principal balance of the Loans. Notwithstanding the preceding sentence, all payments shall be due on the Maturity Date, or if the Maturity Date is not a Business Day, on the last Business Day immediately preceding the Maturity Date.

(D) Records. CoBank shall keep a record of the unpaid principal balance of the Loans, the interest rate elections made with respect thereto, the interest accrued on the Loans, and all payments made with respect to the Loans, and such record shall, absent proof of error, be conclusive evidence of the outstanding principal and interest on the Loans.

Section 2.10. Increased Costs; Capital Requirements. If any change in Law shall impose, modify or deem applicable any reserve requirement, capital requirement, tax or other change and the result of any of the foregoing shall be to increase the cost to CoBank of making or maintaining any Loan (or of maintaining its obligation to make any such Loan), or to reduce the amount of any sum received or receivable by CoBank hereunder (whether of principal, interest or any other amount) then, upon request of CoBank, the Company shall pay to CoBank such additional amount or amounts as will compensate CoBank for such additional costs incurred or reduction suffered.

ARTICLE 3

CONDITIONS PRECEDENT

SECTION 3.01. Conditions Precedent to Closing. CoBank's obligation to close under this Agreement hereunder is subject to the following conditions precedent, which, in the case of instruments and documents, must be in form and content specified herein or otherwise acceptable to CoBank:

(A) **This Agreement.** CoBank shall have received a duly executed original copy of this Agreement.

(B) **Note.** CoBank shall have received an original copy of the Note, duly executed by the Company.

(C) **Evidence of Authority.** CoBank shall have received copies, certified by the Secretary-Treasurer or an Assistant Secretary of the Company as of the date hereof, of such board resolutions, evidence of incumbency, and other evidence as CoBank may require that this Agreement, the Note, and all Loan Documents executed in connection herewith or therewith have been duly authorized, executed and delivered.

(D) **Consents and Approvals.** CoBank shall have received such evidence as CoBank may require that any required consents and approvals referred to in Section 4.05 hereof have been obtained and are in full force and effect.

(E) **Insurance.** CoBank shall have received such evidence as CoBank may require that the Company is in compliance with Section 5.03 hereof.

(F) **Opinion of Counsel.** CoBank shall have received a duly executed original copy of an opinion of counsel to the Company.

(G) **Fees and Charges.** CoBank shall have received all fees and charges provided for herein.

(H) **Articles and Bylaws.** CoBank shall have received a copy of the Company's articles of incorporation and bylaws, certified by the Secretary-Treasurer or an Assistant Secretary of the Company as being in full force and effect as of the date hereof.

(I) **Good Standing Certificate.** CoBank shall have received a certificate of the Secretary of State of Kentucky dated within 30 days of the date hereof attesting to the due incorporation and good standing of the Company under the Laws of the State of Kentucky.

(J) **Unwind Transaction Financial Information.** CoBank shall have received financial information regarding the Company and its Subsidiaries as it may have reasonably requested, including confirmation of Unwind Transaction economics as detailed in the financial model provided to CoBank on October 21, 2008, and found such information satisfactory in its sole and absolute discretion.

(K) **Closing of Unwind Transaction.** The Unwind Transaction shall have

closed and CoBank shall be satisfied in its sole and absolute discretion with the Final Order from the Kentucky Public Service Commission regarding the Unwind Transaction which is expected to be issued in February 2009 and such transaction has closed.

(L) Financial Covenants. The Company shall be in compliance with all Financial Covenants in Section 5.09 of this Agreement.

(M) Material Litigation. All material litigation involving the Company has been disclosed on Exhibit G hereto.

(N) Material Adverse Effect. There shall not have occurred a Material Adverse Effect since February 28, 2007.

(O) Defaults. There shall be not Defaults immediately after the closing of this Agreement.

[REDACTED]

ARTICLE 4

REPRESENTATIONS AND WARRANTIES

To induce CoBank to enter into this Agreement and make the Loans contemplated hereby, the Company represents and warrants that:

SECTION 4.01. Organization, Etc. The Company and each Subsidiary: (A) is a corporation duly organized, validly existing, and in good standing under the Laws of its jurisdiction of incorporation; (B) has all requisite power and authority to own and operate its properties and to carry on its business as now conducted and as presently proposed to be conducted; and (C) is duly licensed or qualified and is in good standing as a foreign corporation in each jurisdiction wherein the nature of the business transacted by it or the nature of the property owned or leased by it makes such licensing or qualification necessary.

SECTION 4.02. Licenses, Permits, Etc. The Company and each Subsidiary has

all licenses, permits, franchises, patents, copyrights, trademarks, tradenames, or rights thereto which are material to the conduct of its business or required by Law.

SECTION 4.03. Authority. The execution, delivery and performance by the Company of this Agreement and the other Loan Documents and the performance of the transactions contemplated hereby and thereby have been duly authorized by all necessary corporate action and do not violate any provision of Law or of the articles of incorporation or bylaws of the Company or result in a breach of, or constitute a default under the Indenture or any other agreement to which the Company is a party or by which it may be bound.

SECTION 4.04. Binding Agreement. Each of the Loan Documents is, or when executed and delivered will be, the legal, valid, and binding obligation of the Company, enforceable in accordance with its terms, subject only to limitations on enforceability imposed in equity or by applicable bankruptcy, insolvency, reorganization, moratorium, or similar Laws affecting creditors' rights generally.

SECTION 4.05. Consents. No consent, permission, authorization, order, or license of any governmental authority or of any party to any agreement to which the Company is a party or by which it or any of its property may be bound or affected, is necessary in connection with the execution, delivery, or performance of the Loan Documents, except such as have been obtained and are in full force and effect.

SECTION 4.06. Compliance with Laws. Neither the Company nor any Subsidiary is in violation of any Law to which it is subject, which violation could reasonably be expected to have a Material Adverse Effect.

SECTION 4.07. Pending Litigation. Except as disclosed in the opinion furnished under Section 3.01(F) hereof, there are no actions, suits or proceedings pending, or to the knowledge of the Company, threatened against or affecting the Company or any Subsidiary in any court or before any governmental authority, arbitration board or tribunal, mediator, or the like, which could reasonably be expected to have a Material Adverse Effect. Neither the Company nor any Subsidiary is in default with respect to any judgment or any order of any court, governmental authority, arbitration board or tribunal, mediator or the like.

SECTION 4.08. Financial Statements. The audited consolidated balance sheets of the Company and its consolidated Subsidiaries as of December 31 for each of the years 2005, 2006 and 2007, and the audited statements of operations, changes in equity, and statements of cash flows for the years ended on such dates, each accompanied by a report thereon containing an opinion unqualified as to scope and otherwise without qualification, in each such case, have been prepared in accordance with GAAP consistently applied except as therein noted, are correct and complete and present fairly the financial position of the Company and its Subsidiaries as of such dates and the results of their operations and changes in their financial position or cash flows for such periods. Since December 31, 2007, there has been no change in the financial position of the Company which could reasonably be expected to have a Material Adverse Effect. Neither the financial statements referred to above nor this Agreement or any other written statement furnished by the Company to CoBank in connection herewith contains any untrue statement of a material fact or taken as a whole omits a material fact necessary to make the statements contained therein or herein not misleading. There is no fact peculiar to the Company or its

Subsidiaries which the Company has not disclosed to CoBank in writing which could reasonably be expected to have a Material Adverse Effect.

SECTION 4.09. Subsidiaries. Exhibit F hereto states the name of each of the Company's Subsidiaries, its jurisdiction of incorporation, and the percentage of its voting stock owned by the Company and/or its Subsidiaries. The Company and each Subsidiary has good and marketable title to all of the shares it purports to own of the stock of each Subsidiary free and clear in each case of any Lien (other than the Lien of the Indenture). All such shares have been duly issued and are fully paid and non-assessable.

SECTION 4.10. No Defaults. Neither the Company nor any Subsidiary is in default in the payment of principal or interest on any indebtedness for borrowed money, and is not in material default under any instrument or instruments or agreements under and subject to which any indebtedness for borrowed money has been issued, and no event has occurred and is continuing under the provisions of any such instrument or agreement which with the lapse of time or the giving of notice, or both, would constitute an event of default thereunder. In addition, the Company is not in default under any Wholesale Power Contract or any other agreement which, if terminated, could reasonably be expected to have a Material Adverse Effect.

SECTION 4.11. Title to Properties. The Company and each Subsidiary has good and marketable title in fee simple (or its equivalent under applicable Law) to all material parcels of real property and has good title to all the other material items of property it purports to own, including that reflected in the most recent balance sheet referred to in Section 4.08 hereof, except as sold or otherwise disposed of in the ordinary course of business and except for the Lien of the Indenture and Permitted Exceptions.

SECTION 4.12. Taxes. All tax returns required to be filed by the Company or any Subsidiary in any jurisdiction have, in fact, been filed, and all taxes, assessments, fees and other governmental charges upon the Company or any Subsidiary or upon any of their respective properties, income or franchises, which are shown to be due and payable in such returns have been paid. The Company does not know of any proposed material additional tax assessment against it for which adequate provision has not been made on its accounts, and no material controversy in respect of additional Federal or state income taxes due since said date is pending or to the knowledge of the Company threatened. The provisions for taxes on the books of the Company and each Subsidiary are adequate for all open years, and for its current fiscal period.

SECTION 4.13. Compliance with Environmental Laws. Neither the Company nor any Subsidiary is in material violation of any applicable Laws relating to public health, safety or the environment (including, without limitation, relating to releases, discharges, emissions or disposals to air, water, land or ground water, to the withdrawal or use of ground water, to the use, handling or disposal of polychlorinated biphenyls (PCB's), asbestos or urea formaldehyde, to the treatment, storage, disposal or management of hazardous substances (including, without limitation, petroleum, crude oil or any fraction thereof, or other hydrocarbons), pollutants or contaminants, to exposure to toxic, hazardous or other controlled, prohibited or regulated substances), which violation could reasonably be expected to have a Material Adverse Effect. The Company does not know of any liability or class of liability of the Company or any Subsidiary under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. Section 9601 et seq.), or the Resource

Conservation and Recovery Act of 1976, as amended (42 U.S.C. Section 6901 et seq.).

SECTION 4.14. ERISA. The Company and each of its ERISA Affiliates is in compliance with all requirements of ERISA, the Company and each ERISA Affiliate have met their minimum funding requirements under ERISA with respect to each plan governed thereby, no grounds exist entitling the Pension Benefit Guaranty Corporation to institute proceedings to terminate a plan maintained by the Company or any ERISA Affiliate this is subject to ERISA, and neither the Company nor any ERISA Affiliate has any liability arising from the withdrawal or termination of any plan subject to ERISA.

SECTION 4.15. Conflicting Agreements. None of the Loan Documents conflicts with, or constitutes (with or without the giving of notice and/or the passage of time and/or the occurrence of any other condition) a default under, any other agreement to which the Company or any Subsidiary is or expects to become a party or by which the Company, any Subsidiary, or any of its or their properties may be bound or affected.

ARTICLE 5

AFFIRMATIVE COVENANTS

Unless otherwise agreed to in writing by CoBank, while this Agreement is in effect, the Company agrees to:

SECTION 5.01. Compliance with Indenture. Comply with all of the terms of the Indenture.

SECTION 5.02. Compliance With Laws. Comply in all material respects, and cause each Subsidiary to comply in all material respects, with all applicable Laws (including all Laws relating to ERISA and the environment), which, if not complied with, could reasonably be expected to have a Material Adverse Effect.

SECTION 5.03. Insurance. Maintain insurance with such companies, in such amounts, and covering such risks as is required to be maintained by the Company under the terms of the Indenture. In addition, the Company agrees to cause each Subsidiary to maintain insurance in such amounts and covering such risks as are usually carried by companies engaged in the same business and similarly situated. The Company agrees to furnish to CoBank such proof of compliance with this Section as CoBank may from time to time reasonably require.

SECTION 5.04. Property Maintenance. Maintain the System in accordance with Prudent Utility Practice.

SECTION 5.05. Books and Records. Keep, and cause each Subsidiary to keep, adequate records and books of account in which complete entries will be made in accordance with Accounting Requirements.

SECTION 5.06. Reports and Notices. Furnish to CoBank:

(A) **Annual Financial Statements.** As soon as available, but in no event more than

120 days after the end of each fiscal year of the Company occurring during the term hereof, annual consolidated and consolidating financial statements of the Company and its consolidated Subsidiaries prepared in accordance with GAAP consistently applied. Such financial statements shall: (a) in the case of the consolidated statements, be audited by a firm of nationally recognized independent certified public accountants selected by the Company; (b) in the case of the consolidated statements, be accompanied by a report of such accountants containing an unqualified opinion to the effect that the financial statements: (i) were audited in accordance with generally accepted auditing standards; and (ii) present fairly, in all material respects, the financial position of the Company as at the end of the year and the results of its operations for the year then ended, in conformity with GAAP; (c) be prepared in reasonable detail and in comparative form; and (d) include a balance sheet, a statement of operations, a statement of changes in equity, a statement of cash flows, and all notes and schedules (including consolidating schedules) relating thereto.

(B) Interim Financial Statements. As soon as available, but in no event more than 60 days after the end of the first three fiscal quarters of the Company of each year occurring during the term hereof, a consolidated balance sheet of the Company and its consolidated Subsidiaries as of the end of such quarter and a consolidated statement of operations for the Company and its consolidated Subsidiaries for such period and for the period year to date, all prepared in reasonable detail and in comparative form in accordance with GAAP consistently applied.

(C) Officer's Certificate. Together with each set of financial statements delivered to CoBank pursuant to Subsections (A) and (B) of this Section 5.06, a certificate of the Chief Financial Officer of the Company (or other officer of the Company acceptable to CoBank): (1) stating the Debt Service Coverage Ratio achieved by the Company for the fiscal year covered by such financial statements and setting forth the calculations used in computing such Ratio; (2) setting forth a comparison of how the Company's actual financial results compared to its budget, (3) setting forth Big Rivers' Credit Rating from each Rating Agency which has issued a Credit Rating; and (4) certifying that, to the best knowledge of such officer, no Default or Event of Default occurred during the period covered by such statements or, if a Default or Event of Default did occur during such period, a statement as to the nature thereof, whether such Default or Event of Default is continuing, and if continuing, the action which is proposed to be taken with respect thereto.

(D) Annual Financial Information and Budgets.

(1) RUS Form 12; FERC Form 1. As soon as available, but in no event more than 120 days after each fiscal year end, a copy of either the Company's Form 12 submitted to RUS or FERC Form 1 submitted to Federal Energy Regulatory Commission.

(2) Budgets. As soon as available, but in no event more than 60 days after each fiscal year end, annual budgets and forecasts of operations for the Company and its Subsidiaries for the ensuing year and for an additional two (2) year period, in such detail as CoBank may from time to time reasonably require.

(E) Notice of Litigation, Material Matters, Etc. Promptly after becoming aware thereof, notice of: (1) the commencement of any action, suit or proceeding against the

Company or any Subsidiary before any court, governmental instrumentality, arbitrator, mediator or the like which, if adversely decided, could reasonably be expected to have a Material Adverse Effect; (2) the receipt of any notice, indictment, pleading, or other communication alleging a condition that: (a) may require the Company or any Subsidiary to undertake or to contribute to a clean-up or other response under any environmental Law, or which seeks penalties, damages, injunctive relief, or other relief as a result of an alleged violation of any such Law, or which claims personal injury or property damage as a result of environmental factors or conditions; and (b) if true or proven, could reasonably be expected to have a Material Adverse Effect or result in criminal sanctions; (3) the occurrence of any other event or matter (including the rendering of any order, judgment, ruling and the like) which could reasonably be expected to have a Material Adverse Effect; (4) the occurrence of any event under the Indenture that could cause the Trustee to resign; and (5) the breach by the Trustee of any provision of the Indenture.

(F) Notice of Default. Promptly after becoming aware thereof, notice of the occurrence of a default, or an event of default.

(G) Notice of Certain Events. Notice of each of the following at least 30 days prior thereto: (1) any change in the name or structure of the Company; or (2) any change in the Trustee; (3) the sale by the Company or any Subsidiary of all or a portion of the equity interests held by the Company or any Subsidiary; and (4) the discontinuance of any material part of the operations of the Company or any Subsidiary.

(H) Ratings. Promptly after receipt thereof by the Company, a copy of each Credit Rating received by the Company, together with all reports issued in connection therewith.

(I) Other Information. Such other information regarding the condition or operations, financial or otherwise, of the Company and its Subsidiaries as CoBank may from time to time reasonably request, including copies of all pleadings, notices and communications referred to in Section 5.06(E) hereof.

SECTION 5.07. Capital. Acquire voting stock in CoBank in such amounts and at such times as CoBank may from time to time require in accordance with its bylaws and capital plan (as each may be amended from time to time). The rights and obligations of the parties with respect to such stock and any patronage or other distributions made by CoBank shall be governed by CoBank's bylaws and capital plan (as each may be amended from time to time).

SECTION 5.08. Inspection. Permit CoBank or its agents, upon reasonable notice and during normal business hours or at such other times as the parties may agree, to examine the properties, books and records of the Company and its Subsidiaries, and to discuss its affairs, finances and accounts with its officers, directors, and independent certified public accountants.

SECTION 5.09. Financial. Meet the following financial ratios and maintain the following reserves:

(A) Debt Service Coverage Ratio: The Company will have at the end of each fiscal year a Debt Service Coverage Ratio of not less than 1.20 to 1.00.

(B) Equity to Assets Ratio: The Company will have, on both a consolidated and unconsolidated basis, at the end of each fiscal quarter, a ratio of equity to total assets (as

determined in accordance with GAAP) of not less than 0.15 to 1.00.

(C) Maintenance of Transition Reserve: The Company will maintain a \$35.0 million transition reserve which will be utilized to offset any costs and expenses related to a termination of a Smelter Power Contract.

ARTICLE 6

NEGATIVE COVENANTS

Unless otherwise agreed to in writing by CoBank, while this Agreement is in effect:

SECTION 6.01. Consolidations, Mergers and Corporate Reorganizations. The Company shall not consolidate or merge with or into any other Person, or convey or transfer all or any material portion of its assets to any Person, or otherwise reorganize its corporate structure to transfer functions or any part of its assets to any other Person.

SECTION 6.02. Material Contracts. The Company shall not: (A) enter any contract for the management or operation of all or any material portion of its assets; (B) breach or terminate any Wholesale Power Contract; or (C) amend, supplement, modify, or waive any provision of a Wholesale Power Contract, if the effect thereof could reasonably be expected to have a Material Adverse Effect.

SECTION 6.03. Other Businesses, Fiscal Year, Etc. The Company shall not: (A) engage in any business that is substantially different from or unrelated to the business conducted by the Company on the date hereof; or (B) change its fiscal year; or (C) change any material provision of its articles of incorporation or bylaws that alters the basic purpose of the Company.

SECTION 6.04. Total Unsecured Indebtedness. The Company will shall not incur more than \$125,000,000 in total unsecured indebtedness, exclusive of trade payables incurred in the ordinary course of the Company's business.

ARTICLE 7

EVENTS OF DEFAULT

Each of the following shall constitute an "Event of Default" hereunder:

SECTION 7.01. Payment Default. The Company should fail to make any payment to CoBank hereunder or under the Note within three (3) days of the due date, except that the three (3) day grace period shall not apply to all payments due on the Maturity Date.

SECTION 7.02. Indenture. An Indenture Event of Default shall have occurred and be continuing.

SECTION 7.03. Representations and Warranties, Etc. Any opinion, certificate or like document furnished to CoBank by or on behalf of the Company, or any representation or warranty made or deemed made by the Company herein or in any other Loan Document, shall

prove to have been false or misleading in any material respect on or as of the date furnished, made or deemed made.

SECTION 7.04. Covenants. The Company should fail to perform or comply with any covenant set forth herein in any material respect and such failure continues for 30 days after written notice thereof shall have been given by CoBank to the Company.

SECTION 7.05. Change of Control. The Company shall cease to be an electric generation and transmission cooperative owned by its existing members.

SECTION 7.06. Cross Default. The Company should, after any applicable grace period, breach or be in default in the repayment of any other outstanding indebtedness with a balance in excess of \$5,000,000.

SECTION 7.07 Insolvency Proceedings, Etc. The Company or any of its Subsidiaries institutes or consents to the institution of any proceeding under any debtor relief Law; or makes an assignment for the benefit of creditors; or becomes unable to pay its indebtedness as they become due or otherwise become insolvent; or applies for or consents to the appointment of any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer for it or for all or any material part of its property; or any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer is appointed without the application or consent of such Person and the appointment continues undischarged or unstayed for sixty (60) calendar days; or an order for relief is entered in any such proceeding.

SECTION 7.08 Judgments. There is entered against the Company or any of its Subsidiaries (i) one or more final judgments or orders for the payment of money in an aggregate amount (as to all such judgments or orders) exceeding \$5,000,000 (to the extent not covered by independent third-party insurance as to which the insurer does not dispute coverage), or (ii) any one or more non-monetary final judgments that have, or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect and, in either case, (A) enforcement proceedings are commenced by any creditor upon such judgment or order, or (B) there is a period of ten (10) consecutive Business Days during which a stay of enforcement of such judgment, by reason of a pending appeal or otherwise, is not in effect.

ARTICLE 8

REMEDIES UPON DEFAULT

SECTION 8.01. Remedies. Upon the occurrence and during the continuance of an Event of Default, CoBank may terminate the Commitment, declare the unpaid principal balance of the Note, all accrued interest thereon, and all other amounts payable under this Agreement, the Note, and all other Loan Documents to be immediately due and payable, and take such other action as may be permitted by Law or in equity, including an action or proceeding to specifically enforce any covenant contained herein or to restrain the breach thereof. The Company hereby waives any defense to any such action that an adequate remedy at law exists.

SECTION 8.02. Default Rate. Upon the occurrence and during the continuance of any Event of Default, CoBank may, at its option in each instance and automatically following

acceleration, charge interest on the unpaid principal balance of the Note at the Default Rate.

SECTION 8.03. Miscellaneous. Each and every one of CoBank’s rights and remedies shall be cumulative and may be exercised from time to time, and no failure on the part of CoBank to exercise, and no delay in exercising, any right or remedy shall operate as a waiver thereof, and no single or partial exercise of any right or remedy shall preclude any future or other exercise thereof, or the exercise of any other right. Without limiting the foregoing, CoBank may hold and/or set off and apply against the Company’s obligations to CoBank the proceeds of any equity in CoBank, any cash collateral held by CoBank, or any other balances held by CoBank for the Company’s account (whether or not such balances are then due).

SECTION 8.04. Application of Funds. Upon the occurrence and during the continuance of an Event of Default, CoBank may apply all payments received by it to the Company’s obligations to CoBank in such order and manner as CoBank may elect in its sole and absolute discretion.

ARTICLE 9

MISCELLANEOUS

SECTION 9.01. Complete Agreement, Amendments, Etc. The Loan Documents are intended by the parties to be a complete and final expression of their agreement. No amendment, modification, or waiver of any provision of the Loan Documents, and no consent to any departure by the Company herefrom or therefrom, shall be effective unless approved by CoBank and contained in a writing signed by or on behalf of CoBank, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

SECTION 9.02. Governing Law; Jurisdiction; Etc.

(A) GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

(B) SUBMISSION TO JURISDICTION. THE COMPANY IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE NONEXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK SITTING IN THE BOROUGH OF MANHATTAN AND OF THE UNITED STATES DISTRICT COURT OF THE SOUTHERN DISTRICT OF NEW YORK, AND ANY APPELLATE COURT FROM ANY THEREOF, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH NEW YORK STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN

OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS AGREEMENT OR IN ANY OTHER LOAN DOCUMENT SHALL AFFECT ANY RIGHT THAT COBANK MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AGAINST THE COMPANY OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

(C) WAIVER OF VENUE. THE COMPANY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT IN ANY COURT REFERRED TO IN PARAGRAPH (B) OF THIS SECTION. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

(D) SERVICE OF PROCESS. EACH PARTY HERETO IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN THE MANNER PROVIDED FOR NOTICES IN SECTION 9.04. NOTHING IN THIS AGREEMENT WILL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW.

SECTION 9.03. Waiver of Jury Trial. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

SECTION 9.04. Notices. All notices hereunder shall be in writing and shall be deemed to have been duly given upon delivery if personally delivered or sent by overnight mail or by facsimile or similar transmission, or three (3) days after mailing if sent by express, certified or registered mail, to the parties at the following addresses (or such other address as either party may specify by like notice):

If to CoBank, as follows:

CoBank, ACB
550 South Quebec Street
Greenwood Village, Colorado 80111
Facsimile: (303) 704-4002
Attention: Communications and
Energy Banking Group, and
Power Supply Section Manager

with a copy to:

Step toe & Johnson LLP
750 Seventh Avenue, Suite 1800
New York, New York 10019
Facsimile: (212) 506-3950
Attention: Greg R. Yates, Esq.

If to the Company, as follows:

Big Rivers Electric Corporation
201 Third Street
Henderson, Kentucky 42420
Facsimile: (270) 827-2558
Attention: President and Chief Executive
Officer

with a copy to:

Sullivan, Mountjoy, Stainback & Miller
100 St. Ann Building
Owensboro, Kentucky
Facsimile: (270) 683-6694
Attention: James M. Miller, Esq.

SECTION 9.05. Costs, Expenses, and Taxes. To the extent allowed by Law, the Company agrees to pay all reasonable out-of-pocket costs and expenses (including the fees and expenses of counsel retained by CoBank) incurred by CoBank in connection with the origination, administration, interpretation, collection, and enforcement of this Agreement and the other Loan Documents, including, without limitation: (A) all costs and expenses incurred in determining compliance with the Company's obligations hereunder and other the other Loan Documents; (B) all costs and expenses (including all court costs) incurred in connection with any action or proceeding brought by CoBank under the terms hereof; and (C) any stamp, intangible, transfer or like tax incurred in connection with this Agreement or any other Loan Document or the recording hereof or thereof.

SECTION 9.06. Effectiveness and Severability. This Agreement shall continue in effect until all indebtedness and obligations of the Company under this Agreement and the Note shall have been paid or satisfied. Any provision of this Agreement or the Note which is prohibited or unenforceable shall be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or thereof.

SECTION 9.07. Successors and Assigns. This Agreement and the other Loan Documents shall be binding upon and inure to the benefit of the Company and CoBank and their respective successors and assigns, except that the Company may not assign or transfer its rights or obligations under this Agreement or the other Loan Documents without the prior written consent of CoBank. From time to time, consistent with the subsequent paragraph, CoBank may sell and assign its rights and/or participations in its rights under this Agreement, the Note, and all instruments and documents executed in connection with, or relating hereto (collectively, "Participations"): provided, however, that: (1) no such sale shall alter CoBank's obligations hereunder; and (2) any agreement pursuant to which CoBank may sell a Participation: (a) shall provide that CoBank shall retain the responsibility to exercise CoBank's rights hereunder and to

enforce the obligations of the Company; and (b) may provide that the approval of CoBank and participants holding more than 50% of the aggregate amount of the Loans and Commitments (or, in the event CoBank holds more than 50%, CoBank and at least one other participant) shall be required in order to approve any amendment, modification or waiver of any provision of this Agreement or any other Loan Document or to take action to have the Loans declared due and payable pursuant to the terms of this Agreement; provided, however, that such agreement may provide that each of the participants may have rights to approve or disapprove: (i) any increase in the Commitments, or any reduction, modification or forgiveness in the principal amount, interest rates or prepayment premiums owing on the Loans; (ii) any change in the dates on which interest or principal is due; or (iii) the release of any material collateral for the Loans. In connection with the foregoing, CoBank may disclose information concerning the Company and its affiliates to all prospective purchasers.

CoBank shall be permitted to make assignments in acceptable minimum amounts of \$5,000,000 to other financial institutions approved by the Borrower (so long as no Default or Event of Default), which approval shall not be unreasonably withheld; provided, however, that the approval of the Company shall not be required in connection with Participations and assignments to any Farm Credit institution. CoBank may participate the facility only to other Farm Credit institutions that pay patronage and as such, 100% of the commitment is eligible for patronage to the extent payable under CoBank's and the other institution's governance documents. In connection with any assignment or participation, CoBank shall continue to pay patronage on the portion of the Loans that it continues to hold and the assignee or participant shall pay patronage at its then current rate, if any, on the portion of the Loans assigned or participated. CoBank shall not be responsible for paying any difference in patronage on the portion of the Loans that it assigns or participates.

SECTION 9.08. Indemnification by the Company. The Company shall indemnify CoBank and its affiliates, officers, directors, employees, attorneys, agents and advisors against, and hold CoBank and its affiliates, officers, directors, employees, attorneys, agents and advisors harmless from, any and all losses, claims (including all reasonable out-of-pocket costs and expenses, including reasonable counsel fees and disbursements incurred in connection with defense thereof by CoBank) as a result of the funding of Loans, or the acceptance of payments due under the Loan Documents, damages, liabilities and related expenses (including the reasonable fees, charges and disbursements of any counsel for CoBank), and shall indemnify and hold harmless CoBank from all reasonable fees and time charges and disbursements for attorneys who may be employees of CoBank, incurred by CoBank or asserted against CoBank by any third party or by the Company arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder, the consummation of the transactions contemplated hereby or thereby, or the administration of this Agreement and the other Loan Documents, (ii) any Loan or the use or proposed use of the proceeds therefrom, (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by the Company or any of its Subsidiaries, or any Environmental Liability related in any way to the Company or any of its Subsidiaries, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by the Company, and regardless of whether

CoBank is a party thereto; provided that such indemnity shall not, as to CoBank, be available to the extent that such losses, claims, damages, liabilities or related expenses (x) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of CoBank or (y) result from a claim brought by the Company against CoBank for breach in bad faith of CoBank's obligations hereunder or under any other Loan Document, if the Company has obtained a final and nonappealable judgment in its favor on such claim as determined by a court of competent jurisdiction. In no event shall either the Company or CoBank be responsible for consequential, punitive, indirect or special damages

SECTION 9.09. Headings. Captions and headings used in this Agreement are for reference and convenience of the parties only, and shall not constitute a part of this Agreement.

SECTION 9.10. USA Patriot Act Notice. CoBank hereby notifies the Company that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Act"), it is required to obtain, verify and record information that identifies the Company, which information includes the name and address of the Company and other information that will allow CoBank to identify the Company in accordance with the Act.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized officers as of the date shown above.

BIG RIVERS ELECTRIC CORPORATION

By: _____

Its: _____

CoBANK ACB

By: _____

Its: _____

EXHIBIT A

DEFINITIONS AND RULES OF INTERPRETATION

SECTION 1.01 Definitions. As used in the Agreement or any amendment thereto, the following terms shall have the following meanings:

Accounting Requirements shall have the meaning set forth in the Indenture.

Agreement shall mean the Revolving Credit Agreement dated as of February _____, 2009, by and between the Company and CoBank, as it may be amended or modified from time to time.

Applicable Margin shall have the meaning set forth in Section 2.04(D) hereof.

Business Day means: (1) any day other than a Saturday, Sunday, or other day on which CoBank is, or the Federal Reserve Banks are, closed for business; and (2) when used with respect to any Loan balance bearing or to bear interest at the LIBOR Option, a day which is also a day on which dealings in US Dollar deposits are being carried out in the London interbank market and banks are open for business in New York and London.

CoBank shall mean CoBank, ACB and its successors and assigns.

Commitment shall have the meaning set forth in Section 2.01(A) hereof.

Company shall mean Big Rivers Electric Corporation and its permitted successors and assigns.

Credit Rating shall mean a rating assigned by a Rating Agency to unsecured corporate indebtedness issued by or on behalf of the Company that is not subject to credit enhancement.

Debt Service Coverage Ratio shall mean, for the fiscal year being measured: (a) the sum of that year's net income (after taxes and after eliminating any gain or loss on the sale of assets or other extraordinary gain or loss), plus depreciation expense, plus amortization expense, plus total interest expense, plus income taxes minus non-cash patronage, and minus non-cash income from subsidiaries and/or joint ventures; divided by (b) the sum of all scheduled payments of principal required to be made during that year on account of Total Long Term Debt plus total interest expense (all as calculated for the Company and its consolidated subsidiaries on a consolidated basis in accordance with GAAP consistently applied).

Default shall mean the occurrence of any event which with the giving of notice or the passage of time or the occurrence of any other condition would become an Event of Default.

Default Rate shall mean 4% per annum in excess of the rate or rates that would otherwise be in effect under the terms of the Note.

Dollars and the sign "\$" shall mean lawful money of the United States of America.

Environmental Laws shall mean any and all Federal, state, local, and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants,

franchises, licenses, agreements or governmental restrictions relating to pollution and the protection of the environment or the release of any materials into the environment, including those related to hazardous substances or wastes, air emissions and discharges to waste or public systems.

Environmental Liability shall mean any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of the Company or any of its Subsidiaries directly or indirectly resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

ERISA shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations and published interpretations thereof.

ERISA Affiliate shall mean any trade or business, whether or not incorporated, which is a member of a controlled group with the Company within the meaning of Section 4001(a)(14) of ERISA.

Event of Default shall mean any of the events specified in Article 7 of this Agreement.

GAAP shall mean generally accepted accounting principles in the United States.

Holders shall have the meaning set forth in the Indenture.

Hazardous Materials shall mean all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos-containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any Environmental Law.

Indenture shall mean that certain Indenture dated as of _____, between the Company and _____, as Trustee, as amended, supplemented or restated from time to time.

Indenture Default shall mean the occurrence of an event which, with the giving of notice and/or the passage of time and/or the occurrence of any other condition would become an Indenture Event of Default.

Indenture Event of Default shall mean an Event of Default (as defined in the Indenture).

Interest Period shall mean a period commencing on the day the Loan becomes effective and ending on the numerically corresponding day in the next calendar month or the month that is 2, 3, or 6 months thereafter, as the case may be; provided, however, that: (1) in the event such ending day is not a Business Day, such period shall be extended to the next Business Day unless such next Business Day falls in the next calendar month, in which case it shall end on the

preceding Business Day; and (2) if there is no numerically corresponding day in the month, then such period shall end on the last Business Day in the relevant month.

Laws shall mean all laws, rules, regulations, codes, orders and the like.

LIBOR shall mean the rate per annum (rounded upward to the nearest thousandth and adjusted for any reserves required on “Eurocurrency Liabilities” (as hereinafter defined) for banks subject to “FRB Regulation D” (as hereinafter defined) or required by any other federal Law) equal to the rate quoted by the British Bankers Association (the “BBA”) at 11:00 AM London time two (2) Business Days before the commencement of the Interest Period for the offering of U.S. Dollar deposits in the London interbank market for the Interest Period designated by the Company, as published by Bloomberg or another major information vendor listed on BBA’s official website. For purposes hereof: (1) “FRB Regulation D” shall mean Regulation D as promulgated by the Board of Governors of the Federal Reserve System, 12CFR Part 204, as amended; and (2) “Eurocurrency Liabilities” shall have the meaning set forth in FRB Regulation D.

Lien shall mean any lien, mortgage, pledge, security interest, charge or encumbrance of any kind, whether voluntary or involuntary (including any conditional sale or other title retention agreement or any lease in the nature thereof).

Loans shall have the meaning set forth in Section 2.01(A) hereof.

Loan Documents shall mean this Agreement, the Note, and all instruments or documents relating to this Agreement or the Note to which the Company is a party.

Material Adverse Effect shall mean a material adverse effect on the condition, financial or otherwise, operations, properties, margins or business of the Company and its Subsidiaries taken as a whole, or on the ability of the Company or any Subsidiary to perform its obligations under the Loan Documents, the Indenture, any loan or other agreement with CoBank, or any loan or other agreement governing any material indebtedness of the Company.

Maturity Date shall have the meaning set forth in Section 2.05 hereof.

Moody’s shall mean Moody’s Investors Service, Inc.

Note shall mean the Promissory Note dated as of February _____, 2009, as may be amended or restated from time to time.

Obligation shall have the meaning set forth in the Indenture.

Permitted Exceptions shall have the meaning set forth in the Indenture.

Person shall mean an individual, partnership, corporation, business trust, joint stock company, trust, unincorporated association, joint venture, governmental authority, or other entity of whatever nature.

Prudent Utility Practice shall mean any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry in the region during the relevant time period, or any of the practices, methods and acts that, in the exercise of reasonable

judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at lowest reasonable cost consistent with good business practices, reliability, safety and expedition. Prudent Utility Practice is not intended to be limited to the optimum practice, method or act, to the exclusion of all others, but rather to include a spectrum of possible practices, methods or acts generally in acceptance in the region in light of the circumstances.

Rating Agency shall mean S&P and Moody's, and any successor to any of the above.

Request for Loan shall have the meaning set forth in Section 2.03 hereof.

RUS shall mean the Rural Utilities Service of the United States Department of Agriculture, or any entity that assumes and succeeds to the rights and obligations of RUS.

RUS Loan Agreement shall mean all loan and other credit agreements between the Company and RUS.

S&P shall mean Standard & Poor's Ratings Services, a Division of The McGraw-Hill Companies, Inc.

Smelter Power Contracts shall mean all of the Company's contracts for the supply of power to Alcan and Century Aluminum.

Subsidiary shall mean, as to the Company, a corporation, partnership, limited liability company, joint venture, or other Person of which shares of stock or other equity interests having ordinary voting power to elect a majority of the board of directors or other managers of such corporation, partnership, limited liability company, joint venture, or other Person are at the time owned, or the management of which is otherwise controlled, directly or indirectly, through one or more intermediaries, or both, by the Company.

System shall have the meaning set forth in the Indenture.

Total Long Term Debt shall mean the sum of (a) all indebtedness for borrowed money, (b) obligations which are evidenced by notes, bonds, debentures or similar instruments, and (c) that portion of obligations with respect to capital leases or other capitalized agreements that are properly classified as a liability on the balance sheet in conformity with GAAP or which are treated as operating leases under regulations applicable to them but which otherwise would be required to be capitalized under GAAP, in each case having a maturity of more than one year from the date of its creation or having a maturity within one year from such date but that is renewable or extendible, at the Company's option, to a date more than one year from such date or that arises under a revolving credit or similar agreement that obligates the lender(s) to extend credit during a period of more than one year from such date, including all current maturities in respect of such indebtedness whether or not required to be paid within one year from the date of its creation.

Trustee shall mean the Trustee under the Indenture.

Trust Estate shall have the meaning set forth in the Indenture.

Unused Commitment Fee shall have the meaning set forth in Section 2.04(D) hereof.

Unwind Transaction shall mean the transaction as detailed in the documents and financial model provided to CoBank on October 21, 2008, and approved by Final Order from the Kentucky Public Service Commission in February 2009.

Wholesale Power Contracts shall mean the contracts listed on item 1 of Exhibit D to the Indenture, and all amendments, supplements, extensions and replacements thereto.

SECTION 1.02 Rules of Interpretation. The following rules of interpretation shall apply to the Agreement, the Note, and all amendments to either of the foregoing:

Accounting Terms. All accounting terms not specifically defined herein shall be construed in accordance with *Accounting Requirements*, and all financial data submitted pursuant to this Agreement shall be prepared in accordance with such principles.

Number. All terms stated in the singular shall include the plural, and all terms stated in the plural shall include the singular.

Including. The term “including” shall mean including, but not limited to.

Default. The expression “while any Default or Event of Default shall have occurred and be continuing” (or like expression) shall be deemed to include the period following any acceleration of the Obligations (unless such acceleration is rescinded).

Incorporation. All Exhibits to the Agreement shall form a part of, and shall be fully incorporated by reference into, the Agreement as if set forth in full therein.

EXHIBIT B

REQUEST FOR LOAN

TO: CoBANK, ACB

FROM: BIG RIVERS ELECTRIC CORPORATION

DATE: _____, 200_

SUBJECT: REQUEST FOR LOAN

Reference is hereby made to that certain Revolving Credit Agreement dated as of February _____, 2009 (the "Loan Agreement") between **BIG RIVERS ELECTRIC CORPORATION** (the "Company") and **CoBANK, ACB** ("CoBank"). All capitalized terms used herein and not defined herein shall have the meanings given to those terms in the Loan Agreement.

Pursuant to Section 2.03 of the Loan Agreement, the undersigned, on behalf of the Company, hereby requests that CoBank make a Loan to the Company on _____, 20____ in the aggregate amount of \$_____.

The Loan is to bear interest in accordance with the provisions of the Revolving Credit Agreement.

Please wire transfer the proceeds of the Loans to the account shown in our Delegation And Wire And Electronic Authorization Form (the "Form") or, if more than one account is shown in the Form, to the following account: _____:

To induce CoBank to make the Loan, I hereby certify as follows: (1) the Company has satisfied all conditions precedent set forth in the Loan Agreement to CoBank's obligation to make the Loans; and (2) without limiting (1) above: (a) each of the representations and warranties set forth in the Loan Agreement (other than those that relate to a specific date) is true and correct as of the date hereof; and (b) no Default or Event of Default exists.

BIG RIVERS ELECTRIC CORPORATION

By: _____

Its: _____

(Must be signed by an
authorized employee or officer)

EXHIBIT D

PREMIUM METHODOLOGY

The premium shall be an amount equal to the present value of any funding losses imputed by CoBank to have been incurred as a result of a repayment, prepayment, or failure to borrow. Such premium shall be determined and calculated in accordance with the methodology set forth below:

(A) Determine the difference between: (1) the rate estimated by CoBank on the date the rate was fixed to be its cost to fund the loan in the manner set forth in its then current methodology; minus (2) the rate estimated by CoBank on the date the premium is calculated to be its cost, less dealer concessions and other issuance costs, to fund a new fixed rate loan in accordance with its then current methodology having the remaining fixed rate period and repayment characteristics as the balance being repaid. If such difference is negative, there is no premium. If positive, continue to (B).

(B) Divide the result determined in (A) above by the number of times interest is payable during the year.

(C) For each interest period (or portion thereof) during which interest was scheduled to accrue at the fixed rate, multiply the amount determined in (B) above by the principal balance scheduled to have been outstanding during such period (such that there is a calculation for each interest period during which the amount repaid was scheduled to have been outstanding at the fixed rate).

(D) Determine the present value of each calculation made under (C) above as of the date of calculation based upon the scheduled time that interest on the amount repaid would have been payable and a discount rate equal to the rate set forth in (A)(2) above.

(E) Add all of the calculations made under (D) above. The result is the premium.

Nothing contained herein shall prevent CoBank from funding its loans in any manner as it may, in its sole discretion, elect, and the premiums provided for herein shall not be increased or decreased based on the actual methods chosen by CoBank to fund or hedge the loan being repaid.

EXHIBIT E
PROMISSORY NOTE

\$50,000,000

February _____, 2009

FOR VALUE RECEIVED, BIG RIVERS ELECTRIC CORPORATATION, a _____ corporation (the "Company"), hereby promises to pay to the order of **CoBANK, ACB** ("CoBank"), at the times, in the manner and with interest at the rate or rates hereinafter provided, the principal sum of **FIFTY MILLION DOLLARS (\$50,000,000)**, or such lesser amount as from time to time may be outstanding under the Loan Agreement (as defined below). This Note has been given to evidence the Company's obligation to repay loans (the "Loans") made by CoBank, ACB to the Company pursuant to Section 2.01(A)(1) of that certain Revolving Credit Agreement dated as of February _____, 2009, between the Company and CoBank (as amended or restated from time to time, the "Loan Agreement").

1. Repayment of Principal. The principal balance of this Note shall be due and payable in full on the Maturity Date (as such term is defined in the Loan Agreement).

2. Interest.

(A) Interest Rate. The Company agrees to pay interest on the unpaid principal balance of the Loans at a fixed rate per annum equal to LIBOR plus the Applicable Margin. Rates may be fixed: (a) on three (3) Business Days' prior notice; (b) on balances of \$2,000,000 and in \$1,000,000 increments in excess thereof; and (c) for Interest Periods of 1, 2, 3, or 6 months, as selected by the Company; provided, however, in no event may rates be fixed for Interest Periods expiring after the Maturity Date.

(B) Calculation and Payment. In calculating interest, the date each Loan is made shall be included and the date each Loan or principal installment thereof is repaid shall, if received before 10:00 AM Mountain Time, be excluded. Interest on balances shall be calculated on the basis of the actual number of days elapsed in a year of 360 days and paid at the end of each Interest Period or, in the case of Interest Periods longer than three (3) months, at three (3) month intervals.

(C) Default Rate. Notwithstanding the foregoing, in the event the Company fails to make any payment of principal or interest hereunder when due and payable, then without limiting any other rights and remedies, such payment shall, at CoBank's option in each instance, bear interest from the date when due to the date paid at 4% per annum in excess of the rate in effect on the Loans. In addition, upon the occurrence and during the continuance of any Event of Default, CoBank may, at its option in each instance and automatically following acceleration, charge interest on the unpaid principal balance of this Note at 4% per annum in excess of the rate or rates that would otherwise be in effect on the Loans. All such interest shall be payable upon demand.

3. Prepayment.

(A) Optional Prepayment. The Company shall have the right to prepay this Note in whole or in part provided, however, that in the case of partial prepayments, the minimum

amount that may be prepaid at any one time shall be \$2,000,000 and amounts in excess thereof shall be in increments of \$1,000,000. In the event the Company desires to prepay this Note, it shall furnish written notice thereof to CoBank not less than three Business Days prior to the date thereof, specifying the date on which this Note is to be prepaid and the amount thereof. On such date, unless CoBank otherwise agrees, the portion thereof designated for prepayment shall become due and payable together with: (A) accrued interest on the amount prepaid to the date of payment; and (B) in the event any fixed rate balance is prepaid, a prepayment premium in an amount calculated pursuant to the Loan Agreement. All partial prepayments shall be applied to such fixed and variable rate balances outstanding on this Note as shall be designated by the Company. Unless otherwise agreed by CoBank and except as provided in Subsection (B) hereof, the Company may not prepay this Note in any other manner.

(B) Mandatory Prepayment. The Company shall prepay this Note in full, together with all accrued interest and, if required by Section 2.06(C) of the Loan Agreement, a prepayment premium in an amount calculated pursuant to the Loan Agreement, in the event repayment hereof is accelerated in accordance with the terms of the Loan Agreement. In addition, the Company shall prepay the Note in part, together with accrued interest and, if required by Section 2.06(C) of the Loan Agreement, a prepayment premium, if and to the extent required by Section 2.06(B) of the Loan Agreement.

4. Payments. All payments made hereunder shall be made in lawful money of the United States of America by wire transfer of immediately available funds. Wire transfers shall be made to such account or accounts as shall be designed by CoBank in accordance with the terms of the Loan Agreement. CoBank shall not be obligated to present this Note as a condition for obtaining any payment of principal or interest required to be made hereunder. Upon payment of this Note in full, CoBank will mark this Note as cancelled and return it as directed by this Company. If the date on which any installment of principal and interest are due is not a Business Day, such installment shall be due and payable on the next Business Day and interest shall continue to accrue on the principal amount thereof until paid.

5. Reference. Reference to the Loan Agreement should be made for a complete statement of the rights of the Holder hereof and the nature and extent of the security for this Note, including the right to accelerate repayment of this Note. In addition, reference to the Loan Agreement should be made for the meaning of all capitalized terms used herein and not defined herein.

6. Governing Law. This Note shall be governed by and construed in accordance

with the laws of the State of New York.

IN WITNESS WHEREOF, Big Rivers Electric Corporation has caused this Note to be

duly executed by one of its officers thereunto duly authorized as of the date first written above.

BIG RIVERS ELECTRIC CORPORATION

By: _____

Its: _____

Attest:

By: _____

Title: _____

EXHIBIT F
BIG RIVERS ELECTRIC CORPORATION SUBSIDIARIES

EXHIBIT G
BIG RIVERS ELECTRIC MATERIAL LITIGATION

EXHIBIT 111

REVISED SMELTER COORDINATION AGREEMENTS

COORDINATION AGREEMENT

Dated as of [_____]

by and between

BIG RIVERS ELECTRIC CORPORATION

and

ALCAN PRIMARY PRODUCTS CORPORATION

COORDINATION AGREEMENT

This COORDINATION AGREEMENT ("Agreement") is made and entered into as of [_____], by and between BIG RIVERS ELECTRIC CORPORATION, a Kentucky rural electric cooperative ("Big Rivers"), and ALCAN PRIMARY PRODUCTS CORPORATION, a Texas corporation ("Alcan"). Big Rivers and Alcan are sometimes referred to herein collectively as the "Parties" and individually as a "Party."

RECITALS

A. Kenergy Corp., a Kentucky retail rural electric cooperative, currently supplies and delivers to Alcan, the owner and operator of an aluminum reduction plant in Sebree, Kentucky, electric energy and related services pursuant to an Agreement for Electric Service, dated July 15, 1998, between Henderson Union Electric Cooperative Corp., Kenergy's predecessor-in-interest, and Alcan Aluminum Corporation, Alcan's predecessor in interest (the "Existing Alcan Agreement").

B. Kenergy currently purchases certain electric energy and related services for resale to Alcan from Western Kentucky Energy Corp., an affiliate of E. ON U.S., LLC, formerly known as LG&E Energy Corp. (together with such affiliates and parent, collectively, "LG&E") under an Agreement for Electric Service, dated as of July 15, 1998 (the "Kenergy/LG&E Contract").

C. Kenergy also currently purchases additional electric energy and related services for resale to Alcan, to serve the energy requirements of Alcan not provided by LG&E, from third-party suppliers, including Big Rivers.

D. The Existing Alcan Agreement and the Kenergy/LG&E Contract were entered into in connection with the consummation of a series of transactions implementing the First Amended Plan of Reorganization of Big Rivers, as part of which, among other things (i) Big Rivers leased its generating facilities to LG&E and (ii) Big Rivers entered into a power purchase arrangement with LG&E whereby LG&E supplied Big Rivers with electric energy and related services for resale to its Members.

E. Big Rivers and LG&E have agreed to terminate and unwind existing transactions among them relating to the lease by Big Rivers of its interest in its generating facilities to LG&E and the sale by LG&E of electric energy and related services to Big Rivers.

F. In connection with and as a condition to such termination and unwind transactions, Big Rivers has agreed to supply electric energy and related services to Kenergy for resale to Alcan pursuant to a wholesale power sales agreement, dated as of the date hereof (the "Alcan Wholesale Agreement").

G. Kenergy has agreed to supply a similar amount of electric energy and related services to Alcan pursuant to a retail electric service agreement, dated as of the date hereof (the "Alcan Retail Agreement").

H. Big Rivers, Kenergy and Alcan have further agreed that Alcan will make payments due under the Alcan Retail Agreement to a depository bank under a certain Security and Lockbox Agreement to be executed among Big Rivers, Kenergy, Alcan and a depository bank selected by those parties (the "Lockbox Agreement") or, under arrangements relating to sales of Energy by Third Party Suppliers to Kenergy for resale to Alcan to the depository under other similar lockbox arrangements among Kenergy, Alcan and the Third Party Supplier.

I. As a further condition to the execution and delivery of the Alcan Wholesale Agreement by Big Rivers, and the execution and delivery of the Alcan Retail Agreement by Alcan, respectively, the Parties desire to enter into this Agreement to coordinate the performance of their respective obligations under such agreements.

AGREEMENT

NOW, THEREFORE, in consideration of the premises and their mutual covenants set forth herein, and for other good and valuable consideration, receipt of which is hereby acknowledged, and intending to be legally bound hereby, the Parties hereto agree as follows:

1. Definitions; Rules of Interpretations. Capitalized terms used in this Agreement and not defined herein have the meanings assigned to those terms in the Alcan Retail Agreement. The rules of interpretation set forth in Section 1.2 of the Alcan Retail Agreement shall apply to this Agreement as though fully set forth herein.

2. Term and Survival of Obligations. This Agreement shall commence on the date first written above, provided that the obligations of the Parties under Section 3 and Section 5 shall not commence until the Effective Date. This Agreement shall continue in effect until the Alcan Retail Agreement expires or is terminated in accordance with its terms. Notwithstanding the foregoing, any provision of this Agreement providing for payment from one party to the other for assignment of the right to collect and enforce collection of amounts due, or related to remedies for default, damage claims, or payment of other amounts will survive termination or expiration of this Agreement to the extent necessary for its enforcement and the protection of the Party in whose favor such provision exists.

3. Covenants and Agreements.

3.1 Alcan Retail Agreement. Alcan shall (i) fully perform and discharge all of its obligations under the Alcan Retail Agreement unless excused in accordance with the terms thereof; (ii) not act or rely upon any written or oral waivers granted by Kenergy of Alcan's performance under or compliance with provisions of the Alcan Retail Agreement that could be reasonably expected to materially adversely affect Big Rivers' rights or interests under the Alcan Wholesale Agreement without the prior written consent of Big Rivers; (iii) not waive the performance and discharge by Kenergy of its material obligations under the Alcan Retail Agreement without the prior written consent of Big Rivers; (iv) not amend or modify the Alcan Retail Agreement without the prior written consent of Big Rivers (the addition, deletion, modification or amendment of supplemental tariffs contemplated by the Alcan Retail Agreement which has been approved by the KPSC is deemed not to be an amendment or modification of the Alcan Retail Agreement for the purposes of this Section 3.1); (v) not terminate or repudiate the

Alcan Retail Agreement (including by rejection or similar termination in a bankruptcy proceeding involving Alcan) other than in accordance with the provisions thereof without the prior written consent of Big Rivers; (vi) make payments pursuant to the Alcan Retail Agreement when due and in accordance therewith and the Lockbox Agreement for so long as such agreements exist; (vii) not take any action or support any action by others that in any manner would impede Alcan's ability to fulfill its obligations to Kenergy or Big Rivers under the Alcan Retail Agreement or this Agreement or act in any manner that could reasonably be expected to materially adversely affect its ability to perform or discharge its obligations under this Agreement; (viii) provide Big Rivers with a copy of all notices sent to Kenergy pursuant to the Alcan Retail Agreement; and (ix) not assign or transfer (by operation of law or otherwise) any rights or interests that it may have in the Alcan Retail Agreement except in accordance with Article 16 thereof; *provided*, that any transfer or assignment pursuant to Article 16 thereof which requires the consent or approval of Kenergy also shall require the consent of Big Rivers.

3.2 Alcan Wholesale Agreement. Big Rivers shall (i) fully perform and discharge all of its obligations under the Alcan Wholesale Agreement unless excused in accordance with the terms thereof; (ii) not act or rely upon any written or oral waivers granted by Kenergy of Big Rivers' performance under or compliance with provisions of the Alcan Wholesale Agreement that could be reasonably expected to materially adversely affect Alcan's rights or interests under the Alcan Retail Agreement without the prior written consent of Alcan; (iii) enforce the performance and discharge by Kenergy of its material obligations under the Alcan Wholesale Agreement and not waive the performance and discharge by Kenergy of its material obligations thereunder; (iv) not amend or modify the Alcan Wholesale Agreement without the prior written consent of Alcan (the addition, deletion, modification or amendment of supplemental tariffs contemplated by the Alcan Wholesale Agreement which has been approved by the KPSC is deemed not to be an amendment or modification of the Alcan Wholesale Agreement for the purposes of this Section 3.2); (v) not terminate or repudiate the Alcan Wholesale Agreement (including by rejection or similar termination in a bankruptcy proceeding involving Big Rivers) other than in accordance with the provisions thereof; (vi) not take any action or support any action by others that in any manner would impede Big Rivers' ability to fulfill its obligations to Kenergy or Alcan under the Alcan Wholesale Agreement or this Agreement or act in any manner that could reasonably be expected to materially adversely affect its ability to perform or discharge its obligations under this Agreement; (vii) provide Alcan with a copy of all notices sent to Kenergy pursuant to the Alcan Wholesale Agreement; and (viii) not assign or transfer (by operation of law or otherwise) any rights or interests that it may have in the Alcan Wholesale Agreement except in accordance with Article 16 thereof; *provided*, that any transfer or assignment pursuant to Article 16 thereof which requires the consent or approval of Kenergy also shall require the consent of Alcan.

3.3 Payments.

(a) Big Rivers shall pay Alcan upon the Effective Date an amount equal to \$3,485,577 less \$83,333 for each month after December 31, 2006 (calculated as of the 25th day of each month) (the "Assurances Agreement Payment") in lieu of amounts otherwise payable under Section 3(i) of the Assurances Agreement between Alcan and LG&E Energy Marketing Inc., dated as of July 15, 1998. Big Rivers shall make the Assurances Agreement Payment to Alcan on the Effective Date; *provided*, that Big Rivers may credit all or any portion

of the Assurances Agreement Payment against one or more invoices relating to the sale of electric energy or related services to Kenergy for resale to Alcan prior to the Effective Date.

(b) Big Rivers shall pay Alcan upon the Effective Date \$3,031,000.

(c) Upon the Effective Date, Big Rivers shall be obligated to pay Alcan within five (5) days of the Effective Date an amount equal to the difference between (i) the aggregate dollar amount charged by Big Rivers to Kenergy for Block A Energy, Block A-1 Energy, Block B Energy and Block C Energy as defined in the Agreement for Tier 3 Energy dated November 29, 2007 and the First Amendment thereto dated June 6, 2008 between Big Rivers and Kenergy for the benefit of Alcan (collectively, as extended, the "2008 Tier 3 Agreement"), for the period beginning at 12:01 AM on October 6, 2008 through midnight of the Effective Date (the "Payment Period") and (ii) the dollar amount calculated by multiplying the aggregate volume of Block A Energy, Block A-1 Energy, Block B Energy and Block C Energy delivered by Big Rivers to Kenergy for resale to Alcan pursuant to the 2008 Tier 3 Agreement during the Payment Period times the rate of \$43.11 per MWh. For example, if the volume of Block A Energy, Block A-1 Energy, Block B Energy and Block C Energy delivered by Big Rivers during the Payment Period was 175,000 megawatt hours for an aggregate charge of \$8,900,000, the payment would be \$1,226,420 ($\$8,900,000$ less $(175,000 \times 43.11 = 7,673,580) = \$1,226,420$).

3.4 Budget.

(a) Big Rivers shall provide to Alcan for its review and evaluation (i) on or prior to the date 90 days prior to the end of each Fiscal Year, a copy of Big Rivers' then-current draft proposed annual capital and operating budget (the "Proposed Budget") for the following Fiscal Year, and (ii) any reasonably requested supporting information with respect to the Proposed Budget or expenditures in excess of the Budget.

(b) If requested by either Alcan or Century, Big Rivers and Alcan and, if the Century Retail Agreement is in effect, Century, shall jointly engage an independent expert (the "Independent Engineer") and shall agree on the scope of review required to evaluate the draft Proposed Budget. Big Rivers shall pay 50% and Alcan shall pay 50% of the fees and expenses of the Independent Engineer (or Alcan shall pay 25% if the Century Retail Agreement is in effect).

(c) Alcan shall have the opportunity to present the conclusions and recommendations of the Independent Engineer with respect to the Proposed Budget to the Coordinating Committee and to Big Rivers' Board of Directors as soon as reasonably practicable following the Independent Engineer's completion of the Proposed Budget evaluation.

(d) Big Rivers and Alcan will treat the reports, opinions and other work product of the Independent Engineer as confidential, proprietary business information that will not be publicly disclosed or offered as evidence in any regulatory or legal proceeding by Big Rivers, Kenergy or Alcan.

(e) On or prior to the last day of each Fiscal Year, Big Rivers shall provide Alcan copies of the final Budget for the following year. Big Rivers intends to use

reasonable commercial efforts to keep its expenses each year within such year's Budget, but makes no representation that keeping its expenses within such year's Budget will be commercially feasible.

(f) Big Rivers shall provide Alcan notice if:

(i) Big Rivers (A) incurs or plans to incur \$4 million of capital expenditures in any Fiscal Year in excess of the capital expenditures in the Budget for such Fiscal Year, or (B) thereafter incurs or plans to incur an additional \$3 million of capital expenditures in excess of the capital expenditures in the Budget for such Fiscal Year; or

(ii) Big Rivers (A) incurs or plans to incur operating expenses in any Fiscal Year aggregating 2.5% in excess of Big Rivers' total operating expenses in the Budget for such Fiscal Year, or (B) thereafter, incurs or plans to incur an additional 1.25% of such total operating expenses in the Budget, excluding in each case expenses for fuel, environmental compliance or purchased power.

At the request of Alcan, the Coordinating Committee shall meet to discuss the causes of such capital expenditures or operating expenses in excess of the budgeted amounts and, after meeting with the Coordinating Committee, if further requested, Big Rivers shall permit Alcan to make one presentation to Big Rivers' Board with respect thereto.

3.5 Plan of Reorganization. The Parties acknowledge and agree that nothing in the Alcan Retail Agreement, the Alcan Wholesale Agreement, this Agreement or any document or agreement relating thereto may be construed to amend, affirm, waive or otherwise alter the terms of Schedule 5.4(a) of the Big Rivers' plan of reorganization, as modified June 1, 1998, or any document or agreement relating thereto regarding the obligation of Big Rivers to serve Kenergy for the benefit of Alcan; *provided*, that Alcan and Big Rivers disagree, notwithstanding the Unwind Transaction, as to the obligation of Big Rivers, in the absence of a new or amended contract, to serve Kenergy for the benefit of Alcan when the Existing Alcan Agreement terminates or when the Alcan Retail Agreement terminates. The Parties acknowledge that clarity on this issue is desired by both Parties so that necessary and appropriate capital planning and decision-making can be undertaken. The Parties agree to endeavor in good faith to resolve this disagreement prior to 2015.

3.6 Alcan Credit Support. Alcan shall (i) if the rating of the unenhanced, unsecured debt obligation of Alcan Parent with Standard & Poor's is not "A+" or higher (and in addition, if Alcan Parent has such a rating from Moody's, that rating with Moody's is not "A1" or higher), provide and maintain credit support in the form of a letter of credit from a bank rated "A+" or higher, or other credit support acceptable to Big Rivers and Kenergy, in an amount equal to the amounts estimated by Big Rivers to be due to Big Rivers and Kenergy with respect to Alcan's obligations under the Alcan Retail Agreement for a period of two months, and any amount which Big Rivers estimates reasonably could be due with respect to taxes relating to any sale of Energy pursuant to Section 4.13.3 as Economic Sales, Section 10.1 as Surplus Sales, Section 10.2 as Undeliverable Energy Sales or Section 10.3 as Potline Reduction Sales, in each

case, of the Alcan Retail Agreement (“Potential Tax Liability”); and (ii) cause Alcan Parent to guarantee to Big Rivers and Kenergy payment and performance of all obligations of Alcan under the Alcan Retail Agreement, including Potential Tax Liability, and all obligations of Alcan under the other documents entered into by Alcan and its Affiliates in connection with the New Transaction pursuant to a *Guarantee Agreement* executed by Alcan Parent in favor of Big Rivers and Kenergy which shall be satisfactory in form and substance to Big Rivers (the “Alcan Guarantee”). At the request of Big Rivers, Alcan will maintain the Alcan Guarantee until closure of all applicable tax years of Big Rivers. At the request of Alcan, Big Rivers will provide Alcan with information as to the amount and calculation of the estimated Potential Tax Liability and reasonably detailed documentation in support thereof.

3.7 Transmission Upgrade. As soon as reasonably practicable, Big Rivers will develop, finance and construct improvements to its transmission facilities to permit Big Rivers to transmit to its border all Base Energy.

3.8 Proceedings Affecting Rates.

(a) The Parties acknowledge and agree that

(i) Big Rivers shall have the right to seek KPSC approval for changes to the Non-Smelter Member Rates, and FERC approval of changes to the OATT, from time to time, but Big Rivers shall not seek an increase in its base rates to take effect before January 1, 2010, excluding any roll-in to Big Rivers’ base rates of costs that would otherwise be recovered by the Environmental Surcharge or the FAC, and

(ii) Big Rivers will not seek to implement a wholesale rate reduction other than the Rebate to its Members under the procedures available in KRS 278.455 without the consent of Alcan;

provided that this commitment by Big Rivers will have no effect on the availability to Big Rivers’ Members of the procedures in KRS 278.455 to flow-through any wholesale rate decrease to the Non-Smelter Ratepayers.

(b) Alcan shall have the right to intervene and participate in any proceeding that may affect rates at the KPSC or FERC or before any other Governmental Authority. Neither Big Rivers nor Alcan will support or seek, directly or indirectly, from any Governmental Authority, including the KPSC, any challenge to or change in the rate formula set forth in the Alcan Wholesale Agreement or the Alcan Retail Agreement or other terms and conditions set forth therein, including the relationship of the Large Industrial Rate to amounts payable by Alcan pursuant to the Alcan Retail Agreement, except that any Party may initiate or intervene in a proceeding to (i) clarify, interpret or enforce the Alcan Wholesale Agreement or the Alcan Retail Agreement, or (ii) challenge the applicable rate for Transmission Services should those services be unbundled for purposes of calculating the Large Industrial Rate. For the avoidance of doubt, Alcan’s intervention and participation in a regulatory proceeding involving cost of service issues relating to the rates of the Non-Smelter Ratepayers shall not be considered a challenge to the rate formula.

(c) If *Commonwealth of Kentucky ex rel. Gregory D. Stumbo, Attorney General v. Public Service Comm'n and Union Light, Heat and Power Co.*, Franklin Circuit Court, C.A. No. 06-CI-269, or any Applicable Law relating thereto restricts the amounts recovered under the FAC, Appendix A, or the Environmental Surcharge Rider, then Kenergy, Alcan, Big Rivers and, if the Century Retail Agreement is then in effect, Century, shall negotiate in good faith to amend this Agreement (and other agreements entered into in connection herewith) to restore the relative rights and economic benefits thereunder. If such parties are unable to reach an agreement on such amendments, then this Section 3.8 shall not restrict Big Rivers from seeking KPSC approval for an increase to its base rates or an amendment to the FAC, Appendix A, or the Environmental Surcharge Rider.

(d) Nothing in this Agreement shall limit or expand the jurisdiction of the KPSC or the FERC over Big Rivers or the rates, terms and conditions of electric service to Alcan pursuant to the Alcan Retail Agreement or otherwise.

(e) Big Rivers will provide Alcan a copy of any filing with the KPSC or FERC that seeks a change in Big Rivers' tariff or relief authorized by KRS 278.020, KRS 278.030, KRS 278.212, KRS 278.218, KRS 278.300, KRS 278.183 or 807 KAR 5:056.

3.9 Communications; Request for Meetings. Big Rivers will establish with Alcan procedures for the regular dissemination of information relating to the operational and financial performance of Big Rivers. If Alcan believes Big Rivers has or may incur unreasonable costs or expenses, Alcan may request in writing a meeting with Big Rivers' management to discuss such costs or expenses. Such meeting will take place within ten Business Days of the request but shall not be held more frequently than once per fiscal quarter. Nothing in this Section shall obligate Big Rivers to take any action as a result of such meeting.

3.10 Depreciation Rates.

(a) Big Rivers shall not modify its depreciation rates without the approval of or consent or acceptance by the KPSC or, if the KPSC no longer has jurisdiction over Big Rivers, by any other Governmental Authority having jurisdiction over such modification. Big Rivers will provide Alcan reasonable notice of the implementation of such modification together with reasonably detailed documentation describing such modification and an opportunity to discuss such modification with Big Rivers' management prior to the filing of an application for approval of the modification of such depreciation rates with the KPSC or other Governmental Authority having jurisdiction.

(b) Big Rivers shall not initiate a request to a Governmental Authority or RUS for changes to its depreciation rates that would be projected to cause the weighted average depreciation rates for the period from the Effective Date through December 31, 2016, to exceed the weighted average depreciation rates for the same period set forth in the Model; *unless* (1) Big Rivers determines in good faith, based on discussions with a nationally recognized statistical rating organization and after consultation with Alcan, that it is necessary to make such a modification to its depreciation rates in order to maintain an investment grade credit rating, (2) a Governmental Authority with jurisdiction or RUS directs Big Rivers to modify its depreciation rates, or (3) Big Rivers' independent auditors assert that they would not be able to deliver an

unqualified audit opinion with respect to Big Rivers' financial statements as a result of Big Rivers' failure to seek or implement a modification of its depreciation rates. For purposes of this clause (b), Big Rivers' weighted average depreciation rates for the period from Effective Date through December 31, 2016, shall be the sum of its total depreciation expense for each year for that same period over the sum of the average gross depreciable plant for each year over that same period, with appropriate adjustments for partial years.

3.11 Audit Rights. Big Rivers will permit Alcan to audit, upon reasonable notice, at its own expense, at a mutually agreeable time, all information in the possession of Big Rivers relating to its service under the Alcan Wholesale Agreement to Kenergy for resale to Alcan, including scheduled deliveries, meter records, billing records, records related to payments to Big Rivers and such other documents related to payment for and determination of the amount of electric energy, Transmission Services and other related services supplied by Big Rivers and delivered to Kenergy for resale and delivery to Alcan. Big Rivers shall retain all documentation applicable to service to Kenergy under the Alcan Wholesale Agreement for a period of three years. Nothing in this Section 3.11 shall obligate Big Rivers to provide attorney-client privileged information.

3.12 Bylaw Amendments.

(a) Subject to Section 3.12(b) and (c), Big Rivers agrees not to amend its Bylaws after the adoption of the amendment set forth in Section 13.4 of the Alcan Wholesale Agreement in a manner that adversely affects the rights of Alcan to receive patronage capital or other distributions from Big Rivers through Kenergy without the prior consent of Alcan.

(b) Notwithstanding Section 3.12(a), nothing in this Section 3.12 shall restrict Big Rivers' ability to amend its Bylaws (i) without the consent of Alcan if Big Rivers gives notice to Alcan of the proposed Bylaw amendment, together with a copy of such proposed amendment, and Alcan does not object to the proposed amendment within 60 days after the notice is delivered, (ii) with the consent of Alcan during the Consent Period (as defined in Section 3.12(c)), or (iii) without the consent of Alcan following the Consent Period.

(c) The provisions of this Section 3.12 (and the obligations of the parties to notify the other Party of any change in its address pursuant to Section 7.4 hereof) shall survive for 10 years after the end of the Service Period (the "Consent Period") regardless of the termination or expiration of this Agreement.

3.13 Operation of System. Big Rivers shall operate its electric generation and transmission system for the mutual benefit of the Members and patrons consistent with Prudent Utility Practices, and will apply the same standards to operating decisions that may affect the Monthly Charge. Big Rivers will not use the payment obligation of Alcan under Section 4.7 (TIER Adjustment Charge) of the Alcan Retail Agreement as the substantive basis for making an operating decision.

3.14 Property Rights.

(a) Big Rivers' nonpatronage net earnings, after offset (if applicable) by any available tax loss carryforward amounts attributable to a deficit in nonpatronage net

earnings from prior taxable years, shall, if positive, be retained by Big Rivers as a permanent source of equity and, if negative, shall be carried forward to be applied as an offset against future positive nonpatronage net earnings.

(b) Upon liquidation, the assets of Big Rivers shall be distributed in the following order: (i) all debts and obligations of Big Rivers shall be paid in accordance with lawful priorities, (ii) each Member's or other patron's capital account balance shall be paid without priority on a *pro rata* basis until all such capital accounts (as determined subsequent to adjusting such accounts by allocations of patronage net earnings for the year of liquidation exclusive of any gain arising from the liquidation) have been reduced to zero, and (iii) any remaining assets of Big Rivers shall be paid to the current and former Members or other patrons of Big Rivers based upon the amount of their historic patronage with Big Rivers measured by kilowatt-hours purchased from Big Rivers over the life of Big Rivers. The life of Big Rivers is defined to begin at the date Big Rivers was formed in 1961 and to continue uninterrupted through Big Rivers' bankruptcy reorganization to the date of liquidation.

(c) The provisions of this Section 3.14 shall survive the expiration or earlier termination of this Agreement.

3.15 Big Rivers Capitalization Policy. To the extent consistent with Accounting Principles, Applicable Law and guidance of applicable Governmental Authorities or RUS, Big Rivers shall capitalize expenditures for the replacement of the items related to Big Rivers' generation facilities identified in the list of the retirement units set forth in the Schedule 3.15.

3.16 Purchased Power Regulatory Account. Big Rivers will request KPSC to and, if the KPSC approves, shall (a) establish a regulatory account containing purchased power costs to be recovered by Big Rivers from the Members with respect to sales to their Non-Smelter Ratepayers in an amount equal to the sum of the Non-FAC Purchased Power Adjustment Factor in each month multiplied by the amount of Energy delivered in each month to the Members for such sales; and (b) establish the method of recovery of such amounts from Non-Smelter Ratepayers at each general rate adjustment case.

3.17 Model. It is understood and agreed that (i) all financial and production cost models ("Model") including the Model filed with the KPSC in connection with the application for approval of the Unwind Transaction and the New Transaction have been developed solely by Big Rivers to provide its best estimate of the future operations of Big Rivers after the Unwind Transaction is consummated, and (ii) Alcan by executing this Agreement and consummating the Unwind Transaction is not indicating its agreement or disagreement with the forecasted work plans, assumptions or specific expenditures embedded in the Model.

4. Coordinating Committee.

4.1 The parties have agreed to the establishment of a committee ("Coordinating Committee"), consisting of representatives of the Members' chief executive officers, Alcan, Century, and Big Rivers management, organized for the purpose of reviewing,

analyzing and discussing information relating to Big Rivers' operational and financial performance. The Coordinating Committee shall meet at least once each calendar quarter.

4.2 If the Coordinating Committee does not exist or does not function with the subject matter of this Section 4, then Big Rivers shall have the same obligations as to the Smelters, jointly.

4.3 At a minimum of once a year and at such other times as the Parties may agree, the members of the Coordinating Committee will establish a meeting with Big Rivers' board members. These meetings will be informal and the purpose of such meetings will be to discuss Big Rivers' operating and financial performances and plans, and issues affecting the electric utility and smelting industry operations.

4.4 The information to be discussed by the Coordinating Committee shall include (i) analysis criteria and procedures for evaluating plans, procedures, expenditures and maintenance programs, (ii) budgets, (iii) operations and capital expenditures, (iv) fuel procurement or supply, (v) comparison of actual performance to the Budget and an explanation of variances to the Budget, (vi) load forecasts and integrated resource plans, (vii) depreciation studies, proposed changes in depreciation rates and associated proposed changes in electric rates, and (viii) other activities, such as the timing and terms of refinancing the RUS debt or whether to join an independent transmission system operator, that may impact Big Rivers' operational and financial performance. Big Rivers shall provide the Coordinating Committee members any reasonably requested supporting information relating to the items discussed.

4.5 The activities of the Coordinating Committee shall be a standing report item on the agenda of the monthly meeting of the Big Rivers Board of Directors. From time to time Alcan's representatives may make a request to the chairman of the Big Rivers Board of Directors that they be allowed to participate with management in making such report.

5. Cure Rights.

5.1 Notwithstanding any provision contained in the Alcan Retail Agreement that affords Alcan the right to terminate the Alcan Retail Agreement upon any breach or default by Kenergy thereunder, Alcan shall provide Big Rivers a reasonable opportunity, exercisable in Big Rivers' sole discretion, to cure any such breach or default by Kenergy prior to exercising such termination rights, which opportunity shall extend, at a minimum, for a period of not less than 10 Business Days after the later of (i) the date of expiration of the applicable period of time (if any) available for a cure by Kenergy under the Alcan Retail Agreement, and (ii) the date on which notice of the breach or default by Kenergy is delivered by Alcan to Big Rivers. Alcan hereby consents to any attempt by Big Rivers to cure any breaches or defaults by Alcan under the Alcan Retail Agreement that may hereafter occur, provided, that Big Rivers does not materially interfere with Alcan's attempts (if any) to so cure such breaches or defaults.

5.2 Notwithstanding any provision contained in the Alcan Wholesale Agreement that affords Big Rivers the right to terminate the Alcan Wholesale Agreement upon any breach or default by Kenergy thereunder, Big Rivers shall provide Alcan a reasonable opportunity, exercisable in Alcan's sole discretion, to cure any such breach or default by

Kenergy prior to exercising such termination rights, which opportunity shall extend, at a minimum, for a period of not less than ten Business Days after the later of (i) the date of expiration of the applicable period of time (if any) available for a cure by Kenergy under the Alcan Wholesale Agreement, and (ii) the date on which notice of the breach or default by Kenergy is delivered by Big Rivers to Alcan. Big Rivers hereby consents to any attempt by Alcan to cure any breaches or defaults by Big Rivers under the Alcan Wholesale Agreement that may hereafter occur, provided, that Alcan does not materially interfere with Big Rivers' attempts (if any) to so cure such breaches or defaults.

6. Representations and Warranties.

6.1 Big Rivers. Big Rivers hereby represents and warrants to Alcan as follows:

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

(b) Subject to Section 6.1(c), this Agreement, the Alcan Wholesale Agreement and other agreements entered into by Big Rivers in connection therewith constitute Big Rivers' valid and binding obligation enforceable against it in accordance with their terms, except as enforceability may be affected by bankruptcy, insolvency or other similar laws affecting creditors' rights generally and by general equitable principles. The execution, delivery and performance of this Agreement and the Alcan Wholesale Agreement by Big Rivers have been duly and effectively authorized by all requisite corporate action.

(c) As of the Effective Date, all consents, approvals, authorizations, actions or orders, including without limitation, those which must be obtained from Governmental Authorities and the RUS, required for its authorization, execution and delivery of, and for the consummation of the transactions contemplated by, this Agreement and the Alcan Wholesale Agreement have been obtained other than as may be required under Applicable Law to be obtained, given, accomplished or renewed at any time or from time to time, and which are routine in nature or which cannot be obtained, or are not normally applied for, prior to the time they are required and which Big Rivers has no reason to believe will not be timely obtained.

(d) Subject to Section 6.1(c), its execution and delivery of this Agreement and the Alcan Wholesale Agreement, its consummation of the transactions contemplated by this Agreement and the Alcan Wholesale Agreement, and its fulfillment of and compliance with the terms and provisions hereof and thereof do not conflict with or violate any judicial or administrative order, award, judgment or decree applicable to it, or conflict with any of the terms, conditions or provisions of its Articles of Incorporation or Bylaws or any material instrument, mortgage, agreement, contract or restriction to which it is a party, or by which any of its properties are bound, or require the approval, consent or authorization of any federal, state or local court, or any of its creditors, or of any other Person, or give any party with rights under any

such instrument, agreement, contract, mortgage, judgment, award, order or other restriction the right to terminate, modify or otherwise change its rights or obligations thereunder which has not been obtained.

6.2 Alcan. Alcan hereby represents and warrants to Big Rivers as follows:

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

(b) This Agreement, the Alcan Retail Agreement and other agreements entered into by Alcan in connection therewith constitute Alcan's valid and binding obligation enforceable against it in accordance with their terms, except as enforceability may be affected by bankruptcy, insolvency or other similar laws affecting creditors' rights generally and by general equitable principles. The execution, delivery and performance of this Agreement and the Alcan Retail Agreement by Alcan have been duly and effectively authorized by all requisite corporate action.

(c) All consents, approvals, authorizations, actions or orders, including without limitation, those which must be obtained from governmental agencies or authorities, required for its authorization, execution and delivery of, and for the consummation of the transactions contemplated by, this Agreement and the Alcan Wholesale Agreement have been obtained.

(d) Its execution and delivery of this Agreement and the Alcan Retail Agreement, its consummation of the transactions contemplated by this Agreement and the Alcan Retail Agreement, and its fulfillment of and compliance with the terms and provisions hereof and thereof do not conflict with or violate any judicial or administrative order, award, judgment or decree applicable to it, or conflict with any of the terms, conditions or provisions of its Articles of Incorporation or Bylaws or any material instrument, mortgage, agreement, contract or restriction to which it is a party, or by which any of its properties are bound, or require the approval, consent or authorization of any federal, state or local court, or any of its creditors, or of any other Person, or give any party with rights under any such instrument, agreement, contract, mortgage, judgment, award, order or other restriction the right to terminate, modify or otherwise change its rights or obligations thereunder which has not been obtained.

7. Miscellaneous.

7.1 No Affect on Rights or Defenses. Nothing in this Agreement shall require performance by a Party of any of its obligations under the Alcan Retail Agreement or the Alcan Wholesale Agreement, as applicable, if it may assert, as a defense to its non-performance, any defenses or excuses to such performance that may be available to it under the provisions of the Alcan Retail Agreement or the Alcan Wholesale Agreement, or under Applicable Law.

7.2 Entire Agreement. This Agreement, the Alcan Retail Agreement, the Alcan Wholesale Agreement and the other agreements and documents denoted on Schedule 6.2.3

of the Alcan Retail Agreement constitute the entire agreement of the Parties hereto with respect to the subject matter hereof and supersede all prior agreements, whether oral or written. This Agreement may be amended only by a written document signed by each of the Parties hereto. Each Party acknowledges that it has not relied upon any representations, statements or warranties of the other Party in executing this Agreement except for those representations and warranties expressly set forth in the foregoing documents.

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

7.4 Notices. A notice, consent, approval or other communication under this Agreement must be delivered in writing, addressed to the Person to whom it is to be delivered, and must be (a) personally delivered to that Person's address (which will include delivery by a nationally recognized overnight courier service), or (b) transmitted by facsimile to that Person's address, with a duplicate notice sent by a nationally recognized overnight courier service to that Person's address. A notice given to a Person in accordance with this Section will be deemed to have been delivered (i) if personally delivered to a Person's address, on the day of delivery if such day is a Business Day, or otherwise on the next Business Day, or (ii) if transmitted by facsimile to a Person's facsimile number and a correct and complete transmission report is received, or receipt is confirmed by telephone, on the day of transmission if a Business Day, otherwise on the next Business Day; *provided, however*, that such facsimile transmission will be followed on the same day with the sending to such Person of a duplicate notice by a nationally recognized overnight courier to that Person's address. For the purpose of this Section, the address of a Party is the address set out below or such other address which that Party may from time to time deliver by notice to the other Party in accordance with this Section:

If to Big Rivers: Big Rivers Electric Corporation
 201 Third Street
 Henderson, Kentucky 42420
 Attn: President and CEO
 Fax: (270) 827-2558

If to Alcan: Plant Manager
 Sebree Smelter
 Alcan Primary Products Corporation
 9404 State Route 2096
 Robards, Kentucky 42452
 Fax: []

With copy to: Director of Energy
 Rio Tinto Alcan
 1188 Sherbrooke Street West
 Montreal, Quebec H3A 3G2
 Canada
 Fax: []

7.5 Dispute Resolution. If a dispute arises between the Parties concerning the terms or conditions of this Agreement, the duties or obligations of the Parties under this Agreement, or the implementation, interpretation or breach of this Agreement, either Party may request in writing a meeting between an authorized representative of the other Party to discuss and attempt to reach a resolution of the dispute. Such meeting will take place within ten Business Days or such shorter or longer time as agreed upon by the Parties of the request. Nothing in this Section shall toll or extend the cure period with respect to the failure by a Party to perform its obligations under this Agreement. Absent such resolution, the Parties may pursue all rights and remedies that they may have at law, in equity or pursuant to this Agreement subject to the limitations set forth in this Agreement to resolve that dispute. Notwithstanding the provisions of this Section each Party may at all times seek injunctive relief, where its delay in doing so could result in irreparable injury.

7.6 Assignments and Transfers. No Party shall assign any of its rights or obligations under this Agreement, whether by operation of law or otherwise, without the prior written consent of the other Party, *provided, however*, that no prior consent shall be required with respect to an assignment to any person who is a permitted assignee of Alcan pursuant to the Alcan Retail Agreement or a permitted assignee of Big Rivers pursuant to the Alcan Wholesale Agreement. Either Party may, without the approval of the other Party, assign this Agreement as collateral security or grant one or more mortgages (including one or more deeds of trust or indentures) on or security interests in its interest under this Agreement in connection with the general financing of its assets or operations.

7.7 Governing Law. This Agreement shall be interpreted, governed by and construed under the laws of the Commonwealth of Kentucky, without regard to its conflicts of law rules.

7.8 Jurisdiction. The Parties hereby agree that the courts of the Commonwealth of Kentucky will have exclusive jurisdiction over each and every judicial action brought under or in relationship to this Agreement, *provided* that the subject matter of such dispute is not a matter reserved by law to the KPSC, or to the U.S. federal judicial system (in which event exclusive jurisdiction and venue will lie with the U.S. District Court for the Western District of Kentucky), and the Parties hereby agree to submit to the jurisdiction of Kentucky courts for such purpose. Venue in state court actions will be in the Henderson Circuit Court as the court in which venue will lie for the resolution of any related disputes under this Agreement. Nothing in this paragraph prohibits a Party from referring to FERC or any other Governmental Authority any matter properly within its jurisdiction.

7.9 Good Faith Efforts. The Parties agree that each will in good faith take all reasonable actions within their reasonable control as are necessary to permit the other Party to fulfill its obligations under this Agreement, the Alcan Wholesale Agreement and the Alcan Retail Agreement; *provided* that no Party will be obligated to expend money or incur material economic loss in order to facilitate performance by the other Party. Where the consent, agreement, or approval of either Party must be obtained hereunder, such consent, agreement or approval may not be unreasonably withheld, conditioned, or delayed unless otherwise provided herein. Where either Party is required or permitted to act or fail to act based upon its opinion or judgment, such opinion or judgment may not be unreasonably exercised. Where notice to the

other Party is required to be given herein, and no notice period is specified, reasonable notice shall be given.

7.10 Successors and Assigns. This Agreement shall be binding upon, and shall inure to the benefit of and be enforceable by, the Parties and their respective successors and permitted assigns.

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

7.12 Third-Party Beneficiaries. Nothing in this Agreement may be construed to create any duty to, or standard of care with reference to, or any liability to, or any benefit for, any person not a Party to this Agreement.

7.13 Kenergy Obligations Separate. Nothing contained in this Agreement shall obligate Alcan or Big Rivers for any obligations or liabilities of Kenergy, whether under or pursuant to the Alcan Retail Agreement, the Alcan Wholesale Agreement or otherwise.

7.14 No Power Sales Commitment. The Parties acknowledge that Big Rivers and Kenergy intend to enter into the Alcan Wholesale Agreement and Alcan and Kenergy intend to enter into the Alcan Retail Agreement which agreements contain the terms and conditions setting forth the wholesale sale of power by Big Rivers and the purchase of such power by Kenergy, and the corresponding retail sale of such power by Kenergy and the purchase of such power by Alcan. Nothing contained in this Agreement shall be deemed to be or create an agreement or commitment of Big Rivers to sell to Alcan, or an agreement of Alcan to purchase from Big Rivers, any electric energy or related services.

IN WITNESS WHEREOF, this Agreement is hereby executed as of the day and year first above written.

BIG RIVERS ELECTRIC CORPORATION

By: _____
Name:
Title:

ALCAN PRIMARY PRODUCTS CORPORATION

By: _____
Name:
Title:

COORDINATION AGREEMENT

Dated as of [_____]

by and between

BIG RIVERS ELECTRIC CORPORATION

and

CENTURY ALUMINUM OF KENTUCKY GENERAL PARTNERSHIP

COORDINATION AGREEMENT

This COORDINATION AGREEMENT ("Agreement") is made and entered into as of [_____], by and between BIG RIVERS ELECTRIC CORPORATION, a Kentucky rural electric cooperative ("Big Rivers"), and CENTURY ALUMINUM OF KENTUCKY GENERAL PARTNERSHIP, a Kentucky general partnership ("Century"). Big Rivers and Century are sometimes referred to herein collectively as the "Parties" and individually as a "Party."

RECITALS

A. Kenergy Corp., a Kentucky retail rural electric cooperative, currently supplies and delivers to Century, the owner and operator of an aluminum reduction plant in Hawesville, Kentucky, electric energy and related services pursuant to an Agreement for Electric Service, dated July 15, 1998, between Green River Electric Corporation, Kenergy's predecessor-in-interest, and Southwire Company, Century's predecessor in interest (the "Existing Century Agreement").

B. Kenergy currently purchases certain electric energy and related services for resale to Century from Western Kentucky Energy Corp., an affiliate of E. ON U.S., LLC, formerly known as LG&E Energy Corp. (together with such affiliates and parent, collectively, "LG&E") under an Agreement for Electric Service, dated as of July 15, 1998 (the "Kenergy/LG&E Contract").

C. Kenergy also currently purchases additional electric energy and related services for resale to Century, to serve the energy requirements of Century not provided by LG&E, from third-party suppliers, including Big Rivers.

D. The Existing Century Agreement and the Kenergy/LG&E Contract were entered into in connection with the consummation of a series of transactions implementing the First Amended Plan of Reorganization of Big Rivers, as part of which, among other things (i) Big Rivers leased its generating facilities to LG&E and (ii) Big Rivers entered into a power purchase arrangement with LG&E whereby LG&E supplied Big Rivers with electric energy and related services for resale to its Members.

E. Big Rivers and LG&E have agreed to terminate and unwind existing transactions among them relating to the lease by Big Rivers of its interest in its generating facilities to LG&E and the sale by LG&E of electric energy and related services to Big Rivers.

F. In connection with and as a condition to such termination and unwind transactions, Big Rivers has agreed to supply electric energy and related services to Kenergy for resale to Century pursuant to a wholesale power sales agreement, dated as of the date hereof (the "Century Wholesale Agreement").

G. Kenergy has agreed to supply a similar amount of electric energy and related services to Century pursuant to a retail electric service agreement, dated as of the date hereof (the "Century Retail Agreement").

H. Big Rivers, Kenergy and Century have further agreed that Century will make payments due under the Century Retail Agreement to a depository bank under a certain Security and Lockbox Agreement to be executed among Big Rivers, Kenergy, Century and a depository bank selected by those parties (the “Lockbox Agreement”) or, under arrangements relating to sales of Energy by Third Party Suppliers to Kenergy for resale to Century to the depository under other similar lockbox arrangements among Kenergy, Century and the Third Party Supplier.

I. As a further condition to the execution and delivery of the Century Wholesale Agreement by Big Rivers, and the execution and delivery of the Century Retail Agreement by Century, respectively, the Parties desire to enter into this Agreement to coordinate the performance of their respective obligations under such agreements.

AGREEMENT

NOW, THEREFORE, in consideration of the premises and their mutual covenants set forth herein, and for other good and valuable consideration, receipt of which is hereby acknowledged, and intending to be legally bound hereby, the Parties hereto agree as follows:

1. Definitions; Rules of Interpretations. Capitalized terms used in this Agreement and not defined herein have the meanings assigned to those terms in the Century Retail Agreement. The rules of interpretation set forth in Section 1.2 of the Century Retail Agreement shall apply to this Agreement as though fully set forth herein.

2. Term and Survival of Obligations. This Agreement shall commence on the date first written above, provided that the obligations of the Parties under Section 3 and Section 5 shall not commence until the Effective Date. This Agreement shall continue in effect until the Century Retail Agreement expires or is terminated in accordance with its terms. Notwithstanding the foregoing, any provision of this Agreement providing for payment from one party to the other for assignment of the right to collect and enforce collection of amounts due, or related to remedies for default, damage claims, or payment of other amounts will survive termination or expiration of this Agreement to the extent necessary for its enforcement and the protection of the Party in whose favor such provision exists.

3. Covenants and Agreements.

3.1 Century Retail Agreement. Century shall (i) fully perform and discharge all of its obligations under the Century Retail Agreement unless excused in accordance with the terms thereof; (ii) not act or rely upon any written or oral waivers granted by Kenergy of Century’s performance under or compliance with provisions of the Century Retail Agreement that could be reasonably expected to materially adversely affect Big Rivers’ rights or interests under the Century Wholesale Agreement without the prior written consent of Big Rivers; (iii) not waive the performance and discharge by Kenergy of its material obligations under the Century Retail Agreement without the prior written consent of Big Rivers; (iv) not amend or modify the Century Retail Agreement without the prior written consent of Big Rivers (the addition, deletion, modification or amendment of supplemental tariffs contemplated by the Century Retail Agreement which has been approved by the KPSC is deemed not to be an amendment or modification of the Century Retail Agreement for the purposes of this Section 3.1); (v) not

terminate or repudiate the Century Retail Agreement (including by rejection or similar termination in a bankruptcy proceeding involving Century) other than in accordance with the provisions thereof without the prior written consent of Big Rivers; (vi) make payments pursuant to the Century Retail Agreement when due and in accordance therewith and the Lockbox Agreement for so long as such agreements exist; (vii) not take any action or support any action by others that in any manner would impede Century's ability to fulfill its obligations to Kenergy or Big Rivers under the Century Retail Agreement or this Agreement or act in any manner that could reasonably be expected to materially adversely affect its ability to perform or discharge its obligations under this Agreement; (viii) provide Big Rivers with a copy of all notices sent to Kenergy pursuant to the Century Retail Agreement; and (ix) not assign or transfer (by operation of law or otherwise) any rights or interests that it may have in the Century Retail Agreement except in accordance with Article 16 thereof; *provided*, that any transfer or assignment pursuant to Article 16 thereof which requires the consent or approval of Kenergy also shall require the consent of Big Rivers.

3.2 Century Wholesale Agreement. Big Rivers shall (i) fully perform and discharge all of its obligations under the Century Wholesale Agreement unless excused in accordance with the terms thereof; (ii) not act or rely upon any written or oral waivers granted by Kenergy of Big Rivers' performance under or compliance with provisions of the Century Wholesale Agreement that could be reasonably expected to materially adversely affect Century's rights or interests under the Century Retail Agreement without the prior written consent of Century; (iii) enforce the performance and discharge by Kenergy of its material obligations under the Century Wholesale Agreement and not waive the performance and discharge by Kenergy of its material obligations thereunder; (iv) not amend or modify the Century Wholesale Agreement without the prior written consent of Century (the addition, deletion, modification or amendment of supplemental tariffs contemplated by the Century Wholesale Agreement which has been approved by the KPSC is *deemed not to be an amendment or modification of the Century Wholesale Agreement* for the purposes of this Section 3.2); (v) not terminate or repudiate the Century Wholesale Agreement (including by rejection or similar termination in a bankruptcy proceeding involving Big Rivers) other than in accordance with the provisions thereof; (vi) not take any action or support any action by others that in any manner would impede Big Rivers' ability to fulfill its obligations to Kenergy or Century under the Century Wholesale Agreement or this Agreement or act in any manner that could reasonably be expected to materially adversely affect its ability to perform or discharge its obligations under this Agreement; (vii) provide Century with a copy of all notices sent to Kenergy pursuant to the Century Wholesale Agreement; and (viii) not assign or transfer (by operation of law or otherwise) any rights or interests that it may have in the Century Wholesale Agreement except in accordance with Article 16 thereof; *provided*, that any transfer or assignment pursuant to Article 16 thereof which requires the consent or approval of Kenergy also shall require the consent of Century.

3.3 Payments.

(a) Big Rivers shall pay Century upon the Effective Date an amount equal to \$139,423 less \$4,167 for each month after December 31, 2006 (calculated as of the 25th day of each month) (the "Assurances Agreement Payment") in lieu of amounts otherwise payable under Section 3(i) of the Assurances Agreement between Century and LG&E Energy

Marketing Inc., dated as of July 15, 1998. Big Rivers shall make the Assurances Agreement Payment to Century on the Effective Date; *provided*, that Big Rivers may credit all or any portion of the Assurances Agreement Payment against one or more invoices relating to the sale of electric energy or related services to Kenergy for resale to Century prior to the Effective Date.

(b) Big Rivers shall pay Century upon the Effective Date \$3,969,000.

(c) Upon the Effective Date, Big Rivers shall be obligated to pay Century within five (5) days of the Effective Date an amount equal to the difference between (i) the aggregate dollar amount charged by Big Rivers to Kenergy for Block A Energy, Block A-1 Energy, Block B Energy and Block C Energy as defined in the Agreement for Tier 3 Energy dated November 29, 2007 and the First Amendment thereto dated June 6, 2008 between Big Rivers and Kenergy for the benefit of Century (collectively, as extended, the "2008 Tier 3 Agreement"), for the period beginning at 12:01 AM on October 6, 2008 through midnight of the Effective Date (the "Payment Period") and (ii) the dollar amount calculated by multiplying the aggregate volume of Block A Energy, Block A-1 Energy, Block B Energy and Block C Energy delivered by Big Rivers to Kenergy for resale to Century pursuant to the 2008 Tier 3 Agreement during the Payment Period times the rate of \$43.11 per MWh. For example, if the volume of Block A Energy, Block A-1 Energy, Block B Energy and Block C Energy delivered by Big Rivers during the Payment Period was 220,500 megawatt hours for an aggregate charge of \$11,025,000, the payment would be \$1,519,245 ($\$11,025,000$ less $(220,500 \times 43.11 = 9,505,755) = \$1,519,245$).

3.4 Budget.

(a) Big Rivers shall provide to Century for its review and evaluation (i) on or prior to the date 90 days prior to the end of each Fiscal Year, a copy of Big Rivers' then-current draft proposed annual capital and operating budget (the "Proposed Budget") for the following Fiscal Year, and (ii) any reasonably requested supporting information with respect to the Proposed Budget or expenditures in excess of the Budget.

(b) If requested by either Century or Alcan, Big Rivers and Century and, if the Alcan Retail Agreement is in effect, Alcan, shall jointly engage an independent expert (the "Independent Engineer") and shall agree on the scope of review required to evaluate the draft Proposed Budget. Big Rivers shall pay 50% and Century shall pay 50% of the fees and expenses of the Independent Engineer (or Century shall pay 25% if the Alcan Retail Agreement is in effect).

(c) Century shall have the opportunity to present the conclusions and recommendations of the Independent Engineer with respect to the Proposed Budget to the Coordinating Committee and to Big Rivers' Board of Directors as soon as reasonably practicable following the Independent Engineer's completion of the Proposed Budget evaluation.

(d) Big Rivers and Century will treat the reports, opinions and other work product of the Independent Engineer as confidential, proprietary business information that will not be publicly disclosed or offered as evidence in any regulatory or legal proceeding by Big Rivers, Kenergy or Century.

(e) On or prior to the last day of each Fiscal Year, Big Rivers shall provide Century copies of the final Budget for the following year. Big Rivers intends to use reasonable commercial efforts to keep its expenses each year within such year's Budget, but makes no representation that keeping its expenses within such year's Budget will be commercially feasible.

(f) Big Rivers shall provide Century notice if:

(i) Big Rivers (A) incurs or plans to incur \$4 million of capital expenditures in any Fiscal Year in excess of the capital expenditures in the Budget for such Fiscal Year, or (B) thereafter incurs or plans to incur an additional \$3 million of capital expenditures in excess of the capital expenditures in the Budget for such Fiscal Year; or

(ii) Big Rivers (A) incurs or plans to incur operating expenses in any Fiscal Year aggregating 2.5% in excess of Big Rivers' total operating expenses in the Budget for such Fiscal Year, or (B) thereafter, incurs or plans to incur an additional 1.25% of such total operating expenses in the Budget, excluding in each case expenses for fuel, environmental compliance or purchased power.

At the request of Century, the Coordinating Committee shall meet to discuss the causes of such capital expenditures or operating expenses in excess of the budgeted amounts and, after meeting with the Coordinating Committee, if further requested, Big Rivers shall permit Century to make one presentation to Big Rivers' Board with respect thereto.

3.5 Plan of Reorganization. The Parties acknowledge and agree that nothing in the Century Retail Agreement, the Century Wholesale Agreement, this Agreement or any document or agreement relating thereto may be construed to amend, affirm, waive or otherwise alter the terms of Schedule 5.4(a) of the Big Rivers' plan of reorganization, as modified June 1, 1998, or any document or agreement relating thereto regarding the obligation of Big Rivers to serve Kenergy for the benefit of Century; *provided*, that Century and Big Rivers disagree, notwithstanding the Unwind Transaction, as to the obligation of Big Rivers, in the absence of a new or amended contract, to serve Kenergy for the benefit of Century when the Existing Century Agreement terminates or when the Century Retail Agreement terminates. The Parties acknowledge that clarity on this issue is desired by both Parties so that necessary and appropriate capital planning and decision-making can be undertaken. The Parties agree to endeavor in good faith to resolve this disagreement prior to 2015.

3.6 Century Credit Support. Century shall (i) if the rating of the unenhanced, unsecured debt obligation of Century Parent with Standard & Poor's is not "A+" or higher (and in addition, if Century Parent has such a rating from Moody's, that rating with Moody's is not "A1" or higher), provide and maintain credit support in the form of a letter of credit from a bank rated "A+" or higher, or other credit support acceptable to Big Rivers and Kenergy, in an amount equal to the amounts estimated by Big Rivers to be due to Big Rivers and Kenergy with respect to Century's obligations under the Century Retail Agreement for a period of two months, and any amount which Big Rivers estimates reasonably could be due with respect to taxes relating to

any sale of Energy pursuant to Section 4.13.3 as Economic Sales, Section 10.1 as Surplus Sales, Section 10.2 as Undeliverable Energy Sales or Section 10.3 as Potline Reduction Sales, in each case, of the Century Retail Agreement (“Potential Tax Liability”); and (ii) cause Century Parent to guarantee to Big Rivers and Kenergy payment and performance of all obligations of Century under the Century Retail Agreement, including Potential Tax Liability, and all obligations of Century under the other documents entered into by Century and its Affiliates in connection with the New Transaction pursuant to a Guarantee Agreement executed by Century Parent in favor of Big Rivers and Kenergy which shall be satisfactory in form and substance to Big Rivers (the “Century Guarantee”). At the request of Big Rivers, Century will maintain the Century Guarantee until closure of all applicable tax years of Big Rivers. At the request of Century, Big Rivers will provide Century with information as to the amount and calculation of the estimated Potential Tax Liability and reasonably detailed documentation in support thereof.

3.7 Transmission Upgrade. As soon as reasonably practicable, Big Rivers will develop, finance and construct improvements to its transmission facilities to permit Big Rivers to transmit to its border all Base Energy.

3.8 Proceedings Affecting Rates.

(a) The Parties acknowledge and agree that

(i) Big Rivers shall have the right to seek KPSC approval for changes to the Non-Smelter Member Rates, and FERC approval of changes to the OATT, from time to time, but Big Rivers shall not seek an increase in its base rates to take effect before January 1, 2010, excluding any roll-in to Big Rivers’ base rates of costs that would otherwise be recovered by the Environmental Surcharge or the FAC, and

(ii) Big Rivers will not seek to implement a wholesale rate reduction other than the Rebate to its Members under the procedures available in KRS 278.455 without the consent of Century;

provided that this commitment by Big Rivers will have no effect on the availability to Big Rivers’ Members of the procedures in KRS 278.455 to flow-through any wholesale rate decrease to the Non-Smelter Ratepayers.

(b) Century shall have the right to intervene and participate in any proceeding that may affect rates at the KPSC or FERC or before any other Governmental Authority. Neither Big Rivers nor Century will support or seek, directly or indirectly, from any Governmental Authority, including the KPSC, any challenge to or change in the rate formula set forth in the Century Wholesale Agreement or the Alcan Retail Agreement or other terms and conditions set forth therein, including the relationship of the Large Industrial Rate to amounts payable by Century pursuant to the Century Retail Agreement, except that any Party may initiate or intervene in a proceeding to (i) clarify, interpret or enforce the Century Wholesale Agreement or the Century Retail Agreement, or (ii) challenge the applicable rate for Transmission Services should those services be unbundled for purposes of calculating the Large Industrial Rate. For the avoidance of doubt, Century’s intervention and participation in a regulatory proceeding

involving cost of service issues relating to the rates of the Non-Smelter Ratepayers shall not be considered a challenge to the rate formula.

(c) If *Commonwealth of Kentucky ex rel. Gregory D. Stumba, Attorney General v. Public Service Comm'n and Union Light, Heat and Power Co.*, Franklin Circuit Court, C.A. No. 06-CI-269, or any Applicable Law relating thereto restricts the amounts recovered under the FAC, Appendix A, or the Environmental Surcharge Rider, then Kenergy, Century, Big Rivers and, if the Alcan Retail Agreement is then in effect, Alcan, shall negotiate in good faith to amend this Agreement (and other agreements entered into in connection herewith) to restore the relative rights and economic benefits thereunder. If such parties are unable to reach an agreement on such amendments, then this Section 3.8 shall not restrict Big Rivers from seeking KPSC approval for an increase to its base rates or an amendment to the FAC, Appendix A, or the Environmental Surcharge Rider.

(d) Nothing in this Agreement shall limit or expand the jurisdiction of the KPSC or the FERC over Big Rivers or the rates, terms and conditions of electric service to Century pursuant to the Century Retail Agreement or otherwise.

(e) Big Rivers will provide Century a copy of any filing with the KPSC or FERC that seeks a change in Big Rivers' tariff or relief authorized by KRS 278.020, KRS 278.030, KRS 278.212, KRS 278.218, KRS 278.300, KRS 278.183 or 807 KAR 5:056.

3.9 Communications; Request for Meetings. Big Rivers will establish with Century procedures for the regular dissemination of information relating to the operational and financial performance of Big Rivers. If Century believes Big Rivers has or may incur unreasonable costs or expenses, Century may request in writing a meeting with Big Rivers' management to discuss such costs or expenses. Such meeting will take place within ten Business Days of the request but shall not be held more frequently than once per fiscal quarter. Nothing in this Section shall obligate Big Rivers to take any action as a result of such meeting.

3.10 Depreciation Rates.

(a) Big Rivers shall not modify its depreciation rates without the approval of or consent or acceptance by the KPSC or, if the KPSC no longer has jurisdiction over Big Rivers, by any other Governmental Authority having jurisdiction over such modification. Big Rivers will provide Century reasonable notice of the implementation of such modification together with reasonably detailed documentation describing such modification and an opportunity to discuss such modification with Big Rivers' management prior to the filing of an application for approval of the modification of such depreciation rates with the KPSC or other Governmental Authority having jurisdiction.

(b) Big Rivers shall not initiate a request to a Governmental Authority or RUS for changes to its depreciation rates that would be projected to cause the weighted average depreciation rates for the period from the Effective Date through December 31, 2016, to exceed the weighted average depreciation rates for the same period set forth in the Model; *unless* (1) Big Rivers determines in good faith, based on discussions with a nationally recognized statistical rating organization and after consultation with Century, that it is necessary to make

such a modification to its depreciation rates in order to maintain an investment grade credit rating, (2) a Governmental Authority with jurisdiction or RUS directs Big Rivers to modify its depreciation rates, or (3) Big Rivers' independent auditors assert that they would not be able to deliver an unqualified audit opinion with respect to Big Rivers' financial statements as a result of Big Rivers' failure to seek or implement a modification of its depreciation rates. For purposes of this clause (b), Big Rivers' weighted average depreciation rates for the period from Effective Date through December 31, 2016, shall be the sum of its total depreciation expense for each year for that same period over the sum of the average gross depreciable plant for each year over that same period, with appropriate adjustments for partial years.

3.11 Audit Rights. Big Rivers will permit Century to audit, upon reasonable notice, at its own expense, at a mutually agreeable time, all information in the possession of Big Rivers relating to its service under the Century Wholesale Agreement to Kenergy for resale to Century, including scheduled deliveries, meter records, billing records, records related to payments to Big Rivers and such other documents related to payment for and determination of the amount of electric energy, Transmission Services and other related services supplied by Big Rivers and delivered to Kenergy for resale and delivery to Century. Big Rivers shall retain all documentation applicable to service to Kenergy under the Century Wholesale Agreement for a period of three years. Nothing in this Section 3.11 shall obligate Big Rivers to provide attorney-client privileged information.

3.12 Bylaw Amendments.

(a) Subject to Section 3.12(b) and (c), Big Rivers agrees not to amend its Bylaws after the adoption of the amendment set forth in Section 13.4 of the Century Wholesale Agreement in a manner that adversely affects the rights of Century to receive patronage capital or other distributions from Big Rivers through Kenergy without the prior consent of Century.

(b) Notwithstanding Section 3.12(a), nothing in this Section 3.12 shall restrict Big Rivers' ability to amend its Bylaws (i) without the consent of Century if Big Rivers gives notice to Century of the proposed Bylaw amendment, together with a copy of such proposed amendment, and Century does not object to the proposed amendment within 60 days after the notice is delivered, (ii) with the consent of Century during the Consent Period (as defined in Section 3.12(c)), or (iii) without the consent of Century following the Consent Period.

3.13 The provisions of this Section 3.12 (and the obligations of the parties to notify the other Party of any change in its address pursuant to Section 7.4 hereof) shall survive for 10 years after the end of the Service Period (the "Consent Period") regardless of the termination or expiration of this Agreement.

3.14 Operation of System. Big Rivers shall operate its electric generation and transmission system for the mutual benefit of the Members and patrons consistent with Prudent Utility Practices, and will apply the same standards to operating decisions that may affect the Monthly Charge. Big Rivers will not use the payment obligation of Century under Section 4.7 (TIER Adjustment Charge) of the Century Retail Agreement as the substantive basis for making an operating decision.

3.15 Property Rights.

(a) Big Rivers' nonpatronage net earnings, after offset (if applicable) by any available tax loss carryforward amounts attributable to a deficit in nonpatronage net earnings from prior taxable years, shall, if positive, be retained by Big Rivers as a permanent source of equity and, if negative, shall be carried forward to be applied as an offset against future positive nonpatronage net earnings.

(b) Upon liquidation, the assets of Big Rivers shall be distributed in the following order: (i) all debts and obligations of Big Rivers shall be paid in accordance with lawful priorities, (ii) each Member's or other patron's capital account balance shall be paid without priority on a *pro rata* basis until all such capital accounts (as determined subsequent to adjusting such accounts by allocations of patronage net earnings for the year of liquidation exclusive of any gain arising from the liquidation) have been reduced to zero, and (iii) any remaining assets of Big Rivers shall be paid to the current and former Members or other patrons of Big Rivers based upon the amount of their historic patronage with Big Rivers measured by kilowatt-hours purchased from Big Rivers over the life of Big Rivers. The life of Big Rivers is defined to begin at the date Big Rivers was formed in 1961 and to continue uninterrupted through Big Rivers' bankruptcy reorganization to the date of liquidation.

(c) The provisions of this Section 3.14 shall survive the expiration or earlier termination of this Agreement.

3.16 Big Rivers Capitalization Policy. To the extent consistent with Accounting Principles, Applicable Law and guidance of applicable Governmental Authorities or RUS, Big Rivers shall capitalize expenditures for the replacement of the items related to Big Rivers' generation facilities identified in the list of the retirement units set forth in the Schedule 3.15.

3.17 Purchased Power Regulatory Account. Big Rivers will request KPSC to and, if the KPSC approves, shall (a) establish a regulatory account containing purchased power costs to be recovered by Big Rivers from the Members with respect to sales to their Non-Smelter Ratepayers in an amount equal to the sum of the Non-FAC Purchased Power Adjustment Factor in each month multiplied by the amount of Energy delivered in each month to the Members for such sales; and (b) establish the method of recovery of such amounts from Non-Smelter Ratepayers at each general rate adjustment case.

3.18 Model. It is understood and agreed that (i) all financial and production cost models ("Model") including the Model filed with the KPSC in connection with the application for approval of the Unwind Transaction and the New Transaction have been developed solely by Big Rivers to provide its best estimate of the future operations of Big Rivers after the Unwind Transaction is consummated, and (ii) Century by executing this Agreement and consummating the Unwind Transaction is not indicating its agreement or disagreement with the forecasted work plans, assumptions or specific expenditures embedded in the Model.

4. Coordinating Committee.

4.1 The parties have agreed to the establishment of a committee (“Coordinating Committee”), consisting of representatives of the Members’ chief executive officers, Century, Alcan, and Big Rivers management, organized for the purpose of reviewing, analyzing and discussing information relating to Big Rivers’ operational and financial performance. The Coordinating Committee shall meet at least once each calendar quarter.

4.2 If the *Coordinating Committee* does not exist or does not function with the subject matter of this Section 4, then Big Rivers shall have the same obligations as to the Smelters, jointly.

4.3 At a minimum of once a year and at such other times as the Parties may agree, the members of the Coordinating Committee will establish a meeting with Big Rivers’ board members. These meetings will be informal and the purpose of such meetings will be to discuss Big Rivers’ operating and financial performances and plans, and issues affecting the electric utility and smelting industry operations.

4.4 The information to be discussed by the Coordinating Committee shall include (i) analysis criteria and procedures for evaluating plans, procedures, expenditures and maintenance programs, (ii) budgets, (iii) operations and capital expenditures, (iv) fuel procurement or supply, (v) comparison of actual performance to the Budget and an explanation of variances to the Budget, (vi) load forecasts and integrated resource plans, (vii) depreciation studies, proposed changes in depreciation rates and associated proposed changes in electric rates, and (viii) other activities, such as the timing and terms of refinancing the RUS debt or whether to join an independent transmission system operator, that may impact Big Rivers’ operational and financial performance. Big Rivers shall provide the Coordinating Committee members any reasonably requested supporting information relating to the items discussed.

4.5 The activities of the Coordinating Committee shall be a standing report item on the agenda of the monthly meeting of the Big Rivers Board of Directors. From time to time, Century’s representatives may make a request to the chairman of the Big Rivers Board of Directors that they be allowed to participate with management in making such report.

5. Cure Rights.

5.1 Notwithstanding any provision contained in the Century Retail Agreement that affords Century the right to terminate the Century Retail Agreement upon any breach or default by Kenergy thereunder, Century shall provide Big Rivers a reasonable opportunity, exercisable in Big Rivers’ sole discretion, to cure any such breach or default by Kenergy prior to exercising such termination rights, which opportunity shall extend, at a minimum, for a period of not less than 10 Business Days after the later of (i) the date of expiration of the applicable period of time (if any) available for a cure by Kenergy under the Century Retail Agreement, and (ii) the date on which notice of the breach or default by Kenergy is delivered by Century to Big Rivers. Century hereby consents to any attempt by Big Rivers to cure any breaches or defaults by Century under the Century Retail Agreement that may hereafter occur, provided, that Big Rivers does not materially interfere with Century’s attempts (if any) to so cure such breaches or defaults.

5.2 Notwithstanding any provision contained in the Century Wholesale Agreement that affords Big Rivers the right to terminate the Century Wholesale Agreement upon any breach or default by Kenergy thereunder, Big Rivers shall provide Century a reasonable opportunity, exercisable in Century's sole discretion, to cure any such breach or default by Kenergy prior to exercising such termination rights, which opportunity shall extend, at a minimum, for a period of not less than ten Business Days after the later of (i) the date of expiration of the applicable period of time (if any) available for a cure by Kenergy under the Century Wholesale Agreement, and (ii) the date on which notice of the breach or default by Kenergy is delivered by Big Rivers to Century. Big Rivers hereby consents to any attempt by Century to cure any breaches or defaults by Big Rivers under the Century Wholesale Agreement that may hereafter occur, provided, that Century does not materially interfere with Big Rivers' attempts (if any) to so cure such breaches or defaults.

6. Representations and Warranties.

6.1 Big Rivers. Big Rivers hereby represents and warrants to Century as follows:

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

(b) Subject to Section 6.1(c), this Agreement, the Century Wholesale Agreement and other agreements entered into by Big Rivers in connection therewith constitute Big Rivers' valid and binding obligation enforceable against it in accordance with their terms, except as enforceability may be affected by bankruptcy, insolvency or other similar laws affecting creditors' rights generally and by general equitable principles. The execution, delivery and performance of this Agreement and the Century Wholesale Agreement by Big Rivers have been duly and effectively authorized by all requisite corporate action.

(c) As of the Effective Date, all consents, approvals, authorizations, actions or orders, including without limitation, those which must be obtained from Governmental Authorities and the RUS, required for its authorization, execution and delivery of, and for the consummation of the transactions contemplated by, this Agreement and the Century Wholesale Agreement have been obtained other than as may be required under Applicable Law to be obtained, given, accomplished or renewed at any time or from time to time, and which are routine in nature or which cannot be obtained, or are not normally applied for, prior to the time they are required and which Big Rivers has no reason to believe will not be timely obtained.

(d) Subject to Section 6.1(c), its execution and delivery of this Agreement and the Century Wholesale Agreement, its consummation of the transactions contemplated by this Agreement and the Century Wholesale Agreement, and its fulfillment of and compliance with the terms and provisions hereof and thereof do not conflict with or violate any judicial or administrative order, award, judgment or decree applicable to it, or conflict with

any of the terms, conditions or provisions of its Articles of Incorporation or Bylaws or any material instrument, mortgage, agreement, contract or restriction to which it is a party, or by which any of its properties are bound, or require the approval, consent or authorization of any federal, state or local court, or any of its creditors, or of any other Person, or give any party with rights under any such instrument, agreement, contract, mortgage, judgment, award, order or other restriction the right to terminate, modify or otherwise change its rights or obligations thereunder which has not been obtained.

6.2 Century. Century hereby represents and warrants to Big Rivers as follows:

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

(b) This Agreement, the Century Retail Agreement and other agreements entered into by Century in connection therewith constitute Century's valid and binding obligation enforceable against it in accordance with their terms, except as enforceability may be affected by bankruptcy, insolvency or other similar laws affecting creditors' rights generally and by general equitable principles. The execution, delivery and performance of this Agreement and the Century Retail Agreement by Century have been duly and effectively authorized by all requisite partner action.

(c) All consents, approvals, authorizations, actions or orders, including without limitation, those which must be obtained from governmental agencies or authorities, required for its authorization, execution and delivery of, and for the consummation of the transactions contemplated by, this Agreement and the Century Wholesale Agreement have been obtained.

(d) Its execution and delivery of this Agreement and the Century Retail Agreement, its consummation of the transactions contemplated by this Agreement and the Century Retail Agreement, and its fulfillment of and compliance with the terms and provisions hereof and thereof do not conflict with or violate any judicial or administrative order, award, judgment or decree applicable to it, or conflict with any of the terms, conditions or provisions of its partnership agreement or any material instrument, mortgage, agreement, contract or restriction to which it is a party, or by which any of its properties are bound, or require the approval, consent or authorization of any federal, state or local court, or any of its creditors, or of any other Person, or give any party with rights under any such instrument, agreement, contract, mortgage, judgment, award, order or other restriction the right to terminate, modify or otherwise change its rights or obligations thereunder which has not been obtained.

7. Miscellaneous.

7.1 No Affect on Rights or Defenses. Nothing in this Agreement shall require performance by a Party of any of its obligations under the Century Retail Agreement or the Century Wholesale Agreement, as applicable, if it may assert, as a defense to its non-performance, any defenses or excuses to such performance that may be available to it under the provisions of the Century Retail Agreement or the Century Wholesale Agreement, or under Applicable Law.

7.2 Entire Agreement. This Agreement, the Century Retail Agreement, the Century Wholesale Agreement and the other agreements and documents denoted on Schedule 6.2.3 of the Century Retail Agreement constitute the entire agreement of the Parties hereto with respect to the subject matter hereof and supersede all prior agreements, whether oral or written. This Agreement may be amended only by a written document signed by each of the Parties hereto. Each Party acknowledges that it has not relied upon any representations, statements or warranties of the other Party in executing this Agreement except for those representations and warranties expressly set forth in the foregoing documents.

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

7.4 Notices. A notice, consent, approval or other communication under this Agreement must be delivered in writing, addressed to the Person to whom it is to be delivered, and must be (a) personally delivered to that Person's address (which will include delivery by a nationally recognized overnight courier service), or (b) transmitted by facsimile to that Person's address, with a duplicate notice sent by a nationally recognized overnight courier service to that Person's address. A notice given to a Person in accordance with this Section will be deemed to have been delivered (i) if personally delivered to a Person's address, on the day of delivery if such day is a Business Day, or otherwise on the next Business Day, or (ii) if transmitted by facsimile to a Person's facsimile number and a correct and complete transmission report is received, or receipt is confirmed by telephone, on the day of transmission if a Business Day, otherwise on the next Business Day; *provided, however*, that such facsimile transmission will be followed on the same day with the sending to such Person of a duplicate notice by a nationally recognized overnight courier to that Person's address. For the purpose of this Section, the address of a Party is the address set out below or such other address which that Party may from time to time deliver by notice to the other Party in accordance with this Section:

If to Big Rivers: Big Rivers Electric Corporation
 201 Third Street
 Henderson, Kentucky 42420
 Attn: President and CEO
 Fax: (270) 827-2558

If to Century: Century Aluminum Company
 P.O. Box 500

State Route 271 North
Hawesville, Kentucky 42348
Attn: Plant Manager
Fax: (270) 852-2882

With copy to: Century Aluminum Company
2511 Garden Road
Building A, Suite 200
Monterey, CA 93940
Attn: General Counsel
Fax: (831) 642-9328

7.5 Dispute Resolution. If a dispute arises between the Parties concerning the terms or conditions of this Agreement, the duties or obligations of the Parties under this Agreement, or the implementation, interpretation or breach of this Agreement, either Party may request in writing a meeting between an authorized representative of the other Party to discuss and attempt to reach a resolution of the dispute. Such meeting will take place within ten Business Days or such shorter or longer time as agreed upon by the Parties of the request. Nothing in this Section shall toll or extend the cure period with respect to the failure by a Party to perform its obligations under this Agreement. Absent such resolution, the Parties may pursue all rights and remedies that they may have at law, in equity or pursuant to this Agreement subject to the limitations set forth in this Agreement to resolve that dispute. Notwithstanding the provisions of this Section each Party may at all times seek injunctive relief, where its delay in doing so could result in irreparable injury.

7.6 Assignments and Transfers. No Party shall assign any of its rights or obligations under this Agreement, whether by operation of law or otherwise, without the prior written consent of the other Party, *provided, however*, that no prior consent shall be required with respect to an assignment to any person who is a permitted assignee of Century pursuant to the Century Retail Agreement or a permitted assignee of Big Rivers pursuant to the Century Wholesale Agreement. Either Party may, without the approval of the other Party, assign this Agreement as collateral security or grant one or more mortgages (including one or more deeds of trust or indentures) on or security interests in its interest under this Agreement in connection with the general financing of its assets or operations.

7.7 Governing Law. This Agreement shall be interpreted, governed by and construed under the laws of the Commonwealth of Kentucky, without regard to its conflicts of law rules.

7.8 Jurisdiction. The Parties hereby agree that the courts of the Commonwealth of Kentucky will have exclusive jurisdiction over each and every judicial action brought under or in relationship to this Agreement, *provided* that the subject matter of such dispute is not a matter reserved by law to the KPSC, or to the U.S. federal judicial system (in which event exclusive jurisdiction and venue will lie with the U.S. District Court for the Western District of Kentucky), and the Parties hereby agree to submit to the jurisdiction of Kentucky courts for such purpose. Venue in state court actions will be in the Henderson Circuit Court as the court in which venue will lie for the resolution of any related disputes under this Agreement.

Nothing in this paragraph prohibits a Party from referring to FERC or any other Governmental Authority any matter properly within its jurisdiction.

7.9 Good Faith Efforts. The Parties agree that each will in good faith take all reasonable actions within their reasonable control as are necessary to permit the other Party to fulfill its obligations under this Agreement, the Century Wholesale Agreement and the Century Retail Agreement; *provided* that no Party will be obligated to expend money or incur material economic loss in order to facilitate performance by the other Party. Where the consent, agreement, or approval of either Party must be obtained hereunder, such consent, agreement or approval may not be unreasonably withheld, conditioned, or delayed unless otherwise provided herein. Where either Party is required or permitted to act or fail to act based upon its opinion or judgment, such opinion or judgment may not be unreasonably exercised. Where notice to the other Party is required to be given herein, and no notice period is specified, reasonable notice shall be given.

7.10 Successors and Assigns. This Agreement shall be binding upon, and shall inure to the benefit of and be enforceable by, the Parties and their respective successors and permitted assigns.

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

7.12 Third-Party Beneficiaries. Nothing in this Agreement may be construed to create any duty to, or standard of care with reference to, or any liability to, or any benefit for, any person not a Party to this Agreement.

7.13 Kenergy Obligations Separate. Nothing contained in this Agreement shall obligate Century or Big Rivers for any obligations or liabilities of Kenergy, whether under or pursuant to the Century Retail Agreement, the Century Wholesale Agreement or otherwise.

7.14 No Power Sales Commitment. The Parties acknowledge that Big Rivers and Kenergy intend to enter into the Century Wholesale Agreement and Century and Kenergy intend to enter into the Century Retail Agreement which agreements contain the terms and conditions setting forth the wholesale sale of power by Big Rivers and the purchase of such power by Kenergy, and the corresponding retail sale of such power by Kenergy and the purchase of such power by Century. Nothing contained in this Agreement shall be deemed to be or create an agreement or commitment of Big Rivers to sell to Century, or an agreement of Century to purchase from Big Rivers, any electric energy or related services.

IN WITNESS WHEREOF, this Agreement is hereby executed as of the day and year first above written.

BIG RIVERS ELECTRIC CORPORATION

By: _____
Name:
Title:

CENTURY ALUMINUM OF KENTUCKY
GENERAL PARTNERSHIP

By: _____
Name:
Title:

EXHIBIT 112

COMPARISON OF REVISED SMELTER COORDINATION AGREEMENTS

COORDINATION AGREEMENT

Dated as of [_____]

by and between

BIG RIVERS ELECTRIC CORPORATION

and

ALCAN PRIMARY PRODUCTS CORPORATION

COORDINATION AGREEMENT

This COORDINATION AGREEMENT ("Agreement") is made and entered into as of [_____], by and between BIG RIVERS ELECTRIC CORPORATION, a Kentucky rural electric cooperative ("Big Rivers"), and ALCAN PRIMARY PRODUCTS CORPORATION, a Texas corporation ("Alcan"). Big Rivers and Alcan are sometimes referred to herein collectively as the "Parties" and individually as a "Party."

RECITALS

A. Kenergy Corp., a Kentucky retail rural electric cooperative, currently supplies and delivers to Alcan, the owner and operator of an aluminum reduction plant in Sebree, Kentucky, electric energy and related services pursuant to an Agreement for Electric Service, dated July 15, 1998, between Henderson Union Electric Cooperative Corp., Kenergy's predecessor-in-interest, and Alcan Aluminum Corporation, Alcan's predecessor in interest (the "Existing Alcan Agreement").

B. Kenergy currently purchases certain electric energy and related services for resale to Alcan from Western Kentucky Energy Corp., an affiliate of E. ON U.S., LLC, formerly known as LG&E Energy Corp. (together with such affiliates and parent, collectively, "LG&E") under an Agreement for Electric Service, dated as of July 15, 1998 (the "Kenergy/LG&E Contract").

C. Kenergy also currently purchases additional electric energy and related services for resale to Alcan, to serve the energy requirements of Alcan not provided by LG&E, from third-party suppliers, including Big Rivers.

D. The Existing Alcan Agreement and the Kenergy/LG&E Contract were entered into in connection with the consummation of a series of transactions implementing the First Amended Plan of Reorganization of Big Rivers, as part of which, among other things (i) Big Rivers leased its generating facilities to LG&E and (ii) Big Rivers entered into a power purchase arrangement with LG&E whereby LG&E supplied Big Rivers with electric energy and related services for resale to its Members.

E. Big Rivers and LG&E have agreed to terminate and unwind existing transactions among them relating to the lease by Big Rivers of its interest in its generating facilities to LG&E and the sale by LG&E of electric energy and related services to Big Rivers.

F. In connection with and as a condition to such termination and unwind transactions, Big Rivers has agreed to supply electric energy and related services to Kenergy for resale to Alcan pursuant to a wholesale power sales agreement, dated as of the date hereof (the "Alcan Wholesale Agreement").

G. Kenergy has agreed to supply a similar amount of electric energy and related services to Alcan pursuant to a retail electric service agreement, dated as of the date hereof (the "Alcan Retail Agreement").

H. Big Rivers, Kenergy and Alcan have further agreed that Alcan will make payments due under the Alcan Retail Agreement to a depository bank under a certain Security and Lockbox Agreement to be executed among Big Rivers, Kenergy, Alcan and a depository bank selected by those parties (the "Lockbox Agreement") or, under arrangements relating to sales of Energy by Third Party Suppliers to Kenergy for resale to Alcan to the depository under other similar lockbox arrangements among Kenergy, Alcan and the Third Party Supplier.

I. As a further condition to the execution and delivery of the Alcan Wholesale Agreement by Big Rivers, and the execution and delivery of the Alcan Retail Agreement by Alcan, respectively, the Parties desire to enter into this Agreement to coordinate the performance of their respective obligations under such agreements.

AGREEMENT

NOW, THEREFORE, in consideration of the premises and their mutual covenants set forth herein, and for other good and valuable consideration, receipt of which is hereby acknowledged, and intending to be legally bound hereby, the Parties hereto agree as follows:

1. Definitions; Rules of Interpretations. Capitalized terms used in this Agreement and not defined herein have the meanings assigned to those terms in the Alcan Retail Agreement. The rules of interpretation set forth in Section 1.2 of the Alcan Retail Agreement shall apply to this Agreement as though fully set forth herein.

2. Term and Survival of Obligations. This Agreement shall commence on the date first written above, provided that the obligations of the Parties under Section 3 and Section 5 shall not commence until the Effective Date. This Agreement shall continue in effect until the Alcan Retail Agreement expires or is terminated in accordance with its terms. Notwithstanding the foregoing, any provision of this Agreement providing for payment from one party to the other for assignment of the right to collect and enforce collection of amounts due, or related to remedies for default, damage claims, or payment of other amounts will survive termination or expiration of this Agreement to the extent necessary for its enforcement and the protection of the Party in whose favor such provision exists.

3. Covenants and Agreements.

3.1 Alcan Retail Agreement. Alcan shall (i) fully perform and discharge all of its obligations under the Alcan Retail Agreement unless excused in accordance with the terms thereof; (ii) not act or rely upon any written or oral waivers granted by Kenergy of Alcan's performance under or compliance with provisions of the Alcan Retail Agreement that could be reasonably expected to materially adversely affect Big Rivers' rights or interests under the Alcan Wholesale Agreement without the prior written consent of Big Rivers; (iii) not waive the performance and discharge by Kenergy of its material obligations under the Alcan Retail Agreement without the prior written consent of Big Rivers; (iv) not amend or modify the Alcan Retail Agreement without the prior written consent of Big Rivers (the addition, deletion, modification or amendment of supplemental tariffs contemplated by the Alcan Retail Agreement which has been approved by the KPSC is deemed not to be an amendment or modification of the Alcan Retail Agreement for the purposes of this Section 3.1); (v) not terminate or repudiate the

Alcan Retail Agreement (including by rejection or similar termination in a bankruptcy proceeding involving Alcan) other than in accordance with the provisions thereof without the prior written consent of Big Rivers; (vi) make payments pursuant to the Alcan Retail Agreement when due and in accordance therewith and the Lockbox Agreement for so long as such agreements exist; (vii) not take any action or support any action by others that in any manner would impede Alcan's ability to fulfill its obligations to Kenergy or Big Rivers under the Alcan Retail Agreement or this Agreement or act in any manner that could reasonably be expected to materially adversely affect its ability to perform or discharge its obligations under this Agreement; (viii) provide Big Rivers with a copy of all notices sent to Kenergy pursuant to the Alcan Retail Agreement; and (ix) not assign or transfer (by operation of law or otherwise) any rights or interests that it may have in the Alcan Retail Agreement except in accordance with Article 16 thereof; *provided*, that any transfer or assignment pursuant to Article 16 thereof which requires the consent or approval of Kenergy also shall require the consent of Big Rivers.

3.2 Alcan Wholesale Agreement. Big Rivers shall (i) fully perform and discharge all of its obligations under the Alcan Wholesale Agreement unless excused in accordance with the terms thereof; (ii) not act or rely upon any written or oral waivers granted by Kenergy of Big Rivers' performance under or compliance with provisions of the Alcan Wholesale Agreement that could be reasonably expected to materially adversely affect Alcan's rights or interests under the Alcan Retail Agreement without the prior written consent of Alcan; (iii) enforce the performance and discharge by Kenergy of its material obligations under the Alcan Wholesale Agreement and not waive the performance and discharge by Kenergy of its material obligations thereunder; (iv) not amend or modify the Alcan Wholesale Agreement without the prior written consent of Alcan (the addition, deletion, modification or amendment of supplemental tariffs contemplated by the Alcan Wholesale Agreement which has been approved by the KPSC is deemed not to be an amendment or modification of the Alcan Wholesale Agreement for the purposes of this Section 3.2); (v) not terminate or repudiate the Alcan Wholesale Agreement (including by rejection or similar termination in a bankruptcy proceeding involving Big Rivers) other than in accordance with the provisions thereof; (vi) not take any action or support any action by others that in any manner would impede Big Rivers' ability to fulfill its obligations to Kenergy or Alcan under the Alcan Wholesale Agreement or this Agreement or act in any manner that could reasonably be expected to materially adversely affect its ability to perform or discharge its obligations under this Agreement; (vii) provide Alcan with a copy of all notices sent to Kenergy pursuant to the Alcan Wholesale Agreement; and (viii) not assign or transfer (by operation of law or otherwise) any rights or interests that it may have in the Alcan Wholesale Agreement except in accordance with Article 16 thereof; *provided*, that any transfer or assignment pursuant to Article 16 thereof which requires the consent or approval of Kenergy also shall require the consent of Alcan.

3.3 Payments.

(a) Big Rivers shall pay Alcan upon the Effective Date an amount equal to \$3,485,577 less \$83,333 for each month after December 31, 2006 (calculated as of the 25th day of each month) (the "Assurances Agreement Payment") in lieu of amounts otherwise payable under Section 3(i) of the Assurances Agreement between Alcan and LG&E Energy Marketing Inc., dated as of July 15, 1998. Big Rivers shall make the Assurances Agreement Payment to Alcan on the Effective Date; *provided*, that Big Rivers may credit all or any portion

of the Assurances Agreement Payment against one or more invoices relating to the sale of electric energy or related services to Kenergy for resale to Alcan prior to the Effective Date.

(b) Big Rivers shall pay Alcan upon the Effective Date \$3,031,000.

(c) Upon the Effective Date, Big Rivers shall be obligated to pay Alcan within five (5) days of the Effective Date an amount equal to the difference between (i) the aggregate dollar amount charged by Big Rivers to Kenergy for Block A Energy, Block A-1 Energy, Block B Energy and Block C Energy as defined in the Agreement for Tier 3 Energy dated November 29, 2007 and the First Amendment thereto dated June 6, 2008 between Big Rivers and Kenergy for the benefit of Alcan (collectively, as extended, the "2008 Tier 3 Agreement"), for the period beginning at 12:01 AM on October 6, 2008 through midnight of the Effective Date (the "Payment Period") and (ii) the dollar amount calculated by multiplying the aggregate volume of Block A Energy, Block A-1 Energy, Block B Energy and Block C Energy delivered by Big Rivers to Kenergy for resale to Alcan pursuant to the 2008 Tier 3 Agreement during the Payment Period times the rate of \$43.11 per MWh. For example, if the volume of Block A Energy, Block A-1 Energy, Block B Energy and Block C Energy delivered by Big Rivers during the Payment Period was 175,000 megawatt hours for an aggregate charge of \$8,900,000, the payment would be \$1,226,420 (\$8,900,000 less (175,000 X 43.11 = 7,673,580) = \$1,226,420).

3.4 Budget.

(a) Big Rivers shall provide to Alcan for its review and evaluation (i) on or prior to the date 90 days prior to the end of each Fiscal Year, a copy of Big Rivers' then-current draft proposed annual capital and operating budget (the "Proposed Budget") for the following Fiscal Year, and (ii) any reasonably requested supporting information with respect to the Proposed Budget or expenditures in excess of the Budget.

(b) If requested by either Alcan or Century, Big Rivers and Alcan and, if the Century Retail Agreement is in effect, Century, shall jointly engage an independent expert (the "Independent Engineer") and shall agree on the scope of review required to evaluate the draft Proposed Budget. Big Rivers shall pay 50% and Alcan shall pay 50% of the fees and expenses of the Independent Engineer (or Alcan shall pay 25% if the Century Retail Agreement is in effect).

(c) Alcan shall have the opportunity to present the conclusions and recommendations of the Independent Engineer with respect to the Proposed Budget to the Coordinating Committee and to Big Rivers' Board of Directors as soon as reasonably practicable following the Independent Engineer's completion of the Proposed Budget evaluation.

(d) Big Rivers and Alcan will treat the reports, opinions and other work product of the Independent Engineer as confidential, proprietary business information that will not be publicly disclosed or offered as evidence in any regulatory or legal proceeding by Big Rivers, Kenergy or Alcan.

(e) On or prior to the last day of each Fiscal Year, Big Rivers shall provide Alcan copies of the final Budget for the following year. Big Rivers intends to use

reasonable commercial efforts to keep its expenses each year within such year's Budget, but makes no representation that keeping its expenses within such year's Budget will be commercially feasible.

(f) Big Rivers shall provide Alcan notice if:

(i) Big Rivers (A) incurs or plans to incur \$4 million of capital expenditures in any Fiscal Year in excess of the capital expenditures in the Budget for such Fiscal Year, or (B) thereafter incurs or plans to incur an additional \$3 million of capital expenditures in excess of the capital expenditures in the Budget for such Fiscal Year; or

(ii) Big Rivers (A) incurs or plans to incur operating expenses in any Fiscal Year aggregating 2.5% in excess of Big Rivers' total operating expenses in the Budget for such Fiscal Year, or (B) thereafter, incurs or plans to incur an additional 1.25% of such total operating expenses in the Budget, excluding in each case expenses for fuel, environmental compliance or purchased power.

At the request of Alcan, the Coordinating Committee shall meet to discuss the causes of such capital expenditures or operating expenses in excess of the budgeted amounts and, after meeting with the Coordinating Committee, if further requested, Big Rivers shall permit Alcan to make one presentation to Big Rivers' Board with respect thereto.

3.5 Plan of Reorganization. The Parties acknowledge and agree that nothing in the Alcan Retail Agreement, the Alcan Wholesale Agreement, this Agreement or any document or agreement relating thereto may be construed to amend, affirm, waive or otherwise alter the terms of Schedule 5.4(a) of the Big Rivers' plan of reorganization, as modified June 1, 1998, or any document or agreement relating thereto regarding the obligation of Big Rivers to serve Kenergy for the benefit of Alcan; *provided*, that Alcan and Big Rivers disagree, notwithstanding the Unwind Transaction, as to the obligation of Big Rivers, in the absence of a new or amended contract, to serve Kenergy for the benefit of Alcan when the Existing Alcan Agreement terminates or when the Alcan Retail Agreement terminates. The Parties acknowledge that clarity on this issue is desired by both Parties so that necessary and appropriate capital planning and decision-making can be undertaken. The Parties agree to endeavor in good faith to resolve this disagreement prior to 2015.

3.6 Alcan Credit Support. Alcan shall (i) if the rating of the unenhanced, unsecured debt obligation of Alcan Parent with Standard & Poor's is not "A+" or higher (and in addition, if Alcan Parent has such a rating from Moody's, that rating with Moody's is not "A1" or higher), provide and maintain credit support in the form of a letter of credit from a bank rated "A+" or higher, or other credit support acceptable to Big Rivers and Kenergy, in an amount equal to the amounts estimated by Big Rivers to be due to Big Rivers and Kenergy with respect to Alcan's obligations under the Alcan Retail Agreement for a period of two months, and any amount which Big Rivers estimates reasonably could be due with respect to taxes relating to any sale of Energy pursuant to Section 4.13.3 as Economic Sales, Section 10.1 as Surplus Sales, Section 10.2 as Undeliverable Energy Sales or Section 10.3 as Potline Reduction Sales, in each

case, of the Alcan Retail Agreement (“Potential Tax Liability”); and (ii) cause Alcan Parent to guarantee to Big Rivers and Kenergy payment and performance of all obligations of Alcan under the Alcan Retail Agreement, including Potential Tax Liability, and all obligations of Alcan under the other documents entered into by Alcan and its Affiliates in connection with the New Transaction pursuant to a Guarantee Agreement executed by Alcan Parent in favor of Big Rivers and Kenergy which shall be satisfactory in form and substance to Big Rivers (the “Alcan Guarantee”). At the request of Big Rivers, Alcan will maintain the Alcan Guarantee until closure of all applicable tax years of Big Rivers. At the request of Alcan, Big Rivers will provide Alcan with information as to the amount and calculation of the estimated Potential Tax Liability and reasonably detailed documentation in support thereof.

3.7 Transmission Upgrade. As soon as reasonably practicable, Big Rivers will develop, finance and construct improvements to its transmission facilities to permit Big Rivers to transmit to its border all Base Energy.

3.8 Proceedings Affecting Rates.

(a) The Parties acknowledge and agree that

(i) Big Rivers shall have the right to seek KPSC approval for changes to the Non-Smelter Member Rates, and FERC approval of changes to the OATT, from time to time, but Big Rivers shall not seek an increase in its base rates to take effect before January 1, 2010, excluding any roll-in to Big Rivers’ base rates of costs that would otherwise be recovered by the Environmental Surcharge or the FAC, and

(ii) Big Rivers will not seek to implement a wholesale rate reduction other than the Rebate to its Members under the procedures available in KRS 278.455 without the consent of Alcan;

provided that this commitment by Big Rivers will have no effect on the availability to Big Rivers’ Members of the procedures in KRS 278.455 to flow-through any wholesale rate decrease to the Non-Smelter Ratepayers.

(b) Alcan shall have the right to intervene and participate in any proceeding that may affect rates at the KPSC or FERC or before any other Governmental Authority. Neither Big Rivers nor Alcan will support or seek, directly or indirectly, from any Governmental Authority, including the KPSC, any challenge to or change in the rate formula set forth in the Alcan Wholesale Agreement or the Alcan Retail Agreement or other terms and conditions set forth therein, including the relationship of the Large Industrial Rate to amounts payable by Alcan pursuant to the Alcan Retail Agreement, except that any Party may initiate or intervene in a proceeding to (i) clarify, interpret or enforce the Alcan Wholesale Agreement or the Alcan Retail Agreement, or (ii) challenge the applicable rate for Transmission Services should those services be unbundled for purposes of calculating the Large Industrial Rate. For the avoidance of doubt, Alcan’s intervention and participation in a regulatory proceeding involving cost of service issues relating to the rates of the Non-Smelter Ratepayers shall not be considered a challenge to the rate formula.

(c) If *Commonwealth of Kentucky ex rel. Gregory D. Stumbo, Attorney General v. Public Service Comm'n and Union Light, Heat and Power Co.*, Franklin Circuit Court, C.A. No. 06-CI-269, or any Applicable Law relating thereto restricts the amounts recovered under the FAC, Appendix A, or the Environmental Surcharge Rider, then Kenergy, Alcan, Big Rivers and, if the Century Retail Agreement is then in effect, Century, shall negotiate in good faith to amend this Agreement (and other agreements entered into in connection herewith) to restore the relative rights and economic benefits thereunder. If such parties are unable to reach an agreement on such amendments, then this Section 3.8 shall not restrict Big Rivers from seeking KPSC approval for an increase to its base rates or an amendment to the FAC, Appendix A, or the Environmental Surcharge Rider.

(d) Nothing in this Agreement shall limit or expand the jurisdiction of the KPSC or the FERC over Big Rivers or the rates, terms and conditions of electric service to Alcan pursuant to the Alcan Retail Agreement or otherwise.

(e) Big Rivers will provide Alcan a copy of any filing with the KPSC or FERC that seeks a change in Big Rivers' tariff or relief authorized by KRS 278.020, KRS 278.030, KRS 278.212, KRS 278.218, KRS 278.300, KRS 278.183 or 807 KAR 5:056.

3.9 Communications; Request for Meetings. Big Rivers will establish with Alcan procedures for the regular dissemination of information relating to the operational and financial performance of Big Rivers. If Alcan believes Big Rivers has or may incur unreasonable costs or expenses, Alcan may request in writing a meeting with Big Rivers' management to discuss such costs or expenses. Such meeting will take place within ten Business Days of the request but shall not be held more frequently than once per fiscal quarter. Nothing in this Section shall obligate Big Rivers to take any action as a result of such meeting.

3.10 Depreciation Rates.

(a) Big Rivers shall not modify its depreciation rates without the approval of or consent or acceptance by the KPSC or, if the KPSC no longer has jurisdiction over Big Rivers, by any other Governmental Authority having jurisdiction over such modification. Big Rivers will provide Alcan reasonable notice of the implementation of such modification together with reasonably detailed documentation describing such modification and an opportunity to discuss such modification with Big Rivers' management prior to the filing of an application for approval of the modification of such depreciation rates with the KPSC or other Governmental Authority having jurisdiction.

(b) Big Rivers shall not initiate a request to a Governmental Authority or RUS for changes to its depreciation rates that would be projected to cause the weighted average depreciation rates for the period from the Effective Date through December 31, 2016, to exceed the weighted average depreciation rates for the same period set forth in the Model; *unless* (1) Big Rivers determines in good faith, based on discussions with a nationally recognized statistical rating organization and after consultation with Alcan, that it is necessary to make such a modification to its depreciation rates in order to maintain an investment grade credit rating, (2) a Governmental Authority with jurisdiction or RUS directs Big Rivers to modify its depreciation rates, or (3) Big Rivers' independent auditors assert that they would not be able to deliver an

unqualified audit opinion with respect to Big Rivers' financial statements as a result of Big Rivers' failure to seek or implement a modification of its depreciation rates. For purposes of this clause (b), Big Rivers' weighted average depreciation rates for the period from Effective Date through December 31, 2016, shall be the sum of its total depreciation expense for each year for that same period over the sum of the average gross depreciable plant for each year over that same period, with appropriate adjustments for partial years.

3.11 Audit Rights. Big Rivers will permit Alcan to audit, upon reasonable notice, at its own expense, at a mutually agreeable time, all information in the possession of Big Rivers relating to its service under the Alcan Wholesale Agreement to Kenergy for resale to Alcan, including scheduled deliveries, meter records, billing records, records related to payments to Big Rivers and such other documents related to payment for and determination of the amount of electric energy, Transmission Services and other related services supplied by Big Rivers and delivered to Kenergy for resale and delivery to Alcan. Big Rivers shall retain all documentation applicable to service to Kenergy under the Alcan Wholesale Agreement for a period of three years. Nothing in this Section 3.11 shall obligate Big Rivers to provide attorney-client privileged information.

3.12 Bylaw Amendments.

(a) Subject to Section 3.12(b) and (c), Big Rivers agrees not to amend its Bylaws after the adoption of the amendment set forth in Section 13.4 of the Alcan Wholesale Agreement in a manner that adversely affects the rights of Alcan to receive patronage capital or other distributions from Big Rivers through Kenergy without the prior consent of Alcan.

(b) Notwithstanding Section 3.12(a), nothing in this Section 3.12 shall restrict Big Rivers' ability to amend its Bylaws (i) without the consent of Alcan if Big Rivers gives notice to Alcan of the proposed Bylaw amendment, together with a copy of such proposed amendment, and Alcan does not object to the proposed amendment within 60 days after the notice is delivered, (ii) with the consent of Alcan during the Consent Period (as defined in Section 3.12(c)), or (iii) without the consent of Alcan following the Consent Period.

(c) The provisions of this Section 3.12 (and the obligations of the parties to notify the other Party of any change in its address pursuant to Section 7.4 hereof) shall survive for 10 years after the end of the Service Period (the "Consent Period") regardless of the termination or expiration of this Agreement.

3.13 Operation of System. Big Rivers shall operate its electric generation and transmission system for the mutual benefit of the Members and patrons consistent with Prudent Utility Practices, and will apply the same standards to operating decisions that may affect the Monthly Charge. Big Rivers will not use the payment obligation of Alcan under Section 4.7 (TIER Adjustment Charge) of the Alcan Retail Agreement as the substantive basis for making an operating decision.

3.14 Property Rights.

(a) Big Rivers' nonpatronage net earnings, after offset (if applicable) by any available tax loss carryforward amounts attributable to a deficit in nonpatronage net

earnings from prior taxable years, shall, if positive, be retained by Big Rivers as a permanent source of equity and, if negative, shall be carried forward to be applied as an offset against future positive nonpatronage net earnings.

(b) Upon liquidation, the assets of Big Rivers shall be distributed in the following order: (i) all debts and obligations of Big Rivers shall be paid in accordance with lawful priorities, (ii) each Member's or other patron's capital account balance shall be paid without priority on a *pro rata* basis until all such capital accounts (as determined subsequent to adjusting such accounts by allocations of patronage net earnings for the year of liquidation exclusive of any gain arising from the liquidation) have been reduced to zero, and (iii) any remaining assets of Big Rivers shall be paid to the current and former Members or other patrons of Big Rivers based upon the amount of their historic patronage with Big Rivers measured by kilowatt-hours purchased from Big Rivers over the life of Big Rivers. The life of Big Rivers is defined to begin at the date Big Rivers was formed in 1961 and to continue uninterrupted through Big Rivers' bankruptcy reorganization to the date of liquidation.

(c) The provisions of this Section 3.14 shall survive the expiration or earlier termination of this Agreement.

3.15 Big Rivers Capitalization Policy. To the extent consistent with Accounting Principles, Applicable Law and guidance of applicable Governmental Authorities or RUS, Big Rivers shall capitalize expenditures for the replacement of the items related to Big Rivers' generation facilities identified in the list of the retirement units set forth in the Schedule 3.15.

3.16 Purchased Power Regulatory Account. Big Rivers will request KPSC to and, if the KPSC approves, shall (a) establish a regulatory account containing purchased power costs to be recovered by Big Rivers from the Members with respect to sales to their Non-Smelter Ratepayers in an amount equal to the sum of the Non-FAC Purchased Power Adjustment Factor in each month multiplied by the amount of Energy delivered in each month to the Members for such sales; and (b) establish the method of recovery of such amounts from Non-Smelter Ratepayers at each general rate adjustment case.

3.17 Model. It is understood and agreed that (i) all financial and production cost models ("Model") including the Model filed with the KPSC in connection with the application for approval of the Unwind Transaction and the New Transaction have been developed solely by Big Rivers to provide its best estimate of the future operations of Big Rivers after the Unwind Transaction is consummated, and (ii) Alcan by executing this Agreement and consummating the Unwind Transaction is not indicating its agreement or disagreement with the forecasted work plans, assumptions or specific expenditures embedded in the Model.

4. Coordinating Committee.

4.1 The parties have agreed to the establishment of a committee ("Coordinating Committee"), consisting of representatives of the Members' chief executive officers, Alcan, Century, and Big Rivers management, organized for the purpose of reviewing,

analyzing and discussing information relating to Big Rivers' operational and financial performance. The Coordinating Committee shall meet at least once each calendar quarter.

4.2 If the Coordinating Committee does not exist or does not function with the subject matter of this Section 4, then Big Rivers shall have the same obligations as to the Smelters, jointly.

4.3 At a minimum of once a year and at such other times as the Parties may agree, the members of the Coordinating Committee will establish a meeting with Big Rivers' board members. These meetings will be informal and the purpose of such meetings will be to discuss Big Rivers' operating and financial performances and plans, and issues affecting the electric utility and smelting industry operations.

4.4 The information to be discussed by the Coordinating Committee shall include (i) analysis criteria and procedures for evaluating plans, procedures, expenditures and maintenance programs, (ii) budgets, (iii) operations and capital expenditures, (iv) fuel procurement or supply, (v) comparison of actual performance to the Budget and an explanation of variances to the Budget, (vi) load forecasts and integrated resource plans, (vii) depreciation studies, proposed changes in depreciation rates and associated proposed changes in electric rates, and (viii) other activities, such as the timing and terms of refinancing the RUS debt or whether to join an independent transmission system operator, that may impact Big Rivers' operational and financial performance. Big Rivers shall provide the Coordinating Committee members any reasonably requested supporting information relating to the items discussed.

4.5 The activities of the Coordinating Committee shall be a standing report item on the agenda of the monthly meeting of the Big Rivers Board of Directors. From time to time Alcan's representatives may make a request to the chairman of the Big Rivers Board of Directors that they be allowed to participate with management in making such report.

5. Cure Rights.

5.1 Notwithstanding any provision contained in the Alcan Retail Agreement that affords Alcan the right to terminate the Alcan Retail Agreement upon any breach or default by Kenergy thereunder, Alcan shall provide Big Rivers a reasonable opportunity, exercisable in Big Rivers' sole discretion, to cure any such breach or default by Kenergy prior to exercising such termination rights, which opportunity shall extend, at a minimum, for a period of not less than 10 Business Days after the later of (i) the date of expiration of the applicable period of time (if any) available for a cure by Kenergy under the Alcan Retail Agreement, and (ii) the date on which notice of the breach or default by Kenergy is delivered by Alcan to Big Rivers. Alcan hereby consents to any attempt by Big Rivers to cure any breaches or defaults by Alcan under the Alcan Retail Agreement that may hereafter occur, provided, that Big Rivers does not materially interfere with Alcan's attempts (if any) to so cure such breaches or defaults.

5.2 Notwithstanding any provision contained in the Alcan Wholesale Agreement that affords Big Rivers the right to terminate the Alcan Wholesale Agreement upon any breach or default by Kenergy thereunder, Big Rivers shall provide Alcan a reasonable opportunity, exercisable in Alcan's sole discretion, to cure any such breach or default by

Kenergy prior to exercising such termination rights, which opportunity shall extend, at a minimum, for a period of not less than ten Business Days after the later of (i) the date of expiration of the applicable period of time (if any) available for a cure by Kenergy under the Alcan Wholesale Agreement, and (ii) the date on which notice of the breach or default by Kenergy is delivered by Big Rivers to Alcan. Big Rivers hereby consents to any attempt by Alcan to cure any breaches or defaults by Big Rivers under the Alcan Wholesale Agreement that may hereafter occur, provided, that Alcan does not materially interfere with Big Rivers' attempts (if any) to so cure such breaches or defaults.

6. Representations and Warranties.

6.1 Big Rivers. Big Rivers hereby represents and warrants to Alcan as follows:

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

(b) Subject to Section 6.1(c), this Agreement, the Alcan Wholesale Agreement and other agreements entered into by Big Rivers in connection therewith constitute Big Rivers' valid and binding obligation enforceable against it in accordance with their terms, except as enforceability may be affected by bankruptcy, insolvency or other similar laws affecting creditors' rights generally and by general equitable principles. The execution, delivery and performance of this Agreement and the Alcan Wholesale Agreement by Big Rivers have been duly and effectively authorized by all requisite corporate action.

(c) As of the Effective Date, all consents, approvals, authorizations, actions or orders, including without limitation, those which must be obtained from Governmental Authorities and the RUS, required for its authorization, execution and delivery of, and for the consummation of the transactions contemplated by, this Agreement and the Alcan Wholesale Agreement have been obtained other than as may be required under Applicable Law to be obtained, given, accomplished or renewed at any time or from time to time, and which are routine in nature or which cannot be obtained, or are not normally applied for, prior to the time they are required and which Big Rivers has no reason to believe will not be timely obtained.

(d) Subject to Section 6.1(c), its execution and delivery of this Agreement and the Alcan Wholesale Agreement, its consummation of the transactions contemplated by this Agreement and the Alcan Wholesale Agreement, and its fulfillment of and compliance with the terms and provisions hereof and thereof do not conflict with or violate any judicial or administrative order, award, judgment or decree applicable to it, or conflict with any of the terms, conditions or provisions of its Articles of Incorporation or Bylaws or any material instrument, mortgage, agreement, contract or restriction to which it is a party, or by which any of its properties are bound, or require the approval, consent or authorization of any federal, state or local court, or any of its creditors, or of any other Person, or give any party with rights under any

such instrument, agreement, contract, mortgage, judgment, award, order or other restriction the right to terminate, modify or otherwise change its rights or obligations thereunder which has not been obtained.

6.2 Alcan. Alcan hereby represents and warrants to Big Rivers as follows:

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

(b) This Agreement, the Alcan Retail Agreement and other agreements entered into by Alcan in connection therewith constitute Alcan's valid and binding obligation enforceable against it in accordance with their terms, except as enforceability may be affected by bankruptcy, insolvency or other similar laws affecting creditors' rights generally and by general equitable principles. The execution, delivery and performance of this Agreement and the Alcan Retail Agreement by Alcan have been duly and effectively authorized by all requisite corporate action.

(c) All consents, approvals, authorizations, actions or orders, including without limitation, those which must be obtained from governmental agencies or authorities, required for its authorization, execution and delivery of, and for the consummation of the transactions contemplated by, this Agreement and the Alcan Wholesale Agreement have been obtained.

(d) Its execution and delivery of this Agreement and the Alcan Retail Agreement, its consummation of the transactions contemplated by this Agreement and the Alcan Retail Agreement, and its fulfillment of and compliance with the terms and provisions hereof and thereof do not conflict with or violate any judicial or administrative order, award, judgment or decree applicable to it, or conflict with any of the terms, conditions or provisions of its Articles of Incorporation or Bylaws or any material instrument, mortgage, agreement, contract or restriction to which it is a party, or by which any of its properties are bound, or require the approval, consent or authorization of any federal, state or local court, or any of its creditors, or of any other Person, or give any party with rights under any such instrument, agreement, contract, mortgage, judgment, award, order or other restriction the right to terminate, modify or otherwise change its rights or obligations thereunder which has not been obtained.

7. Miscellaneous.

7.1 No Affect on Rights or Defenses. Nothing in this Agreement shall require performance by a Party of any of its obligations under the Alcan Retail Agreement or the Alcan Wholesale Agreement, as applicable, if it may assert, as a defense to its non-performance, any defenses or excuses to such performance that may be available to it under the provisions of the Alcan Retail Agreement or the Alcan Wholesale Agreement, or under Applicable Law.

7.2 Entire Agreement. This Agreement, the Alcan Retail Agreement, the Alcan Wholesale Agreement and the other agreements and documents denoted on Schedule 6.2.3

of the Alcan Retail Agreement constitute the entire agreement of the Parties hereto with respect to the subject matter hereof and supersede all prior agreements, whether oral or written. This Agreement may be amended only by a written document signed by each of the Parties hereto. Each Party acknowledges that it has not relied upon any representations, statements or warranties of the other Party in executing this Agreement except for those representations and warranties expressly set forth in the foregoing documents.

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

7.4 Notices. A notice, consent, approval or other communication under this Agreement must be delivered in writing, addressed to the Person to whom it is to be delivered, and must be (a) personally delivered to that Person's address (which will include delivery by a nationally recognized overnight courier service), or (b) transmitted by facsimile to that Person's address, with a duplicate notice sent by a nationally recognized overnight courier service to that Person's address. A notice given to a Person in accordance with this Section will be deemed to have been delivered (i) if personally delivered to a Person's address, on the day of delivery if such day is a Business Day, or otherwise on the next Business Day, or (ii) if transmitted by facsimile to a Person's facsimile number and a correct and complete transmission report is received, or receipt is confirmed by telephone, on the day of transmission if a Business Day, otherwise on the next Business Day; *provided, however*, that such facsimile transmission will be followed on the same day with the sending to such Person of a duplicate notice by a nationally recognized overnight courier to that Person's address. For the purpose of this Section, the address of a Party is the address set out below or such other address which that Party may from time to time deliver by notice to the other Party in accordance with this Section:

If to Big Rivers: Big Rivers Electric Corporation
 201 Third Street
 Henderson, Kentucky 42420
 Attn: President and CEO
 Fax: (270) 827-2558

If to Alcan: Plant Manager
 Sebree Smelter
 Alcan Primary Products Corporation
 9404 State Route 2096
 Robards, Kentucky 42452
 Fax: []

With copy to: Director of Energy
 Rio Tinto Alcan
 1188 Sherbrooke Street West
 Montreal, Quebec H3A 3G2
 Canada
 Fax: []

7.5 Dispute Resolution. If a dispute arises between the Parties concerning the terms or conditions of this Agreement, the duties or obligations of the Parties under this Agreement, or the implementation, interpretation or breach of this Agreement, either Party may request in writing a meeting between an authorized representative of the other Party to discuss and attempt to reach a resolution of the dispute. Such meeting will take place within ten Business Days or such shorter or longer time as agreed upon by the Parties of the request. Nothing in this Section shall toll or extend the cure period with respect to the failure by a Party to perform its obligations under this Agreement. Absent such resolution, the Parties may pursue all rights and remedies that they may have at law, in equity or pursuant to this Agreement subject to the limitations set forth in this Agreement to resolve that dispute. Notwithstanding the provisions of this Section each Party may at all times seek injunctive relief, where its delay in doing so could result in irreparable injury.

7.6 Assignments and Transfers. No Party shall assign any of its rights or obligations under this Agreement, whether by operation of law or otherwise, without the prior written consent of the other Party, *provided, however*, that no prior consent shall be required with respect to an assignment to any person who is a permitted assignee of Alcan pursuant to the Alcan Retail Agreement or a permitted assignee of Big Rivers pursuant to the Alcan Wholesale Agreement. Either Party may, without the approval of the other Party, assign this Agreement as collateral security or grant one or more mortgages (including one or more deeds of trust or indentures) on or security interests in its interest under this Agreement in connection with the general financing of its assets or operations.

7.7 Governing Law. This Agreement shall be interpreted, governed by and construed under the laws of the Commonwealth of Kentucky, without regard to its conflicts of law rules.

7.8 Jurisdiction. The Parties hereby agree that the courts of the Commonwealth of Kentucky will have exclusive jurisdiction over each and every judicial action brought under or in relationship to this Agreement, *provided* that the subject matter of such dispute is not a matter reserved by law to the KPSC, or to the U.S. federal judicial system (in which event exclusive jurisdiction and venue will lie with the U.S. District Court for the Western District of Kentucky), and the Parties hereby agree to submit to the jurisdiction of Kentucky courts for such purpose. Venue in state court actions will be in the Henderson Circuit Court as the court in which venue will lie for the resolution of any related disputes under this Agreement. Nothing in this paragraph prohibits a Party from referring to FERC or any other Governmental Authority any matter properly within its jurisdiction.

7.9 Good Faith Efforts. The Parties agree that each will in good faith take all reasonable actions within their reasonable control as are necessary to permit the other Party to fulfill its obligations under this Agreement, the Alcan Wholesale Agreement and the Alcan Retail Agreement; *provided* that no Party will be obligated to expend money or incur material economic loss in order to facilitate performance by the other Party. Where the consent, agreement, or approval of either Party must be obtained hereunder, such consent, agreement or approval may not be unreasonably withheld, conditioned, or delayed unless otherwise provided herein. Where either Party is required or permitted to act or fail to act based upon its opinion or judgment, such opinion or judgment may not be unreasonably exercised. Where notice to the

other Party is required to be given herein, and no notice period is specified, reasonable notice shall be given.

7.10 Successors and Assigns. This Agreement shall be binding upon, and shall inure to the benefit of and be enforceable by, the Parties and their respective successors and permitted assigns.

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

7.12 Third-Party Beneficiaries. Nothing in this Agreement may be construed to create any duty to, or standard of care with reference to, or any liability to, or any benefit for, any person not a Party to this Agreement.

7.13 Kenergy Obligations Separate. Nothing contained in this Agreement shall obligate Alcan or Big Rivers for any obligations or liabilities of Kenergy, whether under or pursuant to the Alcan Retail Agreement, the Alcan Wholesale Agreement or otherwise.

7.14 No Power Sales Commitment. The Parties acknowledge that Big Rivers and Kenergy intend to enter into the Alcan Wholesale Agreement and Alcan and Kenergy intend to enter into the Alcan Retail Agreement which agreements contain the terms and conditions setting forth the wholesale sale of power by Big Rivers and the purchase of such power by Kenergy, and the corresponding retail sale of such power by Kenergy and the purchase of such power by Alcan. Nothing contained in this Agreement shall be deemed to be or create an agreement or commitment of Big Rivers to sell to Alcan, or an agreement of Alcan to purchase from Big Rivers, any electric energy or related services.

IN WITNESS WHEREOF, this Agreement is hereby executed as of the day and year first above written.

BIG RIVERS ELECTRIC CORPORATION

By: _____
Name:
Title:

ALCAN PRIMARY PRODUCTS CORPORATION

By: _____
Name:
Title:

COORDINATION AGREEMENT

Dated as of [_____]

by and between

BIG RIVERS ELECTRIC CORPORATION

and

CENTURY ALUMINUM OF KENTUCKY GENERAL PARTNERSHIP

COORDINATION AGREEMENT

This COORDINATION AGREEMENT ("Agreement") is made and entered into as of [_____], by and between BIG RIVERS ELECTRIC CORPORATION, a Kentucky rural electric cooperative ("Big Rivers"), and CENTURY ALUMINUM OF KENTUCKY GENERAL PARTNERSHIP, a Kentucky general partnership ("Century"). Big Rivers and Century are sometimes referred to herein collectively as the "Parties" and individually as a "Party."

RECITALS

A. Kenergy Corp., a Kentucky retail rural electric cooperative, currently supplies and delivers to Century, the owner and operator of an aluminum reduction plant in Hawesville, Kentucky, electric energy and related services pursuant to an Agreement for Electric Service, dated July 15, 1998, between Green River Electric Corporation, Kenergy's predecessor-in-interest, and Southwire Company, Century's predecessor in interest (the "Existing Century Agreement").

B. Kenergy currently purchases certain electric energy and related services for resale to Century from Western Kentucky Energy Corp., an affiliate of E. ON U.S., LLC, formerly known as LG&E Energy Corp. (together with such affiliates and parent, collectively, "LG&E") under an Agreement for Electric Service, dated as of July 15, 1998 (the "Kenergy/LG&E Contract").

C. Kenergy also currently purchases additional electric energy and related services for resale to Century, to serve the energy requirements of Century not provided by LG&E, from third-party suppliers, including Big Rivers.

D. The Existing Century Agreement and the Kenergy/LG&E Contract were entered into in connection with the consummation of a series of transactions implementing the First Amended Plan of Reorganization of Big Rivers, as part of which, among other things (i) Big Rivers leased its generating facilities to LG&E and (ii) Big Rivers entered into a power purchase arrangement with LG&E whereby LG&E supplied Big Rivers with electric energy and related services for resale to its Members.

E. Big Rivers and LG&E have agreed to terminate and unwind existing transactions among them relating to the lease by Big Rivers of its interest in its generating facilities to LG&E and the sale by LG&E of electric energy and related services to Big Rivers.

F. In connection with and as a condition to such termination and unwind transactions, Big Rivers has agreed to supply electric energy and related services to Kenergy for resale to Century pursuant to a wholesale power sales agreement, dated as of the date hereof (the "Century Wholesale Agreement").

G. Kenergy has agreed to supply a similar amount of electric energy and related services to Century pursuant to a retail electric service agreement, dated as of the date hereof (the "Century Retail Agreement").

H. Big Rivers, Kenergy and Century have further agreed that Century will make payments due under the Century Retail Agreement to a depository bank under a certain Security and Lockbox Agreement to be executed among Big Rivers, Kenergy, Century and a depository bank selected by those parties (the "Lockbox Agreement") or, under arrangements relating to sales of Energy by Third Party Suppliers to Kenergy for resale to Century to the depository under other similar lockbox arrangements among Kenergy, Century and the Third Party Supplier.

I. As a further condition to the execution and delivery of the Century Wholesale Agreement by Big Rivers, and the execution and delivery of the Century Retail Agreement by Century, respectively, the Parties desire to enter into this Agreement to coordinate the performance of their respective obligations under such agreements.

AGREEMENT

NOW, THEREFORE, in consideration of the premises and their mutual covenants set forth herein, and for other good and valuable consideration, receipt of which is hereby acknowledged, and intending to be legally bound hereby, the Parties hereto agree as follows:

1. Definitions; Rules of Interpretations. Capitalized terms used in this Agreement and not defined herein have the meanings assigned to those terms in the Century Retail Agreement. The rules of interpretation set forth in Section 1.2 of the Century Retail Agreement shall apply to this Agreement as though fully set forth herein.

2. Term and Survival of Obligations. This Agreement shall commence on the date first written above, provided that the obligations of the Parties under Section 3 and Section 5 shall not commence until the Effective Date. This Agreement shall continue in effect until the Century Retail Agreement expires or is terminated in accordance with its terms. Notwithstanding the foregoing, any provision of this Agreement providing for payment from one party to the other for assignment of the right to collect and enforce collection of amounts due, or related to remedies for default, damage claims, or payment of other amounts will survive termination or expiration of this Agreement to the extent necessary for its enforcement and the protection of the Party in whose favor such provision exists.

3. Covenants and Agreements.

3.1 Century Retail Agreement. Century shall (i) fully perform and discharge all of its obligations under the Century Retail Agreement unless excused in accordance with the terms thereof; (ii) not act or rely upon any written or oral waivers granted by Kenergy of Century's performance under or compliance with provisions of the Century Retail Agreement that could be reasonably expected to materially adversely affect Big Rivers' rights or interests under the Century Wholesale Agreement without the prior written consent of Big Rivers; (iii) not waive the performance and discharge by Kenergy of its material obligations under the Century Retail Agreement without the prior written consent of Big Rivers; (iv) not amend or modify the Century Retail Agreement without the prior written consent of Big Rivers (the addition, deletion, modification or amendment of supplemental tariffs contemplated by the Century Retail Agreement which has been approved by the KPSC is deemed not to be an amendment or modification of the Century Retail Agreement for the purposes of this Section 3.1); (v) not

terminate or repudiate the Century Retail Agreement (including by rejection or similar termination in a bankruptcy proceeding involving Century) other than in accordance with the provisions thereof without the prior written consent of Big Rivers; (vi) make payments pursuant to the Century Retail Agreement when due and in accordance therewith and the Lockbox Agreement for so long as such agreements exist; (vii) not take any action or support any action by others that in any manner would impede Century's ability to fulfill its obligations to Kenergy or Big Rivers under the Century Retail Agreement or this Agreement or act in any manner that could reasonably be expected to materially adversely affect its ability to perform or discharge its obligations under this Agreement; (viii) provide Big Rivers with a copy of all notices sent to Kenergy pursuant to the Century Retail Agreement; and (ix) not assign or transfer (by operation of law or otherwise) any rights or interests that it may have in the Century Retail Agreement except in accordance with Article 16 thereof; *provided*, that any transfer or assignment pursuant to Article 16 thereof which requires the consent or approval of Kenergy also shall require the consent of Big Rivers.

3.2 Century Wholesale Agreement. Big Rivers shall (i) fully perform and discharge all of its obligations under the Century Wholesale Agreement unless excused in accordance with the terms thereof; (ii) not act or rely upon any written or oral waivers granted by Kenergy of Big Rivers' performance under or compliance with provisions of the Century Wholesale Agreement that could be reasonably expected to materially adversely affect Century's rights or interests under the Century Retail Agreement without the prior written consent of Century; (iii) enforce the performance and discharge by Kenergy of its material obligations under the Century Wholesale Agreement and not waive the performance and discharge by Kenergy of its material obligations thereunder; (iv) not amend or modify the Century Wholesale Agreement without the prior written consent of Century (the addition, deletion, modification or amendment of supplemental tariffs contemplated by the Century Wholesale Agreement which has been approved by the KPSC is deemed not to be an amendment or modification of the Century Wholesale Agreement for the purposes of this Section 3.2); (v) not terminate or repudiate the Century Wholesale Agreement (including by rejection or similar termination in a bankruptcy proceeding involving Big Rivers) other than in accordance with the provisions thereof; (vi) not take any action or support any action by others that in any manner would impede Big Rivers' ability to fulfill its obligations to Kenergy or Century under the Century Wholesale Agreement or this Agreement or act in any manner that could reasonably be expected to materially adversely affect its ability to perform or discharge its obligations under this Agreement; (vii) provide Century with a copy of all notices sent to Kenergy pursuant to the Century Wholesale Agreement; and (viii) not assign or transfer (by operation of law or otherwise) any rights or interests that it may have in the Century Wholesale Agreement except in accordance with Article 16 thereof; *provided*, that any transfer or assignment pursuant to Article 16 thereof which requires the consent or approval of Kenergy also shall require the consent of Century.

3.3 Payments.

(a) Big Rivers shall pay Century upon the Effective Date an amount equal to \$139,423 less \$4,167 for each month after December 31, 2006 (calculated as of the 25th day of each month) (the "Assurances Agreement Payment") in lieu of amounts otherwise payable under Section 3(i) of the Assurances Agreement between Century and LG&E Energy

Marketing Inc., dated as of July 15, 1998. Big Rivers shall make the Assurances Agreement Payment to Century on the Effective Date; *provided*, that Big Rivers may credit all or any portion of the Assurances Agreement Payment against one or more invoices relating to the sale of electric energy or related services to Kenergy for resale to Century prior to the Effective Date.

(b) Big Rivers shall pay Century upon the Effective Date \$3,969,000.

(c) Upon the Effective Date, Big Rivers shall be obligated to pay Century within five (5) days of the Effective Date an amount equal to the difference between (i) the aggregate dollar amount charged by Big Rivers to Kenergy for Block A Energy, Block A-1 Energy, Block B Energy and Block C Energy as defined in the Agreement for Tier 3 Energy dated November 29, 2007 and the First Amendment thereto dated June 6, 2008 between Big Rivers and Kenergy for the benefit of Century (collectively, as extended, the "2008 Tier 3 Agreement"), for the period beginning at 12:01 AM on October 6, 2008 through midnight of the Effective Date (the "Payment Period") and (ii) the dollar amount calculated by multiplying the aggregate volume of Block A Energy, Block A-1 Energy, Block B Energy and Block C Energy delivered by Big Rivers to Kenergy for resale to Century pursuant to the 2008 Tier 3 Agreement during the Payment Period times the rate of \$43.11 per MWh. For example, if the volume of Block A Energy, Block A-1 Energy, Block B Energy and Block C Energy delivered by Big Rivers during the Payment Period was 220,500 megawatt hours for an aggregate charge of \$11,025,000, the payment would be \$1,519,245 (\$11,025,000 less (220,500 X 43.11 = 9,505,755) = \$1,519,245).

3.4 Budget.

(a) Big Rivers shall provide to Century for its review and evaluation (i) on or prior to the date 90 days prior to the end of each Fiscal Year, a copy of Big Rivers' then-current draft proposed annual capital and operating budget (the "Proposed Budget") for the following Fiscal Year, and (ii) any reasonably requested supporting information with respect to the Proposed Budget or expenditures in excess of the Budget.

(b) If requested by either Century or Alcan, Big Rivers and Century and, if the Alcan Retail Agreement is in effect, Alcan, shall jointly engage an independent expert (the "Independent Engineer") and shall agree on the scope of review required to evaluate the draft Proposed Budget. Big Rivers shall pay 50% and Century shall pay 50% of the fees and expenses of the Independent Engineer (or Century shall pay 25% if the Alcan Retail Agreement is in effect).

(c) Century shall have the opportunity to present the conclusions and recommendations of the Independent Engineer with respect to the Proposed Budget to the Coordinating Committee and to Big Rivers' Board of Directors as soon as reasonably practicable following the Independent Engineer's completion of the Proposed Budget evaluation.

(d) Big Rivers and Century will treat the reports, opinions and other work product of the Independent Engineer as confidential, proprietary business information that will not be publicly disclosed or offered as evidence in any regulatory or legal proceeding by Big Rivers, Kenergy or Century.

(e) On or prior to the last day of each Fiscal Year, Big Rivers shall provide Century copies of the final Budget for the following year. Big Rivers intends to use reasonable commercial efforts to keep its expenses each year within such year's Budget, but makes no representation that keeping its expenses within such year's Budget will be commercially feasible.

(f) Big Rivers shall provide Century notice if:

(i) Big Rivers (A) incurs or plans to incur \$4 million of capital expenditures in any Fiscal Year in excess of the capital expenditures in the Budget for such Fiscal Year, or (B) thereafter incurs or plans to incur an additional \$3 million of capital expenditures in excess of the capital expenditures in the Budget for such Fiscal Year; or

(ii) Big Rivers (A) incurs or plans to incur operating expenses in any Fiscal Year aggregating 2.5% in excess of Big Rivers' total operating expenses in the Budget for such Fiscal Year, or (B) thereafter, incurs or plans to incur an additional 1.25% of such total operating expenses in the Budget, excluding in each case expenses for fuel, environmental compliance or purchased power.

At the request of Century, the Coordinating Committee shall meet to discuss the causes of such capital expenditures or operating expenses in excess of the budgeted amounts and, after meeting with the Coordinating Committee, if further requested, Big Rivers shall permit Century to make one presentation to Big Rivers' Board with respect thereto.

3.5 Plan of Reorganization. The Parties acknowledge and agree that nothing in the Century Retail Agreement, the Century Wholesale Agreement, this Agreement or any document or agreement relating thereto may be construed to amend, affirm, waive or otherwise alter the terms of Schedule 5.4(a) of the Big Rivers' plan of reorganization, as modified June 1, 1998, or any document or agreement relating thereto regarding the obligation of Big Rivers to serve Kenergy for the benefit of Century; *provided*, that Century and Big Rivers disagree, notwithstanding the Unwind Transaction, as to the obligation of Big Rivers, in the absence of a new or amended contract, to serve Kenergy for the benefit of Century when the Existing Century Agreement terminates or when the Century Retail Agreement terminates. The Parties acknowledge that clarity on this issue is desired by both Parties so that necessary and appropriate capital planning and decision-making can be undertaken. The Parties agree to endeavor in good faith to resolve this disagreement prior to 2015.

3.6 Century Credit Support. Century shall (i) if the rating of the unenhanced, unsecured debt obligation of Century Parent with Standard & Poor's is not "A+" or higher (and in addition, if Century Parent has such a rating from Moody's, that rating with Moody's is not "A1" or higher), provide and maintain credit support in the form of a letter of credit from a bank rated "A+" or higher, or other credit support acceptable to Big Rivers and Kenergy, in an amount equal to the amounts estimated by Big Rivers to be due to Big Rivers and Kenergy with respect to Century's obligations under the Century Retail Agreement for a period of two months, and any amount which Big Rivers estimates reasonably could be due with respect to taxes relating to

any sale of Energy pursuant to Section 4.13.3 as Economic Sales, Section 10.1 as Surplus Sales, Section 10.2 as Undeliverable Energy Sales or Section 10.3 as Potline Reduction Sales, in each case, of the Century Retail Agreement (“Potential Tax Liability”); and (ii) cause Century Parent to guarantee to Big Rivers and Kenergy payment and performance of all obligations of Century under the Century Retail Agreement, including Potential Tax Liability, and all obligations of Century under the other documents entered into by Century and its Affiliates in connection with the New Transaction pursuant to a Guarantee Agreement executed by Century Parent in favor of Big Rivers and Kenergy which shall be satisfactory in form and substance to Big Rivers (the “Century Guarantee”). At the request of Big Rivers, Century will maintain the Century Guarantee until closure of all applicable tax years of Big Rivers. At the request of Century, Big Rivers will provide Century with information as to the amount and calculation of the estimated Potential Tax Liability and reasonably detailed documentation in support thereof.

3.7 Transmission Upgrade. As soon as reasonably practicable, Big Rivers will develop, finance and construct improvements to its transmission facilities to permit Big Rivers to transmit to its border all Base Energy.

3.8 Proceedings Affecting Rates.

(a) The Parties acknowledge and agree that

(i) Big Rivers shall have the right to seek KPSC approval for changes to the Non-Smelter Member Rates, and FERC approval of changes to the OATT, from time to time, but Big Rivers shall not seek an increase in its base rates to take effect before January 1, 2010, excluding any roll-in to Big Rivers’ base rates of costs that would otherwise be recovered by the Environmental Surcharge or the FAC, and

(ii) Big Rivers will not seek to implement a wholesale rate reduction other than the Rebate to its Members under the procedures available in KRS 278.455 without the consent of Century;

provided that this commitment by Big Rivers will have no effect on the availability to Big Rivers’ Members of the procedures in KRS 278.455 to flow-through any wholesale rate decrease to the Non-Smelter Ratepayers.

(b) Century shall have the right to intervene and participate in any proceeding that may affect rates at the KPSC or FERC or before any other Governmental Authority. Neither Big Rivers nor Century will support or seek, directly or indirectly, from any Governmental Authority, including the KPSC, any challenge to or change in the rate formula set forth in the Century Wholesale Agreement or the Alcan Retail Agreement or other terms and conditions set forth therein, including the relationship of the Large Industrial Rate to amounts payable by Century pursuant to the Century Retail Agreement, except that any Party may initiate or intervene in a proceeding to (i) clarify, interpret or enforce the Century Wholesale Agreement or the Century Retail Agreement, or (ii) challenge the applicable rate for Transmission Services should those services be unbundled for purposes of calculating the Large Industrial Rate. For the avoidance of doubt, Century’s intervention and participation in a regulatory proceeding

involving cost of service issues relating to the rates of the Non-Smelter Ratepayers shall not be considered a challenge to the rate formula.

(c) If *Commonwealth of Kentucky ex rel. Gregory D. Stumbo, Attorney General v. Public Service Comm'n and Union Light, Heat and Power Co.*, Franklin Circuit Court, C.A. No. 06-CI-269, or any Applicable Law relating thereto restricts the amounts recovered under the FAC, Appendix A, or the Environmental Surcharge Rider, then Kenergy, Century, Big Rivers and, if the Alcan Retail Agreement is then in effect, Alcan, shall negotiate in good faith to amend this Agreement (and other agreements entered into in connection herewith) to restore the relative rights and economic benefits thereunder. If such parties are unable to reach an agreement on such amendments, then this Section 3.8 shall not restrict Big Rivers from seeking KPSC approval for an increase to its base rates or an amendment to the FAC, Appendix A, or the Environmental Surcharge Rider.

(d) Nothing in this Agreement shall limit or expand the jurisdiction of the KPSC or the FERC over Big Rivers or the rates, terms and conditions of electric service to Century pursuant to the Century Retail Agreement or otherwise.

(e) Big Rivers will provide Century a copy of any filing with the KPSC or FERC that seeks a change in Big Rivers' tariff or relief authorized by KRS 278.020, KRS 278.030, KRS 278.212, KRS 278.218, KRS 278.300, KRS 278.183 or 807 KAR 5:056.

3.9 Communications; Request for Meetings. Big Rivers will establish with Century procedures for the regular dissemination of information relating to the operational and financial performance of Big Rivers. If Century believes Big Rivers has or may incur unreasonable costs or expenses, Century may request in writing a meeting with Big Rivers' management to discuss such costs or expenses. Such meeting will take place within ten Business Days of the request but shall not be held more frequently than once per fiscal quarter. Nothing in this Section shall obligate Big Rivers to take any action as a result of such meeting.

3.10 Depreciation Rates.

(a) Big Rivers shall not modify its depreciation rates without the approval of or consent or acceptance by the KPSC or, if the KPSC no longer has jurisdiction over Big Rivers, by any other Governmental Authority having jurisdiction over such modification. Big Rivers will provide Century reasonable notice of the implementation of such modification together with reasonably detailed documentation describing such modification and an opportunity to discuss such modification with Big Rivers' management prior to the filing of an application for approval of the modification of such depreciation rates with the KPSC or other Governmental Authority having jurisdiction.

(b) Big Rivers shall not initiate a request to a Governmental Authority or RUS for changes to its depreciation rates that would be projected to cause the weighted average depreciation rates for the period from the Effective Date through December 31, 2016, to exceed the weighted average depreciation rates for the same period set forth in the Model; *unless* (1) Big Rivers determines in good faith, based on discussions with a nationally recognized statistical rating organization and after consultation with Century, that it is necessary to make

such a modification to its depreciation rates in order to maintain an investment grade credit rating, (2) a Governmental Authority with jurisdiction or RUS directs Big Rivers to modify its depreciation rates, or (3) Big Rivers' independent auditors assert that they would not be able to deliver an unqualified audit opinion with respect to Big Rivers' financial statements as a result of Big Rivers' failure to seek or implement a modification of its depreciation rates. For purposes of this clause (b), Big Rivers' weighted average depreciation rates for the period from Effective Date through December 31, 2016, shall be the sum of its total depreciation expense for each year for that same period over the sum of the average gross depreciable plant for each year over that same period, with appropriate adjustments for partial years.

3.11 Audit Rights. Big Rivers will permit Century to audit, upon reasonable notice, at its own expense, at a mutually agreeable time, all information in the possession of Big Rivers relating to its service under the Century Wholesale Agreement to Kenergy for resale to Century, including scheduled deliveries, meter records, billing records, records related to payments to Big Rivers and such other documents related to payment for and determination of the amount of electric energy, Transmission Services and other related services supplied by Big Rivers and delivered to Kenergy for resale and delivery to Century. Big Rivers shall retain all documentation applicable to service to Kenergy under the Century Wholesale Agreement for a period of three years. Nothing in this Section 3.11 shall obligate Big Rivers to provide attorney-client privileged information.

3.12 Bylaw Amendments.

(a) Subject to Section 3.12(b) and (c), Big Rivers agrees not to amend its Bylaws after the adoption of the amendment set forth in Section 13.4 of the Century Wholesale Agreement in a manner that adversely affects the rights of Century to receive patronage capital or other distributions from Big Rivers through Kenergy without the prior consent of Century.

(b) Notwithstanding Section 3.12(a), nothing in this Section 3.12 shall restrict Big Rivers' ability to amend its Bylaws (i) without the consent of Century if Big Rivers gives notice to Century of the proposed Bylaw amendment, together with a copy of such proposed amendment, and Century does not object to the proposed amendment within 60 days after the notice is delivered, (ii) with the consent of Century during the Consent Period (as defined in Section 3.12(c)), or (iii) without the consent of Century following the Consent Period.

3.13 The provisions of this Section 3.12 (and the obligations of the parties to notify the other Party of any change in its address pursuant to Section 7.4 hereof) shall survive for 10 years after the end of the Service Period (the "Consent Period") regardless of the termination or expiration of this Agreement.

3.14 Operation of System. Big Rivers shall operate its electric generation and transmission system for the mutual benefit of the Members and patrons consistent with Prudent Utility Practices, and will apply the same standards to operating decisions that may affect the Monthly Charge. Big Rivers will not use the payment obligation of Century under Section 4.7 (TIER Adjustment Charge) of the Century Retail Agreement as the substantive basis for making an operating decision.

3.15 Property Rights.

(a) Big Rivers' nonpatronage net earnings, after offset (if applicable) by any available tax loss carryforward amounts attributable to a deficit in nonpatronage net earnings from prior taxable years, shall, if positive, be retained by Big Rivers as a permanent source of equity and, if negative, shall be carried forward to be applied as an offset against future positive nonpatronage net earnings.

(b) Upon liquidation, the assets of Big Rivers shall be distributed in the following order: (i) all debts and obligations of Big Rivers shall be paid in accordance with lawful priorities, (ii) each Member's or other patron's capital account balance shall be paid without priority on a *pro rata* basis until all such capital accounts (as determined subsequent to adjusting such accounts by allocations of patronage net earnings for the year of liquidation exclusive of any gain arising from the liquidation) have been reduced to zero, and (iii) any remaining assets of Big Rivers shall be paid to the current and former Members or other patrons of Big Rivers based upon the amount of their historic patronage with Big Rivers measured by kilowatt-hours purchased from Big Rivers over the life of Big Rivers. The life of Big Rivers is defined to begin at the date Big Rivers was formed in 1961 and to continue uninterrupted through Big Rivers' bankruptcy reorganization to the date of liquidation.

(c) The provisions of this Section 3.14 shall survive the expiration or earlier termination of this Agreement.

3.16 Big Rivers Capitalization Policy. To the extent consistent with Accounting Principles, Applicable Law and guidance of applicable Governmental Authorities or RUS, Big Rivers shall capitalize expenditures for the replacement of the items related to Big Rivers' generation facilities identified in the list of the retirement units set forth in the Schedule 3.15.

3.17 Purchased Power Regulatory Account. Big Rivers will request KPSC to and, if the KPSC approves, shall (a) establish a regulatory account containing purchased power costs to be recovered by Big Rivers from the Members with respect to sales to their Non-Smelter Ratepayers in an amount equal to the sum of the Non-FAC Purchased Power Adjustment Factor in each month multiplied by the amount of Energy delivered in each month to the Members for such sales; and (b) establish the method of recovery of such amounts from Non-Smelter Ratepayers at each general rate adjustment case.

3.18 Model. It is understood and agreed that (i) all financial and production cost models ("Model") including the Model filed with the KPSC in connection with the application for approval of the Unwind Transaction and the New Transaction have been developed solely by Big Rivers to provide its best estimate of the future operations of Big Rivers after the Unwind Transaction is consummated, and (ii) Century by executing this Agreement and consummating the Unwind Transaction is not indicating its agreement or disagreement with the forecasted work plans, assumptions or specific expenditures embedded in the Model.

4. Coordinating Committee.

4.1 The parties have agreed to the establishment of a committee (“Coordinating Committee”), consisting of representatives of the Members’ chief executive officers, Century, Alcan, and Big Rivers management, organized for the purpose of reviewing, analyzing and discussing information relating to Big Rivers’ operational and financial performance. The Coordinating Committee shall meet at least once each calendar quarter.

4.2 If the Coordinating Committee does not exist or does not function with the subject matter of this Section 4, then Big Rivers shall have the same obligations as to the Smelters, jointly.

4.3 At a minimum of once a year and at such other times as the Parties may agree, the members of the Coordinating Committee will establish a meeting with Big Rivers’ board members. These meetings will be informal and the purpose of such meetings will be to discuss Big Rivers’ operating and financial performances and plans, and issues affecting the electric utility and smelting industry operations.

4.4 The information to be discussed by the Coordinating Committee shall include (i) analysis criteria and procedures for evaluating plans, procedures, expenditures and maintenance programs, (ii) budgets, (iii) operations and capital expenditures, (iv) fuel procurement or supply, (v) comparison of actual performance to the Budget and an explanation of variances to the Budget, (vi) load forecasts and integrated resource plans, (vii) depreciation studies, proposed changes in depreciation rates and associated proposed changes in electric rates, and (viii) other activities, such as the timing and terms of refinancing the RUS debt or whether to join an independent transmission system operator, that may impact Big Rivers’ operational and financial performance. Big Rivers shall provide the Coordinating Committee members any reasonably requested supporting information relating to the items discussed.

4.5 The activities of the Coordinating Committee shall be a standing report item on the agenda of the monthly meeting of the Big Rivers Board of Directors. From time to time, Century’s representatives may make a request to the chairman of the Big Rivers Board of Directors that they be allowed to participate with management in making such report.

5. Cure Rights.

5.1 Notwithstanding any provision contained in the Century Retail Agreement that affords Century the right to terminate the Century Retail Agreement upon any breach or default by Kenergy thereunder, Century shall provide Big Rivers a reasonable opportunity, exercisable in Big Rivers’ sole discretion, to cure any such breach or default by Kenergy prior to exercising such termination rights, which opportunity shall extend, at a minimum, for a period of not less than 10 Business Days after the later of (i) the date of expiration of the applicable period of time (if any) available for a cure by Kenergy under the Century Retail Agreement, and (ii) the date on which notice of the breach or default by Kenergy is delivered by Century to Big Rivers. Century hereby consents to any attempt by Big Rivers to cure any breaches or defaults by Century under the Century Retail Agreement that may hereafter occur, provided, that Big Rivers does not materially interfere with Century’s attempts (if any) to so cure such breaches or defaults.

5.2 Notwithstanding any provision contained in the Century Wholesale Agreement that affords Big Rivers the right to terminate the Century Wholesale Agreement upon any breach or default by Kenergy thereunder, Big Rivers shall provide Century a reasonable opportunity, exercisable in Century's sole discretion, to cure any such breach or default by Kenergy prior to exercising such termination rights, which opportunity shall extend, at a minimum, for a period of not less than ten Business Days after the later of (i) the date of expiration of the applicable period of time (if any) available for a cure by Kenergy under the Century Wholesale Agreement, and (ii) the date on which notice of the breach or default by Kenergy is delivered by Big Rivers to Century. Big Rivers hereby consents to any attempt by Century to cure any breaches or defaults by Big Rivers under the Century Wholesale Agreement that may hereafter occur, provided, that Century does not materially interfere with Big Rivers' attempts (if any) to so cure such breaches or defaults.

6. Representations and Warranties.

6.1 Big Rivers. Big Rivers hereby represents and warrants to Century as follows:

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

(b) Subject to Section 6.1(c), this Agreement, the Century Wholesale Agreement and other agreements entered into by Big Rivers in connection therewith constitute Big Rivers' valid and binding obligation enforceable against it in accordance with their terms, except as enforceability may be affected by bankruptcy, insolvency or other similar laws affecting creditors' rights generally and by general equitable principles. The execution, delivery and performance of this Agreement and the Century Wholesale Agreement by Big Rivers have been duly and effectively authorized by all requisite corporate action.

(c) As of the Effective Date, all consents, approvals, authorizations, actions or orders, including without limitation, those which must be obtained from Governmental Authorities and the RUS, required for its authorization, execution and delivery of, and for the consummation of the transactions contemplated by, this Agreement and the Century Wholesale Agreement have been obtained other than as may be required under Applicable Law to be obtained, given, accomplished or renewed at any time or from time to time, and which are routine in nature or which cannot be obtained, or are not normally applied for, prior to the time they are required and which Big Rivers has no reason to believe will not be timely obtained.

(d) Subject to Section 6.1(c), its execution and delivery of this Agreement and the Century Wholesale Agreement, its consummation of the transactions contemplated by this Agreement and the Century Wholesale Agreement, and its fulfillment of and compliance with the terms and provisions hereof and thereof do not conflict with or violate any judicial or administrative order, award, judgment or decree applicable to it, or conflict with

any of the terms, conditions or provisions of its Articles of Incorporation or Bylaws or any material instrument, mortgage, agreement, contract or restriction to which it is a party, or by which any of its properties are bound, or require the approval, consent or authorization of any federal, state or local court, or any of its creditors, or of any other Person, or give any party with rights under any such instrument, agreement, contract, mortgage, judgment, award, order or other restriction the right to terminate, modify or otherwise change its rights or obligations thereunder which has not been obtained.

6.2 Century. Century hereby represents and warrants to Big Rivers as follows:

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

(b) This Agreement, the Century Retail Agreement and other agreements entered into by Century in connection therewith constitute Century's valid and binding obligation enforceable against it in accordance with their terms, except as enforceability may be affected by bankruptcy, insolvency or other similar laws affecting creditors' rights generally and by general equitable principles. The execution, delivery and performance of this Agreement and the Century Retail Agreement by Century have been duly and effectively authorized by all requisite partner action.

(c) All consents, approvals, authorizations, actions or orders, including without limitation, those which must be obtained from governmental agencies or authorities, required for its authorization, execution and delivery of, and for the consummation of the transactions contemplated by, this Agreement and the Century Wholesale Agreement have been obtained.

(d) Its execution and delivery of this Agreement and the Century Retail Agreement, its consummation of the transactions contemplated by this Agreement and the Century Retail Agreement, and its fulfillment of and compliance with the terms and provisions hereof and thereof do not conflict with or violate any judicial or administrative order, award, judgment or decree applicable to it, or conflict with any of the terms, conditions or provisions of its partnership agreement or any material instrument, mortgage, agreement, contract or restriction to which it is a party, or by which any of its properties are bound, or require the approval, consent or authorization of any federal, state or local court, or any of its creditors, or of any other Person, or give any party with rights under any such instrument, agreement, contract, mortgage, judgment, award, order or other restriction the right to terminate, modify or otherwise change its rights or obligations thereunder which has not been obtained.

7. Miscellaneous.

7.1 No Affect on Rights or Defenses. Nothing in this Agreement shall require performance by a Party of any of its obligations under the Century Retail Agreement or the Century Wholesale Agreement, as applicable, if it may assert, as a defense to its non-performance, any defenses or excuses to such performance that may be available to it under the provisions of the Century Retail Agreement or the Century Wholesale Agreement, or under Applicable Law.

7.2 Entire Agreement. This Agreement, the Century Retail Agreement, the Century Wholesale Agreement and the other agreements and documents denoted on Schedule 6.2.3 of the Century Retail Agreement constitute the entire agreement of the Parties hereto with respect to the subject matter hereof and supersede all prior agreements, whether oral or written. This Agreement may be amended only by a written document signed by each of the Parties hereto. Each Party acknowledges that it has not relied upon any representations, statements or warranties of the other Party in executing this Agreement except for those representations and warranties expressly set forth in the foregoing documents.

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

7.4 Notices. A notice, consent, approval or other communication under this Agreement must be delivered in writing, addressed to the Person to whom it is to be delivered, and must be (a) personally delivered to that Person's address (which will include delivery by a nationally recognized overnight courier service), or (b) transmitted by facsimile to that Person's address, with a duplicate notice sent by a nationally recognized overnight courier service to that Person's address. A notice given to a Person in accordance with this Section will be deemed to have been delivered (i) if personally delivered to a Person's address, on the day of delivery if such day is a Business Day, or otherwise on the next Business Day, or (ii) if transmitted by facsimile to a Person's facsimile number and a correct and complete transmission report is received, or receipt is confirmed by telephone, on the day of transmission if a Business Day, otherwise on the next Business Day; *provided, however*, that such facsimile transmission will be followed on the same day with the sending to such Person of a duplicate notice by a nationally recognized overnight courier to that Person's address. For the purpose of this Section, the address of a Party is the address set out below or such other address which that Party may from time to time deliver by notice to the other Party in accordance with this Section:

If to Big Rivers: Big Rivers Electric Corporation
 201 Third Street
 Henderson, Kentucky 42420
 Attn: President and CEO
 Fax: (270) 827-2558

If to Century: Century Aluminum Company
 P.O. Box 500

State Route 271 North
Hawesville, Kentucky 42348
Attn: Plant Manager
Fax: (270) 852-2882

With copy to: Century Aluminum Company
2511 Garden Road
Building A, Suite 200
Monterey, CA 93940
Attn: General Counsel
Fax: (831) 642-9328

7.5 Dispute Resolution. If a dispute arises between the Parties concerning the terms or conditions of this Agreement, the duties or obligations of the Parties under this Agreement, or the implementation, interpretation or breach of this Agreement, either Party may request in writing a meeting between an authorized representative of the other Party to discuss and attempt to reach a resolution of the dispute. Such meeting will take place within ten Business Days or such shorter or longer time as agreed upon by the Parties of the request. Nothing in this Section shall toll or extend the cure period with respect to the failure by a Party to perform its obligations under this Agreement. Absent such resolution, the Parties may pursue all rights and remedies that they may have at law, in equity or pursuant to this Agreement subject to the limitations set forth in this Agreement to resolve that dispute. Notwithstanding the provisions of this Section each Party may at all times seek injunctive relief, where its delay in doing so could result in irreparable injury.

7.6 Assignments and Transfers. No Party shall assign any of its rights or obligations under this Agreement, whether by operation of law or otherwise, without the prior written consent of the other Party, *provided, however*, that no prior consent shall be required with respect to an assignment to any person who is a permitted assignee of Century pursuant to the Century Retail Agreement or a permitted assignee of Big Rivers pursuant to the Century Wholesale Agreement. Either Party may, without the approval of the other Party, assign this Agreement as collateral security or grant one or more mortgages (including one or more deeds of trust or indentures) on or security interests in its interest under this Agreement in connection with the general financing of its assets or operations.

7.7 Governing Law. This Agreement shall be interpreted, governed by and construed under the laws of the Commonwealth of Kentucky, without regard to its conflicts of law rules.

7.8 Jurisdiction. The Parties hereby agree that the courts of the Commonwealth of Kentucky will have exclusive jurisdiction over each and every judicial action brought under or in relationship to this Agreement, *provided* that the subject matter of such dispute is not a matter reserved by law to the KPSC, or to the U.S. federal judicial system (in which event exclusive jurisdiction and venue will lie with the U.S. District Court for the Western District of Kentucky), and the Parties hereby agree to submit to the jurisdiction of Kentucky courts for such purpose. Venue in state court actions will be in the Henderson Circuit Court as the court in which venue will lie for the resolution of any related disputes under this Agreement.

Nothing in this paragraph prohibits a Party from referring to FERC or any other Governmental Authority any matter properly within its jurisdiction.

7.9 Good Faith Efforts. The Parties agree that each will in good faith take all reasonable actions within their reasonable control as are necessary to permit the other Party to fulfill its obligations under this Agreement, the Century Wholesale Agreement and the Century Retail Agreement; *provided* that no Party will be obligated to expend money or incur material economic loss in order to facilitate performance by the other Party. Where the consent, agreement, or approval of either Party must be obtained hereunder, such consent, agreement or approval may not be unreasonably withheld, conditioned, or delayed unless otherwise provided herein. Where either Party is required or permitted to act or fail to act based upon its opinion or judgment, such opinion or judgment may not be unreasonably exercised. Where notice to the other Party is required to be given herein, and no notice period is specified, reasonable notice shall be given.

7.10 Successors and Assigns. This Agreement shall be binding upon, and shall inure to the benefit of and be enforceable by, the Parties and their respective successors and permitted assigns.

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

7.12 Third-Party Beneficiaries. Nothing in this Agreement may be construed to create any duty to, or standard of care with reference to, or any liability to, or any benefit for, any person not a Party to this Agreement.

7.13 Kenergy Obligations Separate. Nothing contained in this Agreement shall obligate Century or Big Rivers for any obligations or liabilities of Kenergy, whether under or pursuant to the Century Retail Agreement, the Century Wholesale Agreement or otherwise.

7.14 No Power Sales Commitment. The Parties acknowledge that Big Rivers and Kenergy intend to enter into the Century Wholesale Agreement and Century and Kenergy intend to enter into the Century Retail Agreement which agreements contain the terms and conditions setting forth the wholesale sale of power by Big Rivers and the purchase of such power by Kenergy, and the corresponding retail sale of such power by Kenergy and the purchase of such power by Century. Nothing contained in this Agreement shall be deemed to be or create an agreement or commitment of Big Rivers to sell to Century, or an agreement of Century to purchase from Big Rivers, any electric energy or related services.

IN WITNESS WHEREOF, this Agreement is hereby executed as of the day and year first above written.

BIG RIVERS ELECTRIC CORPORATION

By: _____
Name:
Title:

CENTURY ALUMINUM OF KENTUCKY
GENERAL PARTNERSHIP

By: _____
Name:
Title:

EXHIBIT 113

UPDATED EXHIBIT A TO THE SMELTER WHOLESALE AGREEMENTS

2009

Annualized Basis

Case	Derivation	Base Case	Low Load Factor	High Load Factor	Supplemental Energy (4.3)					Backup Energy (4.4)		Surplus Sales (10.1)	Undeliverable Energy Sales (10.2)	Poline Reduction Sales (10.3)	Curtailment for Purchased Power (4.13.2)	Economic Sales (4.13.3)			
					Interruptible Energy	Buy-Through Energy	Market Energy	4.4.1 (a) and (b)	4.4.1 (c)	10% of Base Fixed Energy	6 Month Duration						115 MW @ 98% Load Factor x 12 Months	Example curtails all market purchases	Max. of 9,600 MWh
1	1.1.16 - Base Demand (MW) (a)	Contract	850.0	850.0	850.0	850.0	850.0	850.0	850.0	850.0	850.0	850.0	850.0	850.0	850.0	850.0			
2	1.1.18 - Base Fixed Energy (TWh) (b)	Contract	7.297	7.297	7.297	7.297	7.297	7.297	7.297	7.297	7.297	7.297	7.297	7.297	7.297	7.297			
3																			
4	Energy Balance (Annual TWh)																		
5	Assumed Load Factor	Assumption	98%	96%	100%	100%	100%	102%	100%	102%	88%	49%	85%	94%	98%				
6	Metered Energy	Assumption	7.297	7.148	7.446	7.428	7.428	7.560	7.428	7.560	6.567	3.649	6.310	7.012	7.287				
7	2.3.2 - Supplemental Energy																		
8	2.3.2(a) Interruptible Energy	Assumption				0.131													
9	2.3.2(b) Buy-Through Energy	Assumption					0.131												
10	2.3.2(c) Market Energy																		
11	Consumed	Assumption						0.197											
12	Sold	Assumption						0.066											
13	1.1.13 - Backup Energy																		
14	4.4.1(a) and (b) (within 10MW per Smelter)	Assumption							0.131	0.131									
15	4.4.1(c) - Excess	Assumption								0.131									
16	1.1.15 - Base Curtailed Energy																		
17	4.13.2 - Curtailment of Purchased Power	Assumption											0.285						
18	4.13.3 - Economic Sales	Assumption (Max. Under Contract)													0.010				
19	10.1 - Surplus Sales	Assumption								0.730									
20	10.2 - Undeliverable Energy Sales	Assumption									3.649								
21	10.3 - Poliline Reduction Sales	Assumption (Approx. Max.)										0.987							
22	1.1.16 / 19 - Base Hourly/ Monthly Energy	line 6 + 17 + 18 + 19 + 20 + 21	7.297	7.148	7.446	7.297	7.297	7.297	7.297	7.297	7.297	7.297	7.297	7.297	7.297				
23	1.1.22 - Base Variable Energy	line 22 - line 2	-	(0.149)	0.149	-	-	-	-	-	-	-	-	-	-				
24																			
25	Key Rates																		
26	Market Energy Price	Assumption *	60.94	60.94	60.94	60.94	60.94	60.94	60.94	60.94	60.94	60.94	60.94	60.94	60.94	121.89			
27	4.3 - Supplemental Energy **																		
28	4.3.1 - Interruptible Energy Rate	Assumption				60.94													
29	4.3.2 - Buy-Through Energy Rate	Assumption					60.94												
30	4.3.3 - Market Energy Rate	Assumption						60.94											
31	4.4 - Backup Energy Rate	Assumption																	
32	4.4.1(a) and (b) (within 10MW per Smelter)	Assumption							60.94	60.94									
33	4.4.1(c) - Excess	Contract								250.00									
34	1.1.72 - Market Reference Rate	Assumption																	
35	1.1.21 - Base Rate	See Supporting Sched.	28.15	28.15	28.15	28.15	28.15	28.15	28.15	28.15	28.15	28.15	28.15	28.15	28.15				
36	1.1.23 - Base Variable Rate	See Supporting Sched.	12.47	12.47	12.47	12.47	12.47	12.47	12.47	12.47	12.47	12.47	12.47	12.47	12.47				
37	1.1.62 - FAC Factor	Tariff	11.22	11.22	11.22	11.22	11.22	11.22	11.22	11.22	11.22	11.22	11.22	11.22	11.22				
38	1.1.43 - Environmental Surcharge Factor	Tariff	2.19	2.19	2.19	2.19	2.19	2.19	2.19	2.19	2.19	2.19	2.19	2.19	2.19				
39	1.1.84 - Non-FAC Purchased Power Adjustment Factor	Contract (Appendix A)	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08				
40	4.11.4 - Surcharges:																		
41	4.11 (a)	See contract charges below																	
42	4.11 (b)	Contract	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60				
43	4.11 (c)	See Supporting Sched.	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60				
44	* Placeholder value intended to represent costs of energy plus appropriate inclusion or exclusion of transmission services charges or any other charges or other expenses, per the Retail Service Agreement (see also Net Proceeds, below).																		
45	** Assumed priced at cost, for illustration																		

Draft Retail Service Agreement Example_11/08
Smelter Charges and Credits
Year Modeled:

2009

Annualized Basis

Case	Derivation	Base Case	Low Load Factor	High Load Factor	Supplemental Energy (4.3)					Backup Energy (4.4)		Surplus Sales (10.1)	Undeliverable Energy Sales (10.2)	Pottline Reduction Sales (10.3)	Curtailment for Purchased Power (4.13.2)	Economic Sales (4.13.3)
					Interruptible Energy	Buy-Through Energy	Market Energy	4.4.1 (a) and (b)	4.4.1 (c)							
										20 MW (10 MW per Smelter) for 75% of Hours in Year	20 MW (10 MW per Smelter) for 75% of Hours in Year					
46	Charges (\$M)															
47	4.2 Base Energy Charge	(2 x 35) + (23 x 36)	205.4	203.6	207.3	205.4	205.4	205.4	205.4	205.4	205.4	205.4	205.4	205.4	205.4	205.4
48	4.3 Supplemental Energy Charge															
49	4.3.1 Interruptible Energy	8 x 28	-	-	-	8.0	-	-	-	-	-	-	-	-	-	-
50	4.3.2 Buy-Through Energy	9 x 29	-	-	-	-	8.0	-	-	-	-	-	-	-	-	-
51	4.3.3 Market Energy	10 x 30	-	-	-	-	-	16.0	-	-	-	-	-	-	-	-
52	4.4 Back-up Energy Charge															
53	4.4.1(a) and (b) (within 10MW per Smelter)	14 x 32	-	-	-	-	-	-	8.0	8.0	-	-	-	-	-	-
54	4.4.1(c) - Excess	15 x 33	-	-	-	-	-	-	-	32.9	-	-	-	-	-	-
55	4.6 Transmission Services Charge	Contract														
56	4.6 Excess Reactive Demand Charge	Contract														
57	4.7 TIER Adjustment Charge	See Supporting Sched.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
58	4.8 Adjustable Charges															
59	4.8.1 FAC Charge	22 x 37	81.9	80.2	83.5	81.9	81.9	81.9	81.9	81.9	81.9	81.9	81.9	81.9	81.9	81.9
60	4.8.2 Non-FAC Purchased Power Adjustment Charge	22 x 39	0.5	0.5	0.6	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
61	4.8.3 Environmental Surcharge	22 x 38	15.96	15.63	16.28	15.96	15.96	15.96	15.96	15.96	15.96	15.96	15.96	15.96	15.96	15.96
62	4.9 Rebate	See Supporting Schedules	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)	(17.5)	(7.1)	(0.7)	(0.7)	(0.7)	(0.7)	(0.9)
63	4.10 Equity Development Credit	Contract														
64	4.11 Surcharge															
65	4.11 (a)	Contract	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1
66	4.11 (b)	2 x 42	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4
67	4.11 (c)	2 x 43	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4
67A	4.11 (d)	- \$200,000 x 12	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)
68	4.12 Retail Fee	Contract	-	-	-	-	-	-	-	-	-	-	-	-	-	-
69																
70	Total Charges		314.6	310.7	318.4	322.6	322.6	330.6	322.6	338.6	308.2	314.6	314.6	314.6	314.4	
71																
72	Credits (\$M)															
73	Net Proceeds	(12+18+19+20)x25 - (tax + admn. cost) * % Resale of Market Energy						4.0			39.9	199.3	53.9			1.1
74	Avoldable Base Charge	See Supporting Schedules									30.4					
75																
76	4.13															
77	4.13.1 Surplus, Undeliverable Energy, and Pottline Reduction Sales															
78	Surplus Sales	Min. of 73 and 74									30.4					
79	Undeliverable Energy, and Pottline Reduction Sales	line 73										199.3	53.9			
80	4.13.2 Curtailment for Purchased Power	17 x 34												17.4		
81	4.13.3 Economic Sales	line 73 x 75%														0.8
82	4.13.4 Market Energy Sales	line 73						4.0								
83																
84	Total Credits	78 + 79 + 80 + 81 + 82						4.0			30.4	199.3	53.9	17.4	0.8	
85	Net Charges	line 70 - line 84	314.6	310.7	318.4	322.6	322.6	326.6	322.6	338.6	277.8	115.3	260.6	297.2	313.6	
86	Net Charges per MWh Metered															
87	* Simplified calculation; in practice would include estimated Big Rivers tax liability (as applicable per sections 1.1.79, 10.1.4, 10.2.3, 10.3.7, and 13.3). Administrative fees are modeled per section 4.13.1.															
88																

Draft Retail Service Agreement Example_11/08
 Smelter Charges and Credits
 Year Modeled:

2009

Annualized Basis

Case	Derivation	Base Case	Low Load Factor	High Load Factor	Supplemental Energy (4.3)			Backup Energy (4.4)		Surplus Sales (10.1)	Undeliverable Energy Sales (10.2)	Potline Reduction Sales (10.3)	Curtailment for Purchased Power (4.13.2)	Economic Sales (4.13.3)
					Interruptible Energy	Buy-Through Energy	Market Energy	4.4.1 (a) and (b)	4.4.1 (c)					
					20 MW (10 MW per Smelter) for 75% of Hours in Year	20 MW (10 MW per Smelter) for 75% of Hours in Year	40 MW for 75% of Hours in Year/ 10 MW Resold	20 MW (10 MW per Smelter) for 75% of Hours in Year	40 MW for 75% of Hours in Year	10% of Base Fixed Energy	6 Month Duration	115 MW @ 98% Load Factor x 12 Months	Example curtails all market purchases	Max. of 9,600 MWh
89	Supporting Schedules													
90														
91	1.1.21 Smelter Base Rate													
92	Large Industrial Rate													
93	Load Factor (%)	Member Load Forecast	79%	79%	79%	79%	79%	79%	79%	79%	79%	79%	79%	79%
94	Energy (\$/ MWh)	Tariff	13.72	13.72	13.72	13.72	13.72	13.72	13.72	13.72	13.72	13.72	13.72	13.72
95	Demand (\$/ KW-mo.)	Tariff	10.15	10.15	10.15	10.15	10.15	10.15	10.15	10.15	10.15	10.15	10.15	10.15
96	Blend		31.39	31.39	31.39	31.39	31.39	31.39	31.39	31.39	31.39	31.39	31.39	31.39
97	MDA (\$/ MWh)	[Tariff]	-	-	-	-	-	-	-	-	-	-	-	-
98	Net Rate (\$/ MWh)		31.39	31.39	31.39	31.39	31.39	31.39	31.39	31.39	31.39	31.39	31.39	31.39
99	Large Industrial Rate @ 98% LF	Contract	27.90	27.90	27.90	27.90	27.90	27.90	27.90	27.90	27.90	27.90	27.90	27.90
100	Plus Margin	Contract	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
101	Smelter Base Rate		28.15	28.15	28.15	28.15	28.15	28.15	28.15	28.15	28.15	28.15	28.15	28.15
102														
103	1.1.23 Base Variable Rate													
104	FAC Base	Tariff	10.72	10.72	10.72	10.72	10.72	10.72	10.72	10.72	10.72	10.72	10.72	10.72
105	Environmental Surcharge base	Tariff	-	-	-	-	-	-	-	-	-	-	-	-
106	Purchased Power Base	Tariff	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75
107	Total		12.47	12.47	12.47	12.47	12.47	12.47	12.47	12.47	12.47	12.47	12.47	12.47
108														
109	4.11 (c) Surcharge													
110	Reference Fuel Expense (\$/ MWh)	Contract	16.44	16.44	16.44	16.44	16.44	16.44	16.44	16.44	16.44	16.44	16.44	16.44
111	Actual Fuel Expense (\$/ MWh)	Assumption	21.94	21.94	21.94	21.94	21.94	21.94	21.94	21.94	21.94	21.94	21.94	21.94
112	Min. of i) Actual Less Reference and ii) \$0.60 (not less than zero)		0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60
113														
114	1.1.12 Avoidable Base Charge													
115	1.1.11(a)													
116	(i) Base Rate plus Adjustable Charge Rates	35 + 37 + 38 + 39								41.63				
117	(ii) Base Fixed Energy made available whether or not sold	line 19								0.73				
118	SM	line 116 x line 117								30.38				
119	Plus													
120	1.1.11(b)													
121	(i) Base Variable Rate plus Adjustable Charge Rates	36 + 37 + 38 + 39								25.95				
122	(ii) Base Variable Energy made available whether or not sold	line 23								-				
123	SM	line 121 x line 122								-				
124	Less													
125	1.1.11(c)													
126	(i) Base Variable Rate plus Adjustable Charge Rates	36 + 37 + 38 + 39								25.95				
127	(ii) Base Fixed or Variable Energy neither Metered nor Sold									-				
128	SM	line 126 x line 127								-				
129	Net	line 118 + line 123 - line 128								30.38				
130														

Draft Retail Service Agreement Example, 11/08
 Smelter Charges and Credits
 Year Modeled:

2009

Annualized Basis

Case	Derivation	Base Case	Low Load Factor	High Load Factor	Supplemental Energy (4.3)			Backup Energy (4.4)		Surplus Sales (10.1)	Undeliverable Energy Sales (10.2)	Potline Reduction Sales (10.3)	Curtailment for Purchased Power (4.13.2)	Economic Sales (4.13.3)	
					Interruptible Energy	Buy-Through Energy	Market Energy	4.4.1 (a) and (b)	4.4.1 (c)						
					20 MW (10 MW per Smelter) for 75% of Hours in Year	20 MW (10 MW per Smelter) for 75% of Hours in Year	40 MW for 75% of Hours in Year/ 10 MW Resold	20 MW (10 MW per Smelter) for 75% of Hours in Year	40 MW for 75% of Hours in Year	10% of Base Fixed Energy	6 Month Duration	115 MW @ 98% Load Factor x 12 Months	Example curtailments all market purchases	Max. of 9,600 MWh	
131	4.7 TIER Adjustment Charge														
132	4.7.5 TIER Adjustment														
133	System Revenues Before TIER Adjustment														
134	Base Case	Financial Model	579.409	579.409	579.409	579.409	579.409	579.409	579.409	579.409	579.409	579.409	579.409	579.409	
135	Increment from Base Case (Accounts for Both Smelters):														
136	Base Energy Charge	22 x 36		(1.9)	1.9	-	-	-	-	-	-	-	-	-	
137	FAC/ ES/ PPA Charges	23 x (37 + 38 + 39)		(2.0)	2.0	-	-	-	-	-	-	-	-	-	
138	Supplemental Energy	49 + 50 + 51				8.0	8.0	16.0							
139	Backup Energy	53 + 54							8.0	40.9					
140	Net Proceeds	line 73						4.0		39.9	199.3	53.9		1.1	
141	Less: Credits	line 84						(4.0)		(30.4)	(199.3)	(53.9)	(17.4)	(0.8)	
142	Total Increment from Base Case	136 + 137 + 138 + 139 + 140 + 141		(3.9)	3.9	8.0	8.0	16.0	8.0	40.9	9.5	-	(17.4)	0.3	
143	Total Revenues	line 134 - line 142	579.4	575.5	583.3	587.4	587.4	595.4	587.4	620.3	588.9	579.4	579.4	562.0	579.7
144	System Expenses Before TIER Adjustment														
145	Base Case - Gross	Financial Model	564.4	564.4	564.4	564.4	564.4	564.4	564.4	564.4	564.4	564.4	564.4	564.4	
146	Net Debit to Power Purchases reflected in Regulatory Account	Financial Model	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	
147	Base Case - Net	Financial Model	564.1	564.1	564.1	564.1	564.1	564.1	564.1	564.1	564.1	564.1	564.1	564.1	
148	Increment from Base Case														
149	Variable Costs *	23 x (36 + 37 + 38 + 39)		(3.9)	3.9	-	-	-	-	-	-	-	-	-	
150	Power Purchases	138 + 139				8.0	8.0	16.0	8.0	16.0	-	-	(17.4)	-	
151	Interest (net of capitalization)														
152	Other														
153	Total Increment from Base Case	149 + 150 + 151 + 152		(3.9)	3.9	8.0	8.0	16.0	8.0	16.0	-	-	(17.4)	-	
154	Total Expenses	line 147 + line 153	564.1	560.3	568.0	572.1	572.1	580.1	572.1	580.1	564.1	564.1	564.1	546.8	564.1
155	Net Margin Before TIER Adjustment	line 143 - line 154	15.3	15.3	15.3	15.3	15.3	15.3	15.3	40.1	24.8	15.3	15.3	15.5	
156	Interest Charges Plus Net Margin	line 155 + line 156	68.8	68.8	68.8	68.8	68.8	68.8	68.8	93.7	78.3	68.8	68.8	69.1	
157	Interest Charges:														
158	Base Case	Financial Model	53.6	53.6	53.6	53.6	53.6	53.6	53.6	53.6	53.6	53.6	53.6	53.6	
159	Increment from Base Case														
160	Total	line 158 - line 159	53.6	53.6	53.6	53.6	53.6	53.6	53.6	53.6	53.6	53.6	53.6	53.6	
161	Pre-Adjustment TIER	line 156/ line 160	1.285	1.285	1.285	1.285	1.285	1.285	1.285	1.749	1.462	1.285	1.285	1.290	
162	Incremental Revenue Needed to Achieve TIER = 1.24x	(1.24 - line 161) x line 160	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(27.3)	(11.9)	(2.4)	(2.4)	(2.7)	
163	Adjustments:														
164	4.7.5(f) No revenue from Economic/ Transition Reserves	Financial Model	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	
165	Other														
166	Total	line 164 + line 165	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	
167	TIER Adjustment	line 162 + line 166	(1.0)	(1.0)	(1.0)	(1.0)	(1.0)	(1.0)	(1.0)	(25.9)	(10.5)	(1.0)	(1.0)	(1.3)	
168	TIER Adjustment Charge	Max. of line 167 and zero	-	-	-	-	-	-	-	-	-	-	-	-	
169															
170	4.9 Rebate														
171	Excess TIER Amount		(1.0)	(1.0)	(1.0)	(1.0)	(1.0)	(1.0)	(1.0)	(25.9)	(10.5)	(1.0)	(1.0)	(1.3)	
172	Rebate:														
173	Smelter MWh		68%	68%	68%	68%	68%	68%	68%	68%	68%	68%	68%	68%	
174	Rebate		(0.7)	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)	(17.5)	(7.1)	(0.7)	(0.7)	(0.9)	
175															
176	* Example assumes variable costs incurred at rate stipulated in 1.1.21, plus FAC, Environmental Surcharge, and PPA														
177															

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Annualized Basis

Case	Derivation	Base Case	Low Load Factor	High Load Factor	Supplemental Energy (4.3)			Backup Energy (4.4)		Surplus Sales (10.1)	Undeliverable Energy Sales (10.2)	Potline Reduction Sales (10.3)	Curtailed for Purchased Power (4.13.2)	Economic Sales (4.13.3)
					Interruptible Energy	Buy-Through Energy	Market Energy	4.4.1 (a) and (b)	4.4.1 (c)					
178	Quarterly TIER Adjustment Charge													
179		Base Case												
180														
181	Revenues	579.4												
182	Expenses	564.1												
183	Net Margin Before TIER	15.3												
184	Interest + Margin	68.8												
185	Interest Charges	53.6												
186	Pre-Adjustment TIER	1.29												
187	Increment Needed for 1.24x	(2.4)												
188	Adjustments	1.4												
189	TIER Adjustment	(1.0)												
190	TIER Adjustment Charge													
191	1st Q	-												
192	2nd Q	-												
193	3rd Q	-												
194	4th Q	-												
195														
196	* Illustrative Forecast Weightings (actual forecast methodologies to be determined)													
197	YTD													
198	Original Budget													
199														
200	YTD													
201	Revenues													
202	Expenses													
203	Net Margin Before TIER													
204	Interest + Margin													
205	Interest Charges													
206	Pre-Adjustment TIER													
207	Increment Needed for 1.24x													
208	Adjustments													
209	TIER Adjustment													
210														
211	Revised Full-Year Forecast													
212	Revenues													
213	Expenses													
214	Net Margin Before TIER													
215	Interest + Margin													
216	Interest Charges													
217	Pre-Adjustment TIER													
218	Increment Needed for 1.24x													
219	Adjustments													
220	TIER Adjustment													
221														

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Illustrative Quarterly Basis - Base Case

Case	Derivation	Base Case	Q1		Q2		Q3		Q4		Pre-Adjusted Year	Adjust. TIER Adjustment	Rebate	Adjusted Year
				Adj. Per 4.7.3		Adj. Per 4.7.3		Adj. Per 4.7.3						
			96% load factor/ expense 5% above avg.		100% load factor/ expense 5% above avg.		98% load factor/ expense 0% above avg.		98% load factor/ expense 10% below avg.			4.7.4	4.9	
1	1.1.16 - Base Demand (MW) (a)	Contract	850.0	850.0	850.0	850.0	850.0	850.0	850.0	850.0				850.0
2	1.1.18 - Base Fixed Energy (TWh) (b)	Contract	7.297	1.824	1.824	1.824	1.824	1.824	1.824	7.297				7.297
3														
4	Energy Balance (Annual TWh)													
5	Assumed Load Factor	Assumption	98%	96%	100%	98%	98%							
6	Metered Energy	Assumption	7.297	1.787	1.862	1.824	1.824	1.824	7.297					7.297
7	2.3.2 - Supplemental Energy													
8	2.3.2(a) Interruptible Energy	Assumption												
9	2.3.2(b) Buy-Through Energy	Assumption												
10	2.3.2(c) Market Energy													
11	Consumed	Assumption												
12	Sold	Assumption												
13	1.1.13 - Backup Energy													
14	4.4.1(a) and (b) (within 10MW per Smelter)	Assumption												
15	4.4.1(c) - Excess	Assumption												
16	1.1.16 - Base Curtailed Energy													
17	4.13.2 - Curtailment of Purchased Power	Assumption												
18	4.13.3 - Economic Sales	Assumption (Max. Under Contract)												
19	10.1 - Surplus Sales	Assumption												
20	10.2 - Undeliverable Energy Sales	Assumption												
21	10.3 - Pottline Reduction Sales	Assumption (Approx. Max.)												
22	1.1.18 / 19 - Base Hourly/ Monthly Energy	line 6 + 17 + 18 + 19 + 20 + 21	7.297	1.787	1.862	1.824	1.824	1.824	7.297					7.297
23	1.1.22 - Base Variable Energy	line 22 - line 2	-	(0.037)	0.037	-	-	-	(0.000)					-
24														
25	Key Rates													
26	Market Energy Price	Assumption *	60.94	60.94	60.94	60.94	60.94	60.94	60.94	60.94				60.94
27	4.3 - Supplemental Energy **													
28	4.3.1 - Interruptible Energy Rate	Assumption												
29	4.3.2 - Buy-Through Energy Rate	Assumption												
30	4.3.3 - Market Energy Rate	Assumption												
31	4.4 - Backup Energy Rate	Assumption												
32	4.4.1(a) and (b) (within 10MW per Smelter)	Assumption												
33	4.4.1(c) - Excess	Contract												
34	1.1.72 - Market Reference Rate	Assumption												
35	1.1.21 - Base Rate	See Supporting Sched.	28.15	28.15	28.15	28.15	28.15	28.15	28.15	28.15				28.15
36	1.1.23 - Base Variable Rate	See Supporting Sched.	12.47	12.47	12.47	12.47	12.47	12.47	12.47	12.47				12.47
37	1.1.62 - FAC Factor	Tariff	11.22	11.22	11.22	11.22	11.22	11.22	11.22	11.22				11.22
38	1.1.43 - Environmental Surcharge Factor	Tariff	2.19	2.19	2.19	2.19	2.19	2.19	2.19	2.19				2.19
39	1.1.84 - Non-FAC Purchased Power Adjustment Factor	Contract (Appendix A)	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08				0.08
40	4.11.4 - Surcharges:													
41	4.11 (a)	See contract charges below												
42	4.11 (b)	Contract	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60				0.60
43	4.11 (c)	See Supporting Sched.	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60				0.600
44	* Placeholder value intended to represent costs of energy plus appropriate inclusion or exclusion of transmission services													
45	** Assumed priced at cost, for illustration													

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Illustrative Quarterly Basis - Base Case

Case	Derivation	Base Case	Q1		Q2		Q3		Q4		Pre-Adjusted Year	Adjust. TIER Adjustment	Rebate	Adjusted Year
				Adj. Per 4.7.3		Adj. Per 4.7.3		Adj. Per 4.7.3						
			96% load factor/ expense 5% above avg.		100% load factor/ expense 5% above avg.		98% load factor/ expense 0% above avg.		98% load factor/ expense 10% below avg.					
46	Charges (\$M)													
47	4.2 Base Energy Charge	(2 x 35) + (23 x 35)	205.4	50.9	51.8	51.4	51.4	205.4						205.4
48	4.3 Supplemental Energy Charge													
49	4.3.1 Interruptible Energy	8 x 28	-	-	-	-	-	-	-	-	-	-	-	-
50	4.3.2 Buy-Through Energy	9 x 29	-	-	-	-	-	-	-	-	-	-	-	-
51	4.3.3 Market Energy	10 x 30	-	-	-	-	-	-	-	-	-	-	-	-
52	4.4 Back-up Energy Charge													
53	4.4.1(a) and (b) (within 10MW per Smelter)	14 x 32	-	-	-	-	-	-	-	-	-	-	-	-
54	4.4.1(c) - Excess	15 x 33	-	-	-	-	-	-	-	-	-	-	-	-
55	4.6 Transmission Services Charge	Contract												
56	4.6 Excess Reactive Demand Charge	Contract												
57	4.7 TIER Adjustment Charge	See Supporting Sched.	-	2.0	2.0	3.5	5.5	-	5.5	13.1	(13.1)			-
58	4.8 Adjustable Charges													
59	4.8.1 FAC Charge	22 x 37	81.9	20.0	20.9	20.5	20.5	81.9						81.9
60	4.8.2 Non-FAC Purchased Power Adjustment Charge	22 x 39	0.5	0.1	0.1	0.1	0.1	0.5						0.5
61	4.8.3 Environmental Surcharge	22 x 38	15.96	3.91	4.07	3.99	3.99	15.96						15.96
62	4.9 Rebate	See Supporting Schedules	(0.7)	-	-	-	-	-	-	-	-			(0.7)
63	4.10 Equity Development Credit	Contract												
64	4.11 Surcharge													
65	4.11 (a)	Contract	5.1	1.3	1.3	1.3	1.3	5.1						5.1
66	4.11 (b)	2 x 42	4.4	1.1	1.1	1.1	1.1	4.4						4.4
67	4.11 (c)	2 x 43	4.4	1.1	1.1	1.1	1.1	4.4						4.4
67A	4.11 (d)	- \$200,000 x 12	(2.4)	(0.6)	(0.6)	(0.6)	(0.6)	(2.4)						(2.4)
68	4.12 Retail Fee	Contract	-	-	-	-	-	-						-
69														
70	Total Charges		314.6	77.8	81.8	84.3	84.3	328.3	(13.1)	(0.7)				314.6
71														
72	Credits (\$M)													
73	Net Proceeds	(12+18+19+20)x25 - (tax + admn. cost) * Resale of Market Energy												
74	Avoidable Base Charge	See Supporting Schedules												
75														
76	4.13													
77	4.13.1 Surplus, Undeliverable Energy, and Potline Reduction Sales													
78	Surplus Sales	Min. of 73 and 74												
79	Undeliverable Energy, and Potline Reduction Sales	line 73												
80	4.13.2 Curtailment for Purchased Power	17 x 34												
81	4.13.3 Economic Sales	line 73 x 75%												
82	4.13.4 Market Energy Sales	line 73												
83														
84	Total Credits	78 + 79 + 80 + 81 + 82												
85	Net Charges	line 70 - line 84	314.6	77.8	81.8	84.3	84.3	328.3	(13.1)	(0.7)				314.6
86	Net Charges per MWh Metered													
87	* Simplified calculation; in practice would include estimated Big Rivers tax liability (as applicable per sections 1.1.79, 10.1.4, 10.2.3, 10.3.7, and 13.3). Administrative fees are modeled per section 4.13.1.													
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Illustrative Quarterly Basis - Base Case

Case	Derivation	Base Case	Q1		Q2		Q3		Q4		Pre-Adjusted Year	Adj. TIER Adjustment	Rebate	Adjusted Year
				Adj. Per 4.7.3		Adj. Per 4.7.3		Adj. Per 4.7.3		Adj. Per 4.7.3				
			96% load factor/ expense 5% above avg.		100% load factor/ expense 5% above avg.		98% load factor/ expense 0% above avg.		98% load factor/ expense 10% below avg.					
89	Supporting Schedules													
90														
91	1.1.21 Smelter Base Rate													
92	Large Industrial Rate													
93	Load Factor (%)	Member Load Forecast	79%	79%	79%	79%	79%	79%	79%					79%
94	Energy (\$/ MWh)	Tariff	13.72	13.72	13.72	13.72	13.72	13.72	13.72					13.72
95	Demand (\$/ KW-mo.)	Tariff	10.15	10.15	10.15	10.15	10.15	10.15	10.15					10.15
96	Blend		31.39	31.39	31.39	31.39	31.39	31.39	31.39					31.39
97	MDA (\$/ MWh)	[Tariff]	-	-	-	-	-	-	-					-
98	Net Rate (\$/ MWh)		31.39	31.39	31.39	31.39	31.39	31.39	31.39					31.39
99	Large Industrial Rate @ 98% LF	Contract	27.90	27.90	27.90	27.90	27.90	27.90	27.90					27.90
100	Plus Margin	Contract	0.25	0.25	0.25	0.25	0.25	0.25	0.25					0.25
101	Smelter Base Rate		28.15	28.15	28.15	28.15	28.15	28.15	28.15					28.15
102														
103	1.1.23 Base Variable Rate													
104	FAC Base	Tariff	10.72	10.72	10.72	10.72	10.72	10.72	10.72					10.72
105	Environmental Surcharge base	Tariff	-	-	-	-	-	-	-					-
106	Purchased Power Base	Tariff	1.75	1.75	1.75	1.75	1.75	1.75	1.75					1.75
107	Total		12.47	12.47	12.47	12.47	12.47	12.47	12.47					12.47
108														
109	4.11 (c) Surcharge													
110	Reference Fuel Expense (\$/ MWh)	Contract	16.44	16.4	16.4	16.4	16.4	16.4	16.4					16.4
111	Actual Fuel Expense (\$/ MWh)	Assumption	21.94	21.9	21.9	21.9	21.9	21.9	21.9					21.9
112	Min. of i) Actual Less Reference and ii) \$0.60 (not less than zero)		0.60	0.60	0.60	0.60	0.60	0.60	0.60					0.60
113														
114	1.1.12 Avoidable Base Charge													
115	1.1.11(a)													
116	(i) Base Rate plus Adjustable Charge Rates	35 + 37 + 38 + 39												
117	(ii) Base Fixed Energy made available whether or not sold	line 19												
118	SM	line 116 x line 117												
119	Plus													
120	1.1.11(b)													
121	(i) Base Variable Rate plus Adjustable Charge Rates	36 + 37 + 38 + 39												
122	(ii) Base Variable Energy made available whether or not sold	line 23												
123	SM	line 121 x line 122												
124	Less													
125	1.1.11(c)													
126	(i) Base Variable Rate plus Adjustable Charge Rates	36 + 37 + 38 + 39												
127	(ii) Base Fixed or Variable Energy neither Metered nor Sold													
128	SM	line 126 x line 127												
129	Net	line 118 + line 123 - line 128												
130														

Case	Derivation	Base Case	Q1		Q2		Q3		Q4		Pre-Adjusted Year	Adjust. TIER Adjustment	Rebate	Adjusted Year	
				Adj. Per 4.7.3		Adj. Per 4.7.3		Adj. Per 4.7.3		Adj. Per 4.7.3					
			96% load factor/ expense 5% above avg.		100% load factor/ expense 5% above avg.		98% load factor/ expense 0% above avg.		98% load factor/ expense 10% below avg.						
131	4.7 TIER Adjustment Charge														
132	4.7.5 TIER Adjustment											4.7.4	4.9		
133	System Revenues Before TIER Adjustment														
134	Base Case	Financial Model	579.409	144.852	144.852	144.852	144.852	144.852	144.852	579.409				579.409	
135	Increment from Base Case (Accounts for Both Smelters):														
136	Base Energy Charge	22 x 36		(0.5)	0.5										
137	FAC/ ES/ PPA Charges	23 x (37 + 38+ 39)		(0.5)	0.5										
138	Supplemental Energy	49 + 50 + 51													
139	Backup Energy	53 + 54													
140	Net Proceeds	line 73													
141	Less: Credits	line 84													
142	Total Increment from Base Case	136 +137 +138+ 139 +140 + 141		(1.0)	1.0					(0.0)					
143	Total Revenues	line 134 - line 142	579.4	143.9	145.8	144.9	144.9	144.9	144.9	579.4				579.4	
144	System Expenses Before TIER Adjustment														
145	Base Case - Gross	Financial Model	564.4	141.1	141.1	141.1	141.1	141.1	141.1	564.4				564.4	
146	Net Debit to Power Purchases reflected in Regulatory Account	Financial Model	(0.3)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.3)				(0.3)	
147	Base Case - Net	Financial Model	564.1	141.0	141.0	141.0	141.0	141.0	141.0	564.1				564.1	
148	Increment from Base Case														
149	Variable Costs *	23 x (36 + 37+ 38+ 39)		(1.0)	1.0					(0.0)					
150	Power Purchases	138 + 139													
151	Interest (net of capitalization)														
152	Other			7.1	7.1				(14.1)						
153	Total Increment from Base Case	149 + 150 + 151 + 152		6.1	8.0				(14.1)						
154	Total Expenses	line 147 + line 153	564.1	147.1	149.0	141.0	141.0	126.9	564.1					564.1	
155	Net Margin Before TIER Adjustment	line 143 - line 154	15.3	(3.2)	(3.2)	3.8	3.8	17.9	15.3					15.3	
156	Interest Charges Plus Net Margin	line 155 + line 158	68.8	10.2	10.2	17.2	31.3	68.8	68.8					68.8	
157	Interest Charges:														
158	Base Case	Financial Model	53.6	13.4	13.4	13.4	13.4	13.4	53.6					53.6	
159	Increment from Base Case														
160	Total	line 158 - line 159	53.6	13.4	13.4	13.4	13.4	53.6	53.6					53.6	
161	Pre-Adjustment TIER	line 156/ line 160	1.285	0.759	0.759	1.285	2.339	5.141	1.285					1.285	
162	Incremental Revenue Needed to Achieve TIER = 1.24x	(1.24 - line 161) x line 160	(2.4)	6.4	6.4	(0.6)	(14.7)	(2.4)	(2.4)					(2.4)	
163	Adjustments:														
164	4.7.5(f) No revenue from Economic/ Transition Reserves	Financial Model	1.4	0.4	0.4	0.4	0.4	1.4	1.4					1.4	
165	Other														
166	Total	line 164 + line 165	1.4	0.4	0.4	0.4	0.4	1.4	1.4					1.4	
167	TIER Adjustment	line 162 + line 166	(1.0)	6.8	6.8	(0.3)	(14.4)	(1.0)	(1.0)					(1.0)	
168	TIER Adjustment Charge	Max. of line 167 and zero													
169															
170	4.9 Rebate														
171	Excess TIER Amount		(1.0)											(1.0)	
172	Rebate:														
173	Smelter MWh		68%	68%	68%	68%	68%	68%	68%					68%	
174	Rebate		(0.7)											(0.7)	
175															
176	* Example assumes variable costs incurred at rate stipulated in 1.1.21, plus FAC, Environmental Surcharge, and PPA														
177															

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Illustrative Quarterly Basis - Base Case

Case	Derivation	Base Case	Q1		Q2		Q3		Q4		Pre-Adjusted Year	Adjust. TIER Adjustment	Rebate	Adjusted Year
				Adj. Per 4.7.3		Adj. Per 4.7.3		Adj. Per 4.7.3						
			96% load factor/ expense 5% above avg.		100% load factor/ expense 5% above avg.		98% load factor/ expense 0% above avg.		98% load factor/ expense 10% below avg.					
178	Quarterly TIER Adjustment Charge													
179		Base Case	Intermediate Annual Forecasts *											
			3 Months Actual, 9 Months Forecast	Change Applicable to Next Quarter	6 Months Actual, 6 Months Forecast	Change Applicable to Next Quarter	9 Months Actual, 3 Months Forecast	Change Applicable to Next Quarter						
180														
181	Revenues	579.4	578.4		579.4		579.4							
182	Expenses	564.1	570.2		578.2		578.2							
183	Net Margin Before TIER	15.3	8.2		1.2		1.2							
184	Interest + Margin	68.8	61.8		54.7		54.7							
185	Interest Charges	53.6	53.6		53.6		53.6							
186	Pre-Adjustment TIER	1.29	1.2		1.0		1.0							
187	Increment Needed for 1.24x	(2.4)	4.6		11.7		11.7							
188	Adjustments	1.4	1.4		1.4		1.4							
189	TIER Adjustment	(1.0)	6.0		13.1		13.1							
190	TIER Adjustment Charge													
191	1st Q	-	-		-		-							
192	2nd Q	-	2.0		2.0		2.0							
193	3rd Q	-	2.0		5.5		3.9		5.5					
194	4th Q	-	2.0		5.5		5.5		0.0					
195														
196	* Illustrative Forecast Weightings (actual forecast methodologies to be determined)													
197	YTD		25%		50%		75%							
198	Original Budget		75%		50%		25%							
199														
200	YTD													
201	Revenues		143.9		289.7		434.6							
202	Expenses		147.1		296.2		437.2							
203	Net Margin Before TIER		(3.2)		(6.5)		(2.6)							
204	Interest + Margin		10.2		20.3		37.5							
205	Interest Charges		13.4		26.8		40.2							
206	Pre-Adjustment TIER		0.76		0.76		0.93							
207	Increment Needed for 1.24x		6.4		12.9		12.3							
208	Adjustments		0.4		0.7		1.1							
209	TIER Adjustment		6.8		13.6		13.3							
210														
211	Revised Full-Year Forecast													
212	Revenues		578.4		579.4		579.4							
213	Expenses		570.2		578.2		578.2							
214	Net Margin Before TIER		8.2		1.2		1.2							
215	Interest + Margin		61.8		54.7		54.7							
216	Interest Charges		53.6		53.6		53.6							
217	Pre-Adjustment TIER		1.15		1.02		1.02							
218	Increment Needed for 1.24x		4.6		11.7		11.7							
219	Adjustments		1.4		1.4		1.4							
220	TIER Adjustment		6.0		13.1		13.1							
221														