



S T O L L · K E E N O N · O G D E N
P L L C

2000 PNC PLAZA
500 WEST JEFFERSON STREET
LOUISVILLE, KY 40202-2828
MAIN: (502) 333-6000
FAX: (502) 333-6099
www.skofirm.com

KENDRICK R. RIGGS
DIRECT DIAL: (502) 560-4222
DIRECT FAX: (502) 627-8722
kendrick.riggs@skofirm.com

May 15, 2009

RECEIVED

MAY 18 2009

PUBLIC SERVICE
COMMISSION

VIA FEDERAL EXPRESS

Jeff DeRouen
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, KY 40601

RE: *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, 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*
Case No. 2007-00455

Dear Mr. DeRouen:

Enclosed please find the Indemnification Agreement between Western Kentucky Energy Corp. and Big Rivers Electric Corporation, and the Guarantee and Amended and Restated Guarantee of E.ON U.S. LLC and Big Rivers Electric Corporation. These agreements are being filed with the Commission for informational purposes, but not approval. Big Rivers Electric Corporation is not providing E.ON U.S. LLC or any other party with any form of consideration by entering into these agreements. These agreements do not affect the assumptions or results in the Financial Model. Portions of the Indemnification Agreement are considered to be confidential. A Petition for Confidential Treatment is enclosed requesting this relief.

Under separate cover, E.ON U.S. LLC and Big Rivers Electric Corporation have filed their written five day notice of Big Rivers Electric Corporation's acquisition of two investment grade credit ratings and plan to consummate the Unwind Transaction after May 19, 2009.

The preparation of the E.ON U.S. LLC Guarantee for the Indemnification Agreement identified the need for a minor clarification in the E.ON U.S. LLC Guarantee for the Termination Agreement. The Amended and Restated Guarantee reflects this clarification. A redlined and clean version of that document is enclosed for informational purposes. E.ON U.S. LLC and Big Rivers Electric Corporation believe this is not a material change to the document.

Jeff DeRouen
May 15, 2009
Page 2

E.ON U.S. LLC and Big Rivers Electric Corporation are prepared to discuss and answer any questions about the enclosures at the informal conference to be scheduled next week at the Commission.

Should you have any questions please contact me at your convenience.

Yours very truly,

A handwritten signature in black ink, appearing to read "Kendrick R. Riggs". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Kendrick R. Riggs

KRR:ec
Enclosures
cc: Parties of Record

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATIONS OF BIG RIVERS)	
ELECTRIC CORPORATION FOR:)	
(I) APPROVAL OF WHOLESALE TARIFF)	
ADDITIONS FOR BIG RIVERS ELECTRIC)	CASE NO. 2007-00455
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)	

PETITION FOR CONFIDENTIAL TREATMENT

E.ON U.S. LLC (“E.ON U.S.”), Western Kentucky Energy Corp. (“WKEC”) and LG&E Energy Marketing, Inc. (“LEM”) (the “E.ON Entities”), by counsel, for their Petition for Confidential Treatment filed pursuant to 807 KAR 5:001, Section 7 and KRS 61.878(1)(c), state as follows:

BACKGROUND

By this Petition, the E.ON Entities request that the Public Service Commission (“Commission”) grant confidential protection to certain information in the attached Indemnification Agreement (the “Confidential Information”). Specifically, the Confidential Information concerns specific financial details with regard to a form of consideration to be conveyed by the E.ON Entities to Big Rivers Electric Corporation in connection with securing the consents of certain interested, non-jurisdictional parties to the transaction that is the subject of this case. The Confidential Information is proprietary information relevant to the potential financial issues between unregulated entities. Thus, it is similar to information previously filed

herein by the E.ON Entities under confidential seal in this case. The E.ON Entities submit that the Confidential Information filed today also is entitled to confidential protection and for the same reasons.

GROUND FOR PETITION

1. KRS 61.878(1)(c) protects commercial information, generally recognized as confidential or proprietary, if its public disclosure would cause competitive injury to the disclosing entity. Competitive injury occurs when disclosure of the information would give competitors an unfair business advantage. The Commission has taken the position that the statute and the regulation require the party requesting confidentiality to demonstrate actual competition and the likelihood of competitive injury if the information is disclosed. Here, there is actual competition, as the Confidential Information is commercial and proprietary information related to the potential financial issues between E.ON Entities' nonregulated business and other non-jurisdictional, non-regulated counter-parties that is competitive and that is not rate-protected by the regulatory compact. Public disclosure of the Confidential Information would enable the E.ON Entities' competitors to discover, and make use of, confidential information concerning the E.ON Entities' financial and business strategies, to the unfair competitive disadvantage of the E.ON Entities.

2. The Confidential Information is maintained internally by the E.ON Entities and by other parties to this case who have a business need to know this information. This information is not on file with the FERC, SEC or other public agency, is not available from any commercial or other source outside of the E.ON Entities and the parties to this case with a business need to know this information, and is limited in distribution to those employees who have a business reason to have access to such information. Further, the information concerns the

E.ON Entities' nonregulated rather than regulated activities. By imposing unfair competitive injury upon the E.ON Entities, disclosure in fact would harm the public interest.

3. Disclosure of the information sought to be protected in this matter would make available to the E.ON Entities' competitors information concerning their financial and business strategies that such transactional competitors could use to the E.ON Entities' competitive disadvantage. The E.ON Entities' transactional competitors are not required to file, or to make public, similar proprietary information.

4. The Confidential Information is precisely the sort of information meant to be protected by KRS 61.878(1)(c)1. In *Hoy v. Kentucky Industrial Revitalization Authority*, 907 S.W.2d 766 (Ky. 1995), the Kentucky Supreme Court held that financial information submitted by General Electric Company with its application for investment tax credits was not subject to disclosure simply because it had been filed with a state agency. The Court applied the plain meaning rule to the statute, reasoning that “[i]t 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.’” *Id.* at 768. Similarly, the Kentucky Supreme Court applied the KRS 61.878(1)(c)1. “competitive injury” exemption to financial information that was in the possession of Kentucky’s Parks Department in *Marina Management Services, Inc. v. Commonwealth, Cabinet for Tourism*, 906 S.W.2d 318, 319 (Ky. 1995): “These are records of privately owned marina operators, disclosure of which would unfairly advantage competing operators. The most obvious disadvantage may be the ability to ascertain the economic status of the entities without the hurdles systematically associated with acquisition of such information about privately owned organizations.” The same reasoning applies here. Moreover, the damage that would accrue to the E.ON Entities would be exacerbated by the interstate nature of the

competition in the wholesale power market. Competitors in this market are not subject to Commission regulations regarding the filing of sensitive financial information.

5. The Confidential Information merits confidential protection pursuant to *Hoy, Marina Management*, and KRS 61.878(1)(c)1. If the Commission disagrees, however, it must hold an evidentiary hearing to protect the due process rights of the E.ON Entities and supply the Commission with a complete record to enable it to reach a decision with regard to this matter. *Utility Regulatory Commission v. Kentucky Water Service Company, Inc.*, Ky. App., 642 S.W.2d 591, 592-94 (1982).

6. The E.ON Entities have provided the Confidential Information to the Attorney General pursuant to a protective agreement.

7. In accordance with the provisions of 807 KAR 5:001(7), the E.ON Entities file herewith, under seal, one (1) highlighted version of their Confidential Information and also file on this date an original and ten copies of the Confidential Information redacted for placement in the public record.

CONCLUSION

For the reasons stated, the E.ON Entities respectfully request that the Commission grant confidential protection for the information at issue, or schedule an evidentiary hearing on all factual issues while maintaining the confidentiality of the information pending the outcome of the hearing.

Dated: May 15, 2009

Respectfully submitted,



Kendrick R. Riggs
Deborah T. Eversole
Stoll Keenon Ogden PLLC
2000 PNC Plaza
500 West Jefferson Street
Louisville, Kentucky 40202-2828
Telephone: (502) 333-6000

Allyson K. Sturgeon
Senior Corporate Attorney
E.ON U.S. LLC
220 West Main Street
Louisville, Kentucky 40202
Telephone: (502) 627-2088

Counsel for E.ON U.S. LLC, Western
Kentucky Energy Corp. and LG&E Energy
Marketing, Inc.

CERTIFICATE OF SERVICE

I hereby certify that a true copy of the foregoing Petition for Confidential Treatment was served via U.S. mail, first-class, postage prepaid, this 15th day of May 2009, upon the following persons:

C. William Blackburn
Big Rivers Electric Corporation
201 Third Street
P. O. Box 24
Henderson, KY 42420

Michael L. Kurtz
Boehm, Kurtz & Lowry
36 East Seventh Street
Suite 1510
Cincinnati, OH 45202

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

James M. Miller
Sullivan, Mountjoy, Stainback & Miller, PSC
100 St. Ann Street
P.O. Box 727
Owensboro, KY 42302-0727

Dennis G. Howard II
Assistant Attorney General
Office of the Attorney General
Office of Rate Intervention
1024 Capital Center Drive, Suite 200
Frankfort, KY 40601-8204

Douglas L. Beresford
George F. Hobday Jr.
Hogan & Hartson, LLP
555 Thirteenth Street, N.W.
Washington, DC 20004-1109

John N. Hughes
Attorney at Law
124 West Todd Street
Frankfort, KY 40601

Melissa D. Yates
Denton & Keuler, LLP
555 Jefferson Street
P. O. Box 929
Paducah, KY 42002-0929

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

Don C. Meade
Priddy Cutler Miller & Meade
800 Republic Building
429 West Muhammad Ali Blvd.
Louisville, KY 40202


Counsel for E.ON U.S. LLC, Western
Kentucky Energy Corp. and LG&E Energy
Marketing, Inc.

INDEMNIFICATION AGREEMENT

THIS INDEMNIFICATION AGREEMENT ("*Indemnification Agreement*"), dated as of _____, 2009 (the "*Effective Date*"), between BIG RIVERS ELECTRIC CORPORATION, a Kentucky rural electric generation and transmission cooperative ("*Big Rivers*"), and WESTERN KENTUCKY ENERGY CORP., a Kentucky corporation ("*WKEC*") (collectively, the "*Parties*").

RECITALS:

A. Reference is made to that certain Transaction Termination Agreement dated as of March 26, 2007, as amended, by and among Big Rivers, WKEC and LG&E Energy Marketing Inc. ("*LEM*") (the "*Termination Agreement*"), pursuant to which, among other transactions, those parties agreed to terminate certain property interests and contractual relationships between or among them at the Closing, upon the terms and subject to the conditions set forth therein.

B. The Parties desire that the Closing occur on the date hereof. However, Big Rivers has conditioned its willingness to consummate the transactions contemplated in the Termination Agreement at the Closing on the execution and delivery of this Indemnification Agreement by WKEC, and on the execution and delivery by E.ON U.S. LLC ("*E.ON*") of E.ON's Guarantee of even date herewith, guarantying the debts, obligations and liabilities (if any) of WKEC under or pursuant to this Indemnification Agreement in accordance with its terms (the "*Guarantee*").

C. WKEC is willing to execute and deliver this Indemnification Agreement, and E.ON is willing to execute and deliver the Guarantee, in each case in consideration of, and as an inducement for, Big Rivers' agreement to consummate the Closing on the Effective Date and to perform Big Rivers' covenants and agreements set forth in this Indemnification Agreement in accordance with their respective terms.

D. The Parties agree that the definition of Excess Henderson Energy set forth in Section 1 below is how they each interpret the definition of "Excess Henderson Energy" as used in the 1970 Power Sales Contract, and they will not take a contrary position in any action, suit or proceeding of the types contemplated in this Indemnification Agreement.

AGREEMENT:

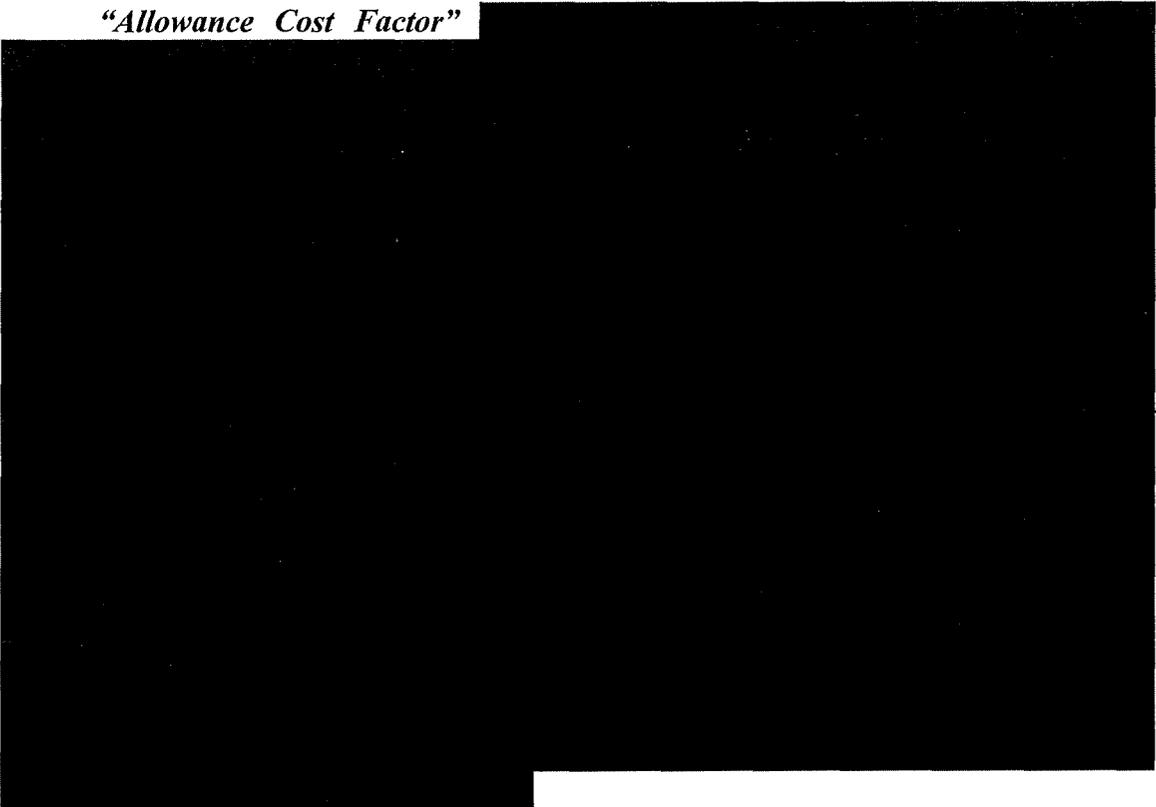
NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements set forth herein, WKEC and Big Rivers each agree as follows, effective as of the Closing (but not before):

1. DEFINITIONS. Capitalized terms used in this Indemnification Agreement (including the Recitals hereto) and not otherwise defined herein shall have the meanings

set forth in the Termination Agreement. The following capitalized terms, as and where used in this Indemnification Agreement, shall have the meanings set forth below:

“1970 Power Sales Contract” shall mean only the Power Sales Contract dated August 1, 1970, among Big Rivers, the City and the City Utility Commission, as the same has been amended and is in force and effect immediately following the expiration or termination (on the Unwind Closing Date) of the Agreement and Amendments to Agreement dated as of July 15, 1998, as amended, among Big Rivers, WKEC (for itself and as successor to WKE Station Two Inc. and WKE Corp.), LEM, the City and the City Utility Commission (but shall not include any amendments to or other modifications of such Power Sales Contract which may be entered into from and after the Closing).

“Allowance Cost Factor”



“Annual NOx Allowances(s)” means NOx Allowances collectively which are authorized by the EPA or by Kentucky to allow the holder to emit nitrogen oxide (NOx) during a control period (Jan through December) in the then current year.

“Associated Variable Costs” shall have the meaning set forth in Subsection 2.1(b).

“Big Rivers” shall have the meaning set forth in the Preamble of this Indemnification Agreement.

“Big Rivers Defense Costs” shall have the meaning set forth in Subsection 3.2(b).

“Big Rivers Funding Requirement” shall have the meaning set forth in Subsection 2.2(d).

“Big Rivers Participation Costs” shall have the meaning set forth in Subsection 3.2(a).

“Cap Amount” shall have the meaning set forth in Section 4.3.

“City” shall mean the City of Henderson, Kentucky.

“City Utility Commission” shall mean the City of Henderson Utility Commission, doing business as Henderson Municipal Power & Light, or any successor thereof.

“Decision” shall have the meaning set forth in Subsection 2.1(b).

“Defense” shall have the meaning set forth in Section 3.2.

“Defense Expense Cap” shall have the meaning set forth in Subsection 3.2(b).

“Delivery Demand” shall have the meaning set forth in Subsection 2.2(a).

“Delivery Demand Notice” shall have the meaning set forth in Subsection 2.2(a).

“Effective Date” shall have the meaning set forth in the Preamble of this Indemnification Agreement.

“Emission Allowances” means Annual NOx Allowance(s), Seasonal NOx Allowance(s), Sulfur Dioxide Allowance(s) and any other subsequent program(s) under the Clean Air Act, or any successor and/or additional statutes administered by the Federal, State and/or Local Governments. For sake of clarity, such additional emission control programs may include, but are not limited to Carbon Dioxide (CO2) and Mercury (HG).

“E.ON” shall have the meaning set forth in Recital B.

“EPA” means the United States Environmental Protection Agency or any successor agency with similar jurisdiction.

“Excess Henderson Energy” shall for purposes of this Indemnification Agreement mean the difference in an hour (measured in MWh) between (a) the amount of energy associated with the City’s or City Utility Commission’s reserved capacity share of Station Two and (b) the amount of energy actually used by the City or City Utility Commission from Station Two to serve its retail electricity customers and (if not included as part of such retail load) to serve the electric consuming facilities owned or operated by or for the City or the City Utility Commission.

“Excessive Offer” shall have the meaning set forth in Subsection 2.2(a).

“Excessive Offer Notice” shall have the meaning set forth in Subsection 2.2(a).

“Excessive Offer Price” shall have the meaning set forth in Subsection 2.2(c).

“Guarantee” shall have the meaning set forth in Recital B.

“Indemnifiable Claim” shall have the meaning set forth in Section 3.1.

“Index Losses” shall mean, [REDACTED]

“Index Payment” shall mean the sum for all hours in a particular month in which Index Volumes occur of *the product of* (a) the Index Losses *and* (b) the Index Volumes.

“Index Price” shall mean [REDACTED]

“Index Volumes” shall mean [REDACTED]

[REDACTED]

“Key Big Rivers Commitments” shall mean the covenants and agreements of Big Rivers set forth in the following provisions of this Indemnification Agreement: Subsections 2.2(a)(i) and 2.2(a)(ii), Subsection 2.2(e), the first sentence of Subsection 2.2(f), Subsection 2.3(c), Section 2.4, Section 3.2, the second sentence of Section 3.4, Section 4.6, Sections 5.2 through 5.11 inclusive (other than Sections 5.5 and 5.9), and Section 6.15.

“KPSC” shall mean the Kentucky Public Service Commission.

“LEM” shall have the meaning set forth in Recital A.

“Losses” shall mean any and all Pre-Decision Losses and Post-Decision Losses, collectively.

“MW” shall mean megawatt.

“MWh” shall mean megawatt hour.

“Offer Deadline” shall have the meaning set forth in Section 2.2(a).

“Participation Expense Cap” shall have the meaning set forth in Subsection 3.2(a).

“Parties” shall have the meaning set forth in the Preamble of this Indemnification Agreement.

“Person” shall mean any individual, corporation, partnership, joint venture, limited liability company or any other legal form of organization (including without limitation, any governmental or regulatory agency or body).

“Post-Decision Excessive Offer” shall have the meaning set forth in Subsection 2.3(c).

“Post-Decision Excessive Offer Price” shall have the meaning set forth in Subsection 2.3(e).

“Post-Decision Losses” shall have the meaning set forth in Subsection 2.3(h).

“Pre-Decision Losses” shall have the meaning set forth in Subsection 2.2(h).

“Proceeding” shall have the meaning set forth in Subsection 2.1(b).

“Purchase Losses” shall mean [REDACTED]

[REDACTED]

“Purchase Payment” shall mean [REDACTED]

“Purchase Volume” shall mean [REDACTED]

“Relevant Period” shall have the meaning set forth in Section 2.1.

“Remaining Index Losses” shall have the meaning set forth in Subsection 2.2(b).

“Remaining Purchase Losses” shall have the meaning set forth in Subsection 2.2(c).

“Seasonal NOx Allowance(s)” means NOx Allowances collectively which are authorized by the EPA or by Kentucky to allow the holder to emit nitrogen oxide (NOx) during a control period (May through September) in the then-current year.

“Section (c) Offer Deadline” shall have the meaning set forth in Subsection 2.3(c).

“Section (e) Offer Deadline” shall have the meaning set forth in Subsection 2.2(e).

“Subsection 2.3(g) Losses” shall have the meaning set forth in Subsection 2.3(g).

“Station Two Costs” shall mean [REDACTED]

“Sulfur Dioxide Allowance(s)” means Sulfur Dioxide Allowances collectively which are authorized by the EPA or by Kentucky to allow the holder to emit Sulfur Dioxide (SO₂) during a control period (Jan through December) in the then-current year.

“Termination Agreement” shall have the meaning set forth in Recital A.

“WKEC” shall have the meaning set forth in the Preamble of this Indemnification Agreement.

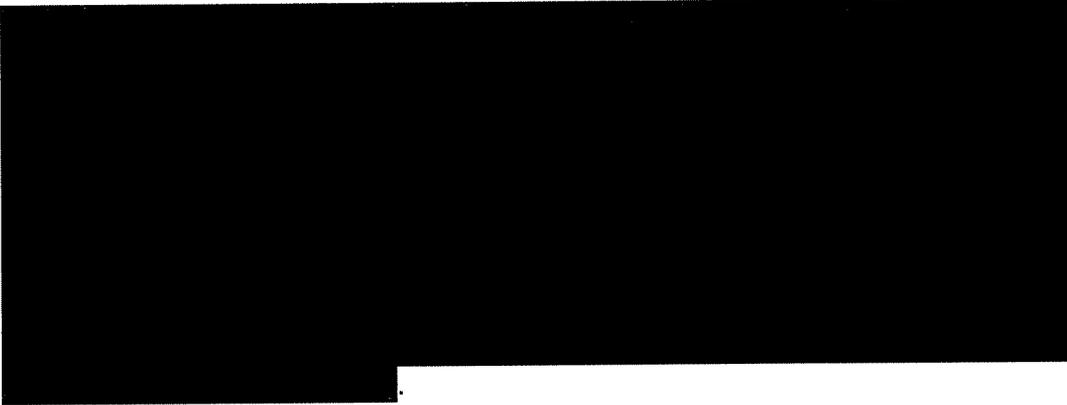
2. INDEMNIFICATION COVENANTS.

2.1 *Indemnity.* Subject to the limitations and exclusions provided for below in this Section 2 or elsewhere in this Indemnification Agreement, from and after the Closing WKEC shall indemnify and hold harmless Big Rivers from and against:

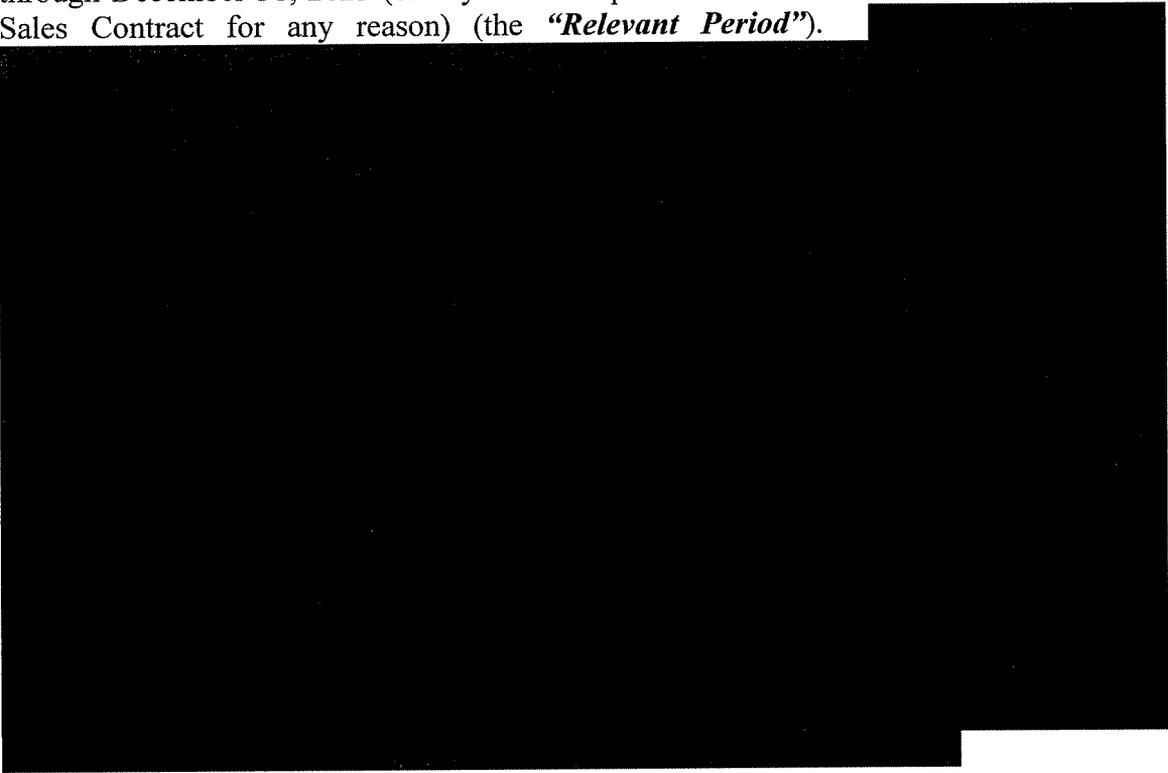
(a) Pre-Decision Losses [REDACTED]
[REDACTED] and

(b) Post-Decision Losses [REDACTED]
[REDACTED]

suffered or incurred by Big Rivers as a result of (but only as a result of) (i) a court or arbitration suit or proceeding initiated by the City and/or the City Utility Commission, or (ii) an action in court for declaratory judgment or other relief initiated by Big Rivers solely at the direction of or with the prior written consent of WKEC as contemplated in Subsection 2.2(f) or Section 5.3 below, or (iii) a proceeding before the KPSC initiated by any Person (other than Big Rivers, its member distribution cooperatives (or any of them) or any of Big Rivers' Affiliates, directors, officers, employees, agents or representatives) (a suit, proceeding or action of the type contemplated in (i), (ii) or (iii) above being referred to in this Indemnification Agreement as a "***Proceeding***"), but in each case only to the extent that Proceeding is first initiated following the Unwind Closing Date and prior to December 31, 2023, and then only to the extent that Proceeding results in a final, non-appealable judgment by a court of competent jurisdiction, or a final, non-appealable arbitration decision, or a final, non-appealable order of the KPSC, in each case that is binding and enforceable against Big Rivers and the City and/or the City Utility Commission (as applicable), with respect to or based upon an interpretation of the rights to Excess Henderson Energy set forth in the 1970 Power Sales Contract that results in an actual economic loss to Big Rivers [REDACTED]

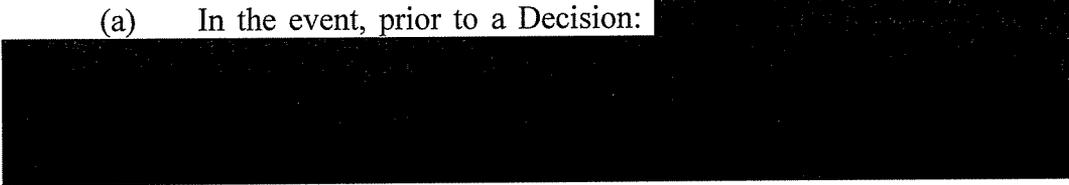


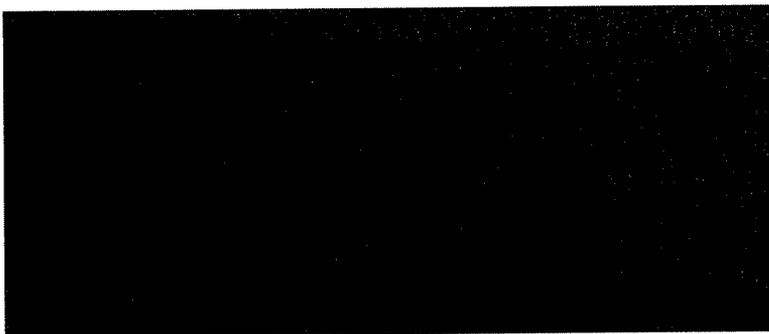
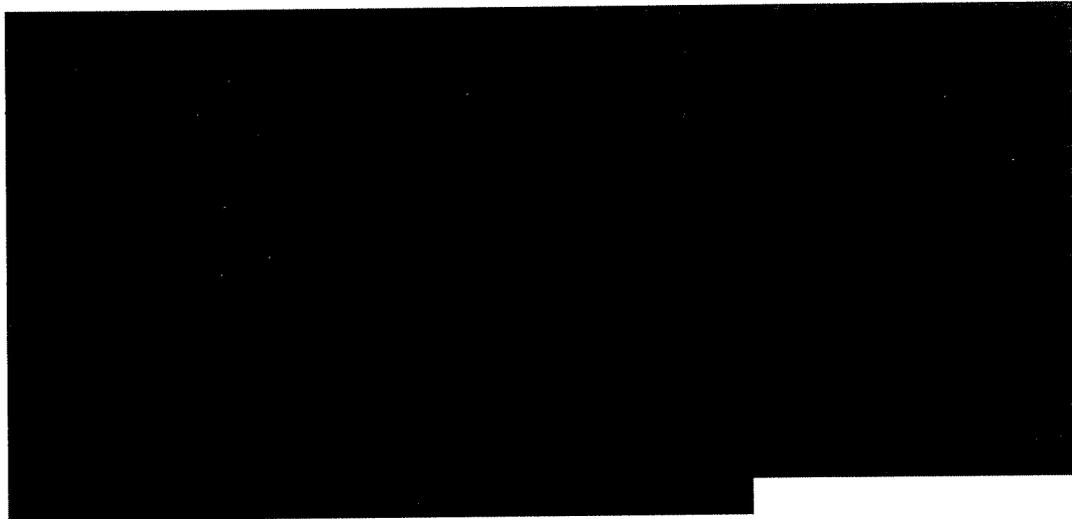
Notwithstanding the foregoing, the provisions of this Section 2 shall only apply to and cover Pre-Decision Losses or Post-Decision Losses associated with Excess Henderson Energy that is generated by the existing Unit 1 or Unit 2 of Station Two (that is, units having a combined total capacity not to exceed 312 megawatts for purposes of this Indemnification Agreement) during the period following the Unwind Closing Date through December 31, 2023 (or any earlier expiration or termination of the 1970 Power Sales Contract for any reason) (the "*Relevant Period*").



2.2 Pre-Decision Losses.

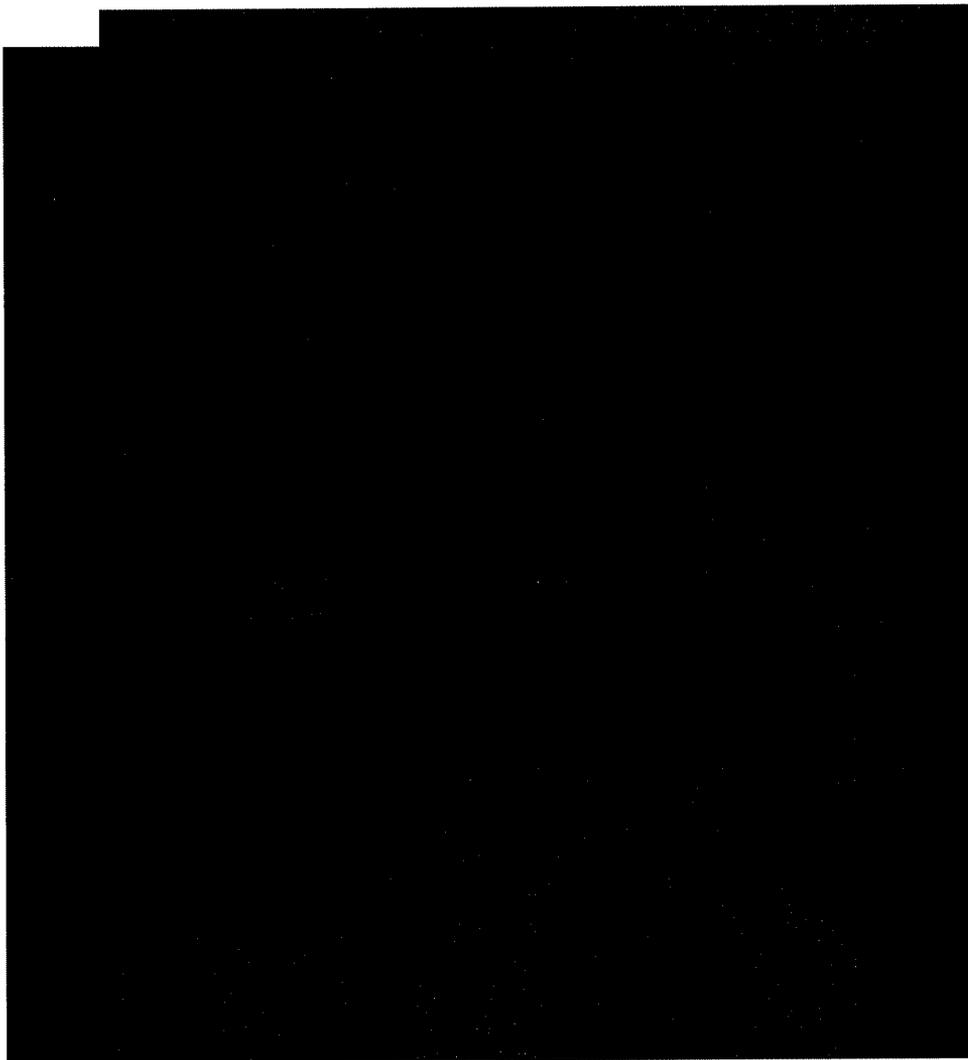
(a) In the event, prior to a Decision:

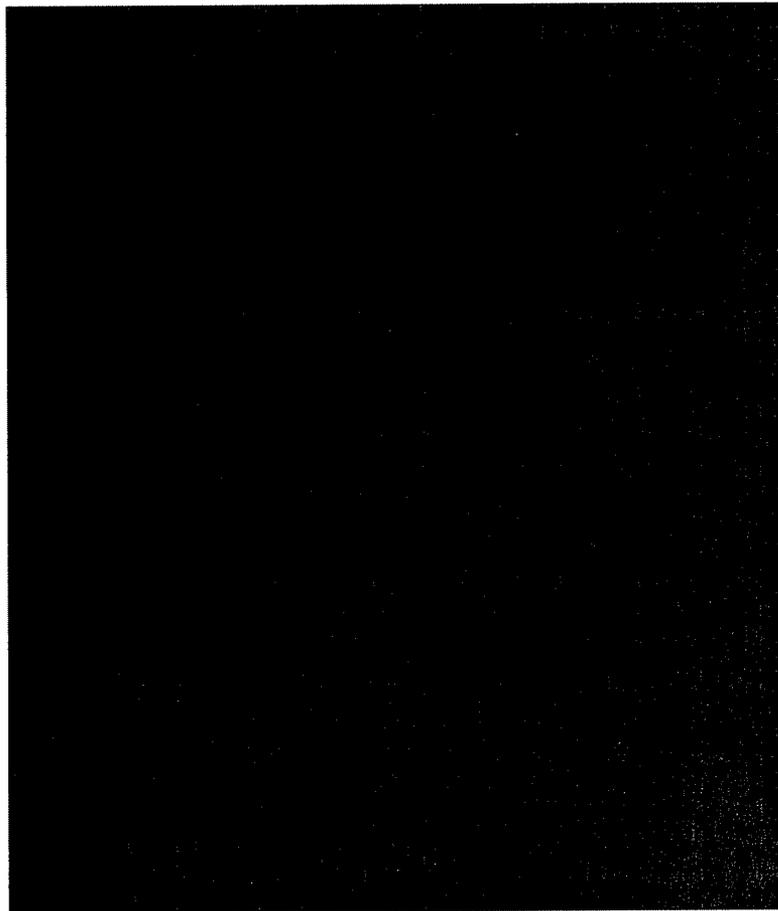
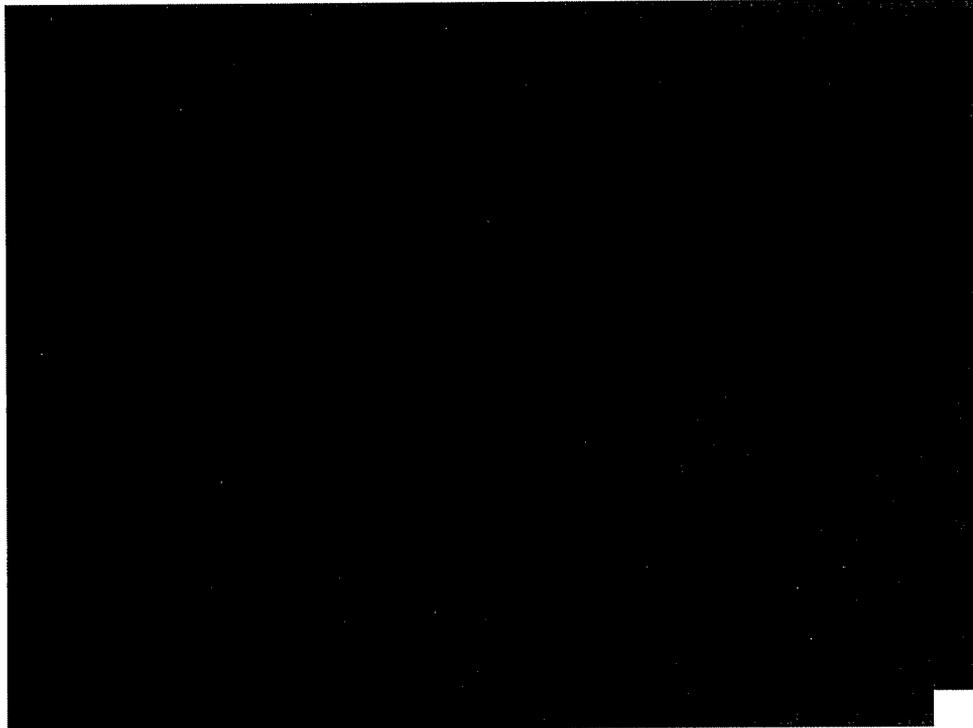






; and





[Redacted]

(b)

[Redacted]

(c)

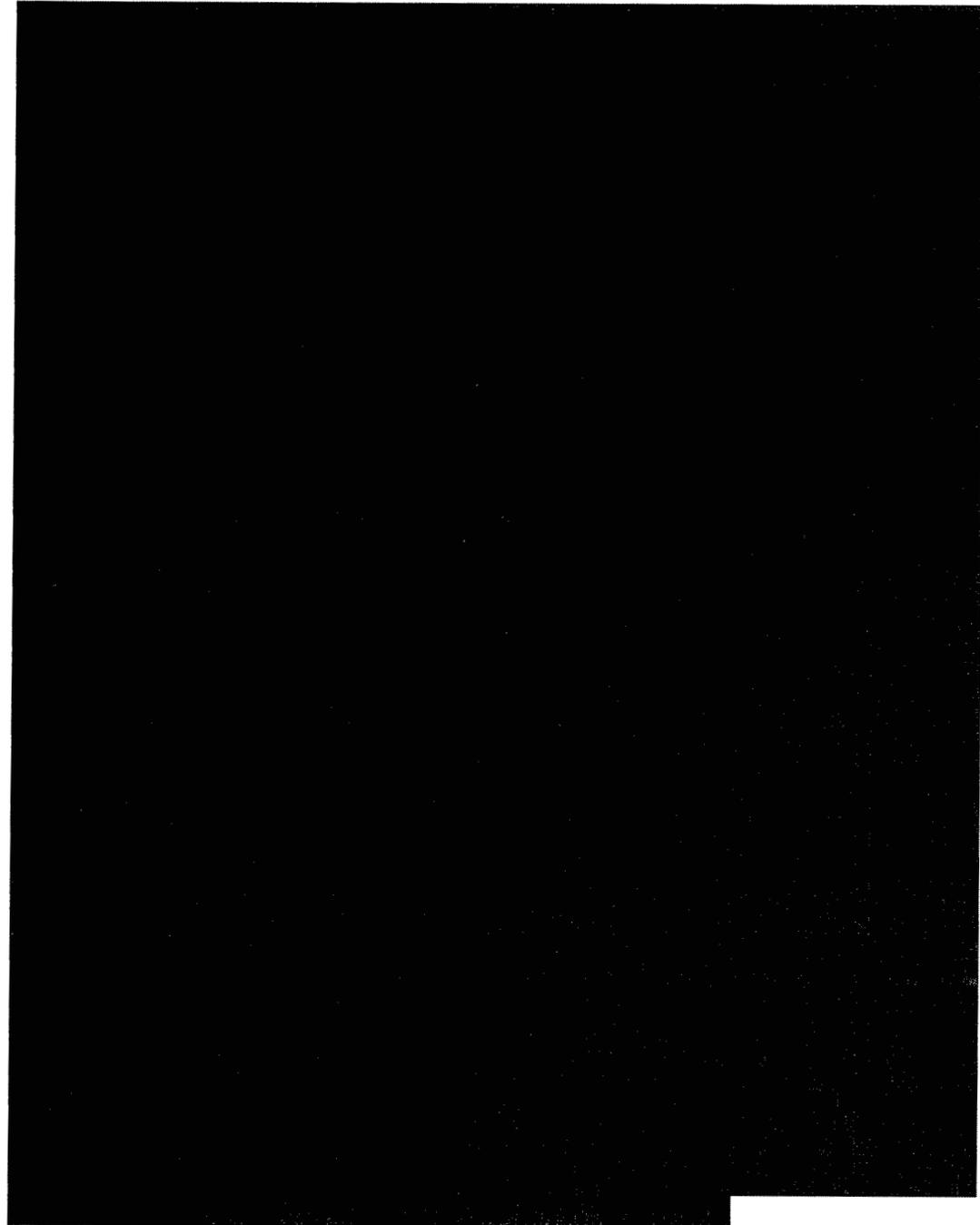
[Redacted]

(d)

[Redacted]

(e)

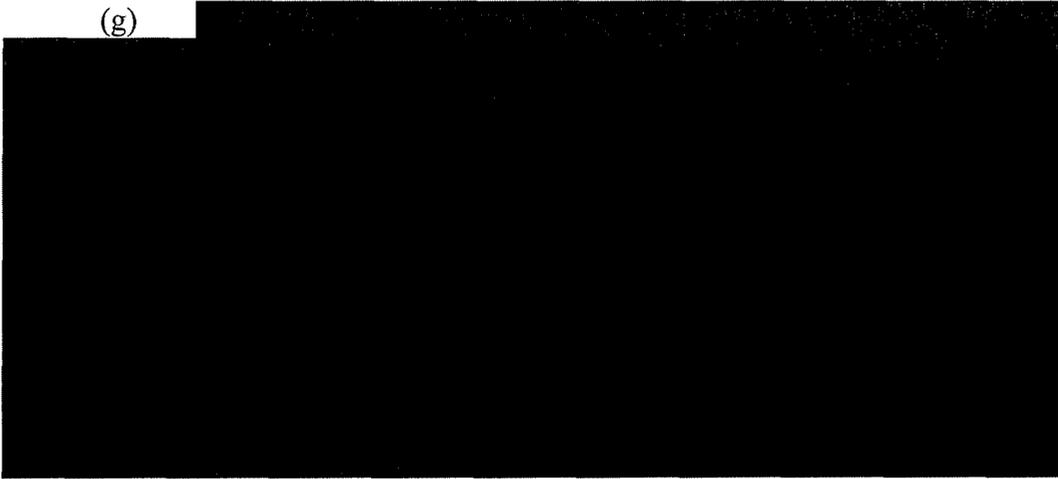
[Redacted]



(f) Big Rivers shall fully cooperate with WKEC at its request in any actions, suits or proceedings (including Big Rivers' initiation of such actions, suits or proceedings if requested by WKEC) to pursue any rights or remedies against the City and/or the City Utility Commission in the event WKEC has made any payments to Big Rivers hereunder (or E.ON has made payments to Big Rivers under the Guarantee), or in the event WKEC believes in good faith that it may have an indemnity or payment obligation under this Indemnification Agreement (or that E.ON may have such an obligation under the Guarantee) or that the City and/or the City Utility Commission have breached the 1970 Power Sales Contract

with respect to any of the Excess Henderson Energy contemplated in this Section 2.2 or in Section 2.3 below (which actions, suits or proceedings would be controlled by WKEC the same as for the declaratory judgment action or action, suit or proceeding for other relief contemplated in Section 5.3 below). Any amounts recovered from the City or the City Utility Commission pursuant to such actions, suits or proceedings (together with any interest from the City or the City Utility Commission thereon that may be awarded by the relevant tribunal) would first be allocated to the reimbursement of Big Rivers for its litigation costs incurred in the action, suit or proceeding (to the extent not already recovered from WKEC or E.ON pursuant to this Indemnification Agreement or the Guarantee), and then allocated to the reimbursement of Big Rivers for its litigation costs incurred in connection with any Defense(s) contemplated in Section 3.2 or any declaratory judgment action(s) contemplated in Section 5.3, and then allocated to Big Rivers in repayment of the cumulative total of all Remaining Index Losses and all Remaining Purchase Losses (up to a maximum of the Big Rivers Funding Requirement), together with interest thereon as contemplated in Subsection 2.2(g) below, not previously recovered from WKEC or E.ON, and then allocated to any interest that may be awarded to Big Rivers in that action, suit or proceeding on the Remaining Index Losses and/or the Remaining Purchase Losses (after deducting the amount of interest thereon contemplated in Subsection 2.2(g) to be recovered pursuant to the preceding clause), with any remaining balances then being allocated to WKEC until such time as WKEC has recovered (i) all amounts paid by it or by E.ON to Big Rivers pursuant to this Indemnification Agreement or the Guarantee (including without limitation, all Losses, Big Rivers Participation Costs and Big Rivers Defense Costs), and (ii) all of WKEC's and E.ON's litigation costs incurred in the action, suit or proceeding or incurred in connection with any Defense(s) contemplated in Section 3.2 or any declaratory judgment action(s) contemplated in Section 5.3. WKEC agrees that any amounts allocated to and recovered by WKEC pursuant to the preceding sentence for the recovery of Losses shall replenish the Cap Amount, and any amounts allocated to and recovered by WKEC pursuant to the preceding sentence for the recovery of Big Rivers Participation Costs or Big Rivers Defense Costs shall replenish the Participation Expense Cap or the Defense Expense Cap, respectively.

(g)





(h)



2.3 Post-Decision Losses.



(a) Solely with respect to Excess Henderson Energy generated during the Relevant Period and prior to a Decision, if and to the extent, as a result of a Decision, any court of competent jurisdiction, any arbitrator or the KPSC, in that or a subsequent final, non-appealable judgment, decision or order, determines that Big Rivers breached the 1970 Power Sales Contract by denying that Excess Henderson Energy from the City or the City Utility Commission, or by failing to pay the City or the City Utility Commission amounts owing for that energy, and in the event, in the case of such Excess Henderson Energy that was the subject of any Delivery Demand made prior to that Decision, Big Rivers performed and complied with its covenants set forth in Section 2.2 with respect to that Delivery Demand and associated Excess Henderson Energy, then the damages or economic

losses for which Big Rivers may seek indemnification from WKEC pursuant to Subsection 2.1(b) shall include (but shall only include) those damages (together with any interest awarded thereon) that may be awarded to the City or the City Utility Commission by that judgment, decision or order, [REDACTED]

[REDACTED]

(b)

[REDACTED]

(c)

[REDACTED]

[Redacted]

(d)

[Redacted]

(e)

[Redacted]

(f)

[Redacted]

[REDACTED]

(g)

[REDACTED]

(h)

[REDACTED]

2.4 Payment Terms; Inspection Rights. Any monthly Index Payment or monthly Purchase Payment contemplated in this Section 2 shall become due and payable by WKEC to Big Rivers net 30 days after Big Rivers' written invoice for such payments relating to the relevant Purchase Volumes and Index Volumes, accompanied by a written report from Big Rivers containing all information reasonably necessary to calculate the relevant Purchase Volumes, Index Volumes and Station Two Costs. Big Rivers agrees to maintain all records and files that are generated by or for Big Rivers in the ordinary course of business and that relate to Excess Henderson Energy generation, scheduling, pricing, purchases, deliveries and/or rejections (including without limitation, all of the information described in the preceding sentence), throughout the Relevant Period and thereafter for a period of not less than three (3) years following the expiration of the Relevant Period; provided, that in the event, as of the end of that 3-year period, any Proceeding (or any other action, suit or proceeding for which Big Rivers has or may seek indemnification from WKEC under this Indemnification Agreement (or from E.ON under the Guarantee)) is then pending, then Big Rivers shall continue to maintain those records

and files thereafter until the third (3rd) anniversary of (a) the rendering of a final, non-appealable judgment, decision or order in that Proceeding (or other action, suit or proceeding), (b) a settlement of that Proceeding (or other action, suit or proceeding) with the requisite consents or approvals contemplated elsewhere in this Indemnification Agreement, or (c) a dismissal of that Proceeding (or other action, suit or proceeding) with prejudice. Throughout that same period, Big Rivers agrees to provide WKEC, E.ON and their respective advisors with reasonable access to all such records and files during normal business hours, for the purposes of verifying any payments accruing under this Indemnification Agreement and/or verifying Big Rivers' compliance with the provisions of this Indemnification Agreement.

3. PROCEDURE FOR INDEMNIFICATION CLAIMS.

3.1 Notice of Claims. Promptly after the receipt by Big Rivers of notice of the commencement or assertion of any claim, action, suit or proceeding (including without limitation, a Proceeding) by the City, the City Utility Commission or any other Person relating in any manner to any rights or obligations of the City, the City Utility Commission or Big Rivers to or in respect of any Excess Henderson Energy (each, an "**Indemnifiable Claim**"), whether commenced or asserted against Big Rivers, the City or the City Utility Commission, Big Rivers shall give written notice to WKEC of the commencement, assertion or receipt of that Indemnifiable Claim (together with a copy of all relevant pleadings). Notwithstanding the foregoing, the failure to so notify WKEC of the commencement, assertion or receipt of an Indemnifiable Claim will not relieve WKEC of any liability that it may have under this Indemnification Agreement with respect to that Indemnifiable Claim, except to the extent that WKEC demonstrates that the Defense of or concerning that Indemnifiable Claim was materially prejudiced by BREC's failure to give such notice; provided that, as a condition to seeking and/or retaining indemnification, payment or other relief for such Indemnifiable Claim from WKEC pursuant to this Indemnification Agreement, Big Rivers shall not settle or compromise any Indemnifiable Claim, admit to responsibility or liability for any Indemnifiable Claim, attempt to contest, defend or litigate any Indemnifiable Claim (other than denying any allegations in a formal answer or response to a complaint or cause of action containing such allegations), or consent to judgment, confess judgment or permit a default judgment with respect to any Indemnifiable Claim, without first *either* (i) giving WKEC notice of that Indemnifiable Claim as contemplated herein and the opportunity to participate in and, in the discretion of WKEC, to assume the entire Defense of or concerning that Indemnifiable Claim as contemplated in, and subject to the conditions of, Section 3.2 below, *or* (ii) fully and irrevocably releasing and discharging in writing any and all obligations, responsibilities and liabilities (if any) of WKEC to Big Rivers under or pursuant to this Indemnification Agreement. The notice contemplated herein from Big Rivers shall describe the Indemnifiable Claim and the specific facts and circumstances in reasonable detail, shall include a copy of any related notices or written claims regarding that Indemnifiable Claim from third-parties, and shall indicate the amount, if known, or an estimate, if possible, of the Losses that have been or may be suffered or incurred as a result of that Indemnifiable Claim.

3.2 Assumption of Defense.

(a) With respect to any Indemnifiable Claim, WKEC will be entitled, at its sole expense (including for all court costs and other expense of litigation), to participate in the contest, defense, settlement, settlement negotiations and litigation (collectively, the “*Defense*”) of or concerning such Indemnifiable Claim and, to the extent that it wishes, so long as WKEC acknowledges (in writing) that it will have an obligation to indemnify Big Rivers for such Indemnifiable Claim under this Indemnification Agreement to the extent that Indemnifiable Claim results in a Decision, to assume the entire Defense of or concerning such Indemnifiable Claim with counsel reasonably satisfactory to Big Rivers. After notice from WKEC to Big Rivers of its election to assume the Defense of or concerning such Indemnifiable Claim, WKEC shall reimburse Big Rivers for seventy-five percent (75%) of Big Rivers’ reasonable out of pocket costs and expenses incurred in connection with its participation in or assistance with that Defense (but solely as it may relate to Excess Henderson Energy, and excluding any settlement amounts and awards or judgments made in the action, suit or proceeding) (“*Big Rivers Participation Costs*”), not to exceed \$ [REDACTED] in the aggregate for all such Defenses and Big Rivers Participation Costs collectively (the “*Participation Expense Cap*”) (subject to adjustment in the remaining, unused balance of the Participation Expense Cap as of January 1 of each year (commencing with January 1, 2010), based on changes in the Consumer Price Index for All Urban Consumers, published by the Bureau of Labor Statistics from time-to-time (with a base index value being equal to the value of that index for the month in which the Effective Date occurs)), but WKEC will not, as long as it diligently conducts such Defense, be liable to Big Rivers under this Indemnification Agreement for any other costs or expenses of conducting the Defense of or concerning such Indemnifiable Claim, in either case incurred by Big Rivers in connection with the Defense of or concerning that Indemnifiable Claim. If WKEC assumes the Defense of or concerning an Indemnifiable Claim (i) neither Big Rivers nor WKEC shall thereafter attempt to engage in any settlement discussions or negotiations with any other party to that action, suit or proceeding without the prior written consent and direction of the other Party, and (ii) no compromise or settlement of that Indemnifiable Claim may be effected by WKEC or Big Rivers without the other Party’s prior written consent. Big Rivers shall be entitled to participate in the Defense of or concerning any Indemnifiable Claim assumed by WKEC as contemplated herein. WKEC hereby agrees to (i) vigorously perform such Defense and (ii) assert in any such Defense positions Big Rivers reasonably requests be asserted.

(b) If notice is given to WKEC of any Indemnifiable Claim and WKEC does not, within fifteen (15) days after receipt of Big Rivers’ notice, give notice to Big Rivers of its election to assume the Defense of or concerning such Indemnifiable Claim, WKEC will no longer have the right to assume that Defense. In the event Big Rivers thereafter assumes that Defense: (i) Big Rivers agrees to vigorously perform such Defense and to assert in any such Defense positions WKEC reasonably requests be asserted; and (ii) WKEC agrees to reimburse Big Rivers for Big Rivers’ reasonable out of pocket legal and legal related costs and expenses incurred in the Defense (but solely as it may relate to

Excess Henderson Energy) (“*Big Rivers Defense Costs*”), but not to exceed [REDACTED] in the aggregate for all such costs and expenses for all such Defenses that may be so assumed by Big Rivers, collectively (the “*Defense Expense Cap*”) (subject to adjustment in the remaining, unused balance of the Defense Expense Cap as of January 1 of each year (commencing with January 1, 2010), based on changes in the Consumer Price Index for All Urban Consumers, published by the Bureau of Labor Statistics from time-to-time (with a base index value being equal to the value of that index for the month in which the Effective Date occurs)). The Parties agree that the Defense Expense Cap and the Participation Expense Cap are independent of one another, and any reduction in the Defense Expense Cap shall not correspondingly reduce the Participation Expense Cap, or vice versa.

(c) Regardless of whether WKEC exercises its right hereunder to assume or participate in the Defense of or concerning any Indemnifiable Claim, Big Rivers and WKEC shall reasonably cooperate in good faith in opposing and defending against any such claim.

3.3 Other Claims. A claim by Big Rivers for indemnification, payment or other relief under Section 2 for any matter not involving a third-party Indemnifiable Claim against Big Rivers may be asserted only by a written notice delivered to WKEC (and within the relevant time period or period(s) contemplated elsewhere in this Indemnification Agreement, as applicable), setting forth in reasonable detail the facts and circumstances pertaining to that claim.

3.4 Cooperation of Parties. WKEC, if it shall assume the Defense of or concerning an Indemnifiable Claim as contemplated above, shall keep Big Rivers reasonably informed of the progress and development of WKEC’s Defense of or concerning, and compromise efforts with respect to, such Indemnifiable Claim, and shall furnish Big Rivers with copies of all relevant pleadings, correspondence and other papers. In addition, the Parties shall cooperate with each other, and make available to each other and their representatives all available relevant records or other materials required by them for their use in defending, compromising or contesting any Indemnifiable Claim.

4. LIMITATIONS AND EXCLUSIONS.

4.1 Disclaimer of Incidental and Consequential Damages, Etc. NOTWITHSTANDING ANY OTHER PROVISION OF THIS INDEMNIFICATION AGREEMENT TO THE CONTRARY, BIG RIVERS SHALL NOT BE ENTITLED TO RECOVER ANY INCIDENTAL, CONSEQUENTIAL, PUNITIVE, EXEMPLARY OR SPECIAL DAMAGES OR OTHER SIMILAR RELIEF (INCLUDING WITHOUT LIMITATION LOST PROFITS OR LOST BUSINESS OPPORTUNITY) UNDER OR PURSUANT TO THIS INDEMNIFICATION AGREEMENT (OR UNDER OR PURSUANT TO THE GUARANTEE BY VIRTUE OF THIS INDEMNIFICATION AGREEMENT OR ANY OF THE COVENANTS OR AGREEMENTS SET FORTH HEREIN), OTHER THAN PRE-DECISION LOSSES AND POST-DECISION LOSSES WHICH THEMSELVES CONSTITUTE INCIDENTAL OR CONSEQUENTIAL DAMAGES AND FOR WHICH BIG RIVERS IS ENTITLED TO

INDEMNIFICATION OR PAYMENT AS CONTEMPLATED ELSEWHERE IN THIS INDEMNIFICATION AGREEMENT.

4.2 Sole and Exclusive Remedies. WITHOUT LIMITING THE GENERALITY OF ANY OTHER LIMITATIONS CONTEMPLATED ELSEWHERE IN THIS INDEMNIFICATION AGREEMENT, BIG RIVERS, FOR ITSELF AND ITS SUCCESSORS AND PERMITTED ASSIGNS, HEREBY AGREES THAT THE INDEMNIFICATIONS AND OTHER RIGHTS AND/OR RELIEF PROVIDED FOR OR CONTEMPLATED IN, OR UNDER OR PURSUANT TO, THIS INDEMNIFICATION AGREEMENT (AS THE SAME MAY BE LIMITED BY ANY OTHER PROVISION(S) OF THIS INDEMNIFICATION AGREEMENT) SHALL BE WKEC'S (AND E.ON'S PURSUANT TO THE GUARANTEE) SOLE LIABILITY, AND BIG RIVERS' SOLE AND EXCLUSIVE RIGHTS AND REMEDIES AS AGAINST WKEC, BY REASON OF, RESULTING FROM OR ARISING OUT OF ANY OF THE FACTS, CIRCUMSTANCES, STATE OF FACTS, CLAIMS, LOSSES, PROCEEDINGS, EVENTS, CONDITIONS, FAILURES, VIOLATIONS, DAMAGES, LIABILITIES, ACTIONS, OMISSIONS, OPERATIONS, COSTS, EXPENSES, OBLIGATIONS OR OTHER MATTERS REFERRED TO OR IDENTIFIED IN THIS INDEMNIFICATION AGREEMENT. BIG RIVERS HEREBY KNOWINGLY, IRREVOCABLY AND ABSOLUTELY DISCLAIMS AND DISAVOWS ANY AND ALL OTHER RIGHTS OR REMEDIES THAT IT MAY HAVE AGAINST WKEC OR E.ON BY REASON OF, RESULTING FROM OR ARISING OUT OF SUCH FACTS, CIRCUMSTANCES, STATE OF FACTS, CLAIMS, LOSSES, PROCEEDINGS, EVENTS, CONDITIONS, FAILURES, VIOLATIONS, DAMAGES, LIABILITIES, ACTIONS, OMISSIONS, OPERATIONS, COSTS, EXPENSES, OBLIGATIONS OR OTHER MATTERS. Big Rivers acknowledges and agrees that it shall not at any time be entitled to recover any of the Losses contemplated in this Indemnification Agreement from WKEC, LEM or E.ON under or pursuant to the Termination Agreement or any other Definitive Documents.

4.3 Maximum Liability. Notwithstanding any provision set forth in this Indemnification Agreement to the contrary (it being understood and agreed that this Section 4.3 shall take precedence over every other provision in this Indemnification Agreement, whether in the event of a conflict or otherwise), the maximum aggregate amount of all Losses, and the maximum aggregate value of any other payments, damages or other relief that may be awarded in lieu of or in addition to Losses, collectively, that may at any time be sought or recovered by Big Rivers from WKEC under or pursuant to any and all provisions of this Indemnification Agreement, collectively, shall not exceed [REDACTED] (the "**Cap Amount**"); provided, however, that the Cap Amount will be reduced as of the fiscal year end, following a Decision, at which any new Station Two capacity share designation by the City or the City Utility Commission becomes effective in accordance with the 1970 Power Sales Contract, and on each anniversary thereafter, by the aggregate amount of the "total capacity costs" (as used and defined in Section 6.3 of the 1970 Power Sales Contract, but excluding all costs for fuel, reagent, Emission Allowances, carbon taxes and sludge disposal) associated with Station Two for the year then ended (pro-rated for any partial year following the Decision) and attributable to the portion of the City's or the City

Utility Commission's reserved capacity from Station Two that exceeds 95 MW. The Cap Amount shall not apply to any Big Rivers Participation Costs or Big Rivers Defense Costs that may become payable by WKEC to Big Rivers pursuant to Section 3.2, it being understood and agreed that those costs shall be limited solely by the Participation Expense Cap and the Defense Expense Cap, respectively. To the extent, by reason of a non-appealable judgment by a court or decision in arbitration (subject to Section 5.7 below) or order of the KPSC, the City or City Utility Commission shall be entitled to collect damages or other amounts of the type described in Section 2.3(a) for any Excess Henderson Energy generated following the Effective Date but prior to the Decision, then the Cap Amount will also be reduced for those prior years in the same manner and on the same basis as described in the preceding sentence for the City's or the City Utility Commission's reserved capacity in excess of 95 MW. In the event a Decision made or rendered as contemplated above contains an interpretation of the 1970 Power Sales Contract that will result in one or more of the circumstances described in Subclause (1), (2) or (3) of Section 2.1(b), but that judgment, decision or order does not expressly award damages or economic losses or the right to Excess Henderson Energy to the City or the City Utility Commission, and if



provided, that the indemnification for such damages or economic losses would not be the subject of the Cap Amount, and any amounts paid by WKEC for such damages or economic losses would not serve to reduce the Cap Amount. Big Rivers, for itself and its successors and assigns, hereby fully and forever waives and releases the recovery from WKEC of any Losses, damages or other relief in excess of the Cap Amount, except as otherwise expressly provided above.

4.4 No Amendments. This Indemnification Agreement applies to and has effect only with respect to: (a) the 1970 Power Sales Contract, and no amendments to that contract following the Effective Date shall be binding on WKEC or shall expand, modify or otherwise affect any of WKEC's debts, obligations or liabilities (if any) under this Indemnification Agreement, in either case unless WKEC has agreed in writing to such amendments in a settlement agreement reached with the City and the City Utility Commission or unless such amendments are mandated by the Decision; (b) Excess Henderson Energy generated by the existing two units of Station Two; and (c) increases in Excess Henderson Energy associated with increases following the Effective Date in the City's or the City Utility Commission's capacity share, but only to the extent those increases in the City's or the City Utility Commission's capacity share are made in accordance with the existing five-year projection methodology set forth in the 1970 Power Sales Contract or are associated with Station Two Economic Development Power as contemplated in Section 28.1 of that contract.

4.5 Capacity Costs, Etc. Notwithstanding anything contained in this Indemnification Agreement to the contrary, Big Rivers shall not at any time be entitled to recover from WKEC under or pursuant to this Indemnification Agreement (or from E.ON under or pursuant to the Guarantee) any “SCR Capital Costs,” any “Debt Service” (each as defined in the Station Two Operating Agreement or the 1970 Power Sales Contract, as applicable), or any “capacity costs” as contemplated in Section 6.3 of the 1970 Power Sales Contract.

4.6 Insurance. In addition to the limitations set forth elsewhere in this Indemnification Agreement, and notwithstanding any provision to the contrary set forth elsewhere in this Indemnification Agreement, WKEC shall not have any obligation to indemnify, hold harmless or pay (or provide other relief to) Big Rivers pursuant to this Indemnification Agreement to the extent of any insurance proceeds (after the cost of recovery) that are actually recovered by Big Rivers with respect to the Losses giving rise to such claim for indemnification, payment or other relief, it being understood and agreed that Big Rivers shall use its commercially reasonable efforts to seek full recovery under all insurance policies of which it is aware covering any such Losses, and shall promptly notify WKEC and E.ON of any such recovery and repay to WKEC (or, as applicable, to E.ON) any Losses funded by WKEC (or E.ON) to the extent Big Rivers shall have recovered insurance proceeds therefor (after the cost of recovery).

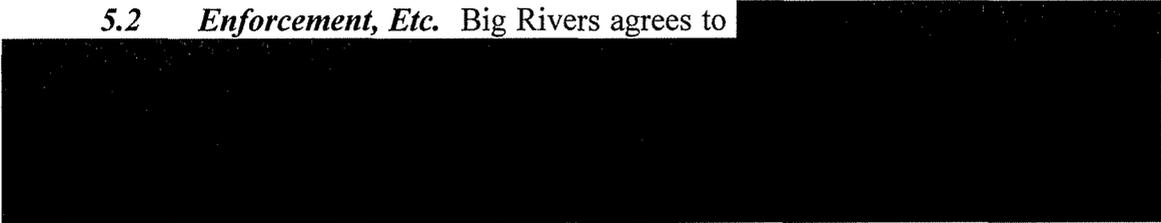
4.7 Other Losses of Excess Henderson Energy. WKEC shall have no obligation or liability to Big Rivers whatsoever under this Indemnification Agreement for or with respect to any failure by Big Rivers to receive any Excess Henderson Energy (or any benefits associated therewith) for any reason other than as expressly specified in this Indemnification Agreement.

4.8 Rate Disallowances. WKEC shall have no obligation or liability to Big Rivers whatsoever under this Indemnification Agreement for or with respect to the consequences of any rate disallowance or rate disallowances ordered by the KPSC for costs associated with the 1970 Power Sales Contract or any other Station Two Contract, including without limitation, in connection with fuel adjustment clause reviews or base rate cases.

5. ADDITIONAL COVENANTS.

5.1 No Effect on Insurance. The provisions of this Indemnification Agreement shall not be construed to relieve any insurer of its obligation to pay any insurance proceeds in accordance with the terms and conditions of valid and collectible casualty and liability insurance maintained in respect of any risks.

5.2 Enforcement, Etc. Big Rivers agrees to





5.3 Declaratory Judgment Actions. Upon the written directive of WKEC, Big Rivers agrees to initiate and prosecute in Big Rivers' name any declaratory judgment action or action, suit or proceeding for other relief desired to be initiated by WKEC in order to resolve the interpretation of, or to establish, the City's, the City of Henderson's and/or Big Rivers' respective rights and obligations with respect to, Excess Henderson Energy, or their respective rights to be paid for the same, including before a court, arbitrator or the KPSC. Notwithstanding anything contained elsewhere in this Indemnification Agreement to the contrary, Big Rivers shall not at any time be permitted to, nor shall it permit any of its members, Affiliates, directors, officers, employees, successors or assigns to on Big Rivers' behalf, at any time during the Relevant Period initiate, institute or prosecute (whether in Big Rivers' name or otherwise, and whether or not against the City or the City Utility Commission) any declaratory judgment action or action, suit or proceeding for other relief (including without limitation, any Proceeding) in order to resolve the interpretation of, or to establish, the City's, the City of Henderson's and/or Big Rivers' respective rights and obligations with respect to Excess Henderson Energy, or their respective rights to be paid for the same, including before a court, arbitrator or the KPSC, in each case unless directed to do so as contemplated above or absent the prior written consent or directive of WKEC. WKEC shall also have the right to control the prosecution of any declaratory judgment action or action or proceeding for other relief described above in this Indemnification Agreement, with Big Rivers being entitled to participate in that defense or prosecution, but not having the right to confess judgment or admit liability in the proceeding or to settle with the City or City Utility Commission without WKEC's consent. WKEC hereby agrees (i) to vigorously defend or prosecute any such action, suit or proceeding and (ii) to assert in any such action, suit or proceeding positions that Big Rivers reasonably requests be asserted.



5.4 Covenant to Defend. Each Party agrees to use its best efforts to defend an action, suit or proceeding initiated by the City, City Utility Commission, or any other Person (or to prosecute a declaratory judgment action or action, suit or proceeding for other relief desired by WKEC), and to cooperate with one another in that action, suit or proceeding, including granting the other Party access to witnesses and information within their organizations.

5.5 Representation. Big Rivers hereby represents and warrants to WKEC that, to the actual knowledge, without independent investigation, of Mark Bailey, David Spainhoward, Mike Core, Mike Thompson, Mark Hite, Bill Blackburn, Travis Housley, and Jim Miller as of the Closing, Big Rivers has disclosed to WKEC (and, as applicable, provided WKEC copies of) prior to the Closing any correspondence or other documents (including amendments to agreements with the City or City Utility Commission, but excluding (i) any correspondence (including by email) originating from any employee, officer, agent or contractor of E.ON or any of its Affiliates or (ii) any agreements or documents to which E.ON or any of its Affiliates is a signatory) or other evidence in Big Rivers' possession that could reasonably have been expected to support the City's or City Utility Commission's position with respect to the interpretation of the City's or City Utility Commission's rights with respect to Excess Henderson Energy under the 1970 Power Sales Contract. The foregoing representation and warranty shall survive the Effective Date, the execution and delivery of this Indemnification Agreement.

5.6 Defenses. Big Rivers agrees to assert any defenses that it may have with respect to any Indemnifiable Claims that WKEC believes in good faith are meritorious.

5.7 Arbitration. Big Rivers agrees not to consent to any binding arbitration proceeding between Big Rivers, on the one hand, and the City or the City Utility Commission, on the other hand, with respect to any claim, dispute, disagreement or alleged default which would or could reasonably be expected to give rise to an Indemnifiable Claim, without the prior written consent of WKEC.

5.8 Appeals. In the event WKEC requests the filing of any appeal or petition for rehearing of any court judgment, arbitration decision or KPSC order and if that appeal or petition is permissible, Big Rivers shall timely file that appeal or petition, but WKEC shall be responsible for the cost of any related appeal bond, and Big Rivers agrees not to initiate such an appeal or petition without the prior written consent of WKEC (or a complete termination of and release of WKEC from any further debts, obligations and liabilities under this Indemnification Agreement).

5.9





5.10 Compliance. Big Rivers shall at all times comply in all material respects with, and shall enforce against the City and the City Utility Commission, all provisions of the 1970 Power Sales Contract, of any applicable tariff, of any Applicable Laws of the Commonwealth of Kentucky, and of the Federal Power Act (and the rules, regulations and orders promulgated or issued pursuant thereto), in each case to the extent the same may relate to Excess Henderson Energy or to the respective rights and obligations of Big Rivers, the City and/or the City Utility Commission with respect to Excess Henderson Energy that could result in an indemnification or payment obligation on the part of WKEC under this Indemnification Agreement.

5.11 No Tolling. Big Rivers shall not at any time agree with the City, the City Utility Commission or any other Person to “toll” or suspend any statute of limitations or other similar statute relating to or, upon its expiration, barring any right of the City or the City Utility Commission to assert any claim or initiate any proceeding alleging, or to establish, any breach or default by Big Rivers under the 1970 Power Sales Contract.

5.12 No Admission as Evidence. Each Party agrees that it will not admit or seek to admit, and will not cause or permit its Affiliates to admit or seek to admit, the Indemnification Agreement (or any portions thereof) as evidence in any action, suit or proceeding before any court, arbitrator, arbitration panel, the KPSC or any other governmental authority or regulatory body, in any case for the purpose of proving any matter asserted therein, other than for purposes of (a) establishing the existence of the Indemnification Agreement, (b) seeking the approval of the Indemnification Agreement by the KPSC (if required for its validity, effectiveness or enforceability), or (c) enforcing a Party’s rights, remedies and/or obligations under the Indemnification Agreement in accordance with its terms.

5.13 Termination Right. Notwithstanding anything contained in this Indemnification Agreement to the contrary, at such time as the total amount of all Pre-Decision Losses and Post-Decision Losses, collectively, that have been paid by WKEC (or by E.ON) to Big Rivers pursuant to this Indemnification Agreement (or pursuant to the Guarantee) equal  then at the sole

option of WKEC exercisable by written notice delivered to Big Rivers at any time thereafter, WKEC may unilaterally terminate this Indemnification Agreement and the Guarantee, rendering this Indemnification Agreement and the Guarantee immediately null, void and of no further force or effect whatsoever (subject to the following sentence); provided, that by exercising that right and option WKEC shall be deemed to have waived and relinquished any rights that it may have to recover the Pre-Decision Losses and Post-Decision Losses from any Person. Notwithstanding the preceding sentence, the obligation of WKEC to reimburse Big Rivers Participation Costs and Big Rivers Defense Costs pursuant to Section 3.2 of this Indemnification Agreement shall survive the termination of this Indemnification Agreement pursuant to that preceding sentence but shall at all times remain subject to the Participation Expense Cap and the Defense Expense Cap, respectively.

6. MISCELLANEOUS.

6.1 Further Assurances. Each Party shall, at all times and from time-to-time, upon the reasonable request of the other Party, do, execute, acknowledge and deliver, or cause to be done, executed, acknowledged and delivered, all such further acts, deeds, documents, instruments and assurances as may be required to give full force and effect to the provisions of this Indemnification Agreement or to give to that other Party the full benefit of all the provisions of this Indemnification Agreement.

6.2 No Third Party Beneficiaries. This Indemnification Agreement is entered into for the sole benefit of the Parties hereto, and shall not confer any rights or remedies upon any Person other than the Parties and their respective successors and permitted assigns.

6.3 Entire Agreement. This Indemnification Agreement (together with all Exhibits hereto) constitute the entire agreement between the Parties with respect to the subject matter hereof and supersede any prior understandings, agreements, or representations by or between the Parties, written or oral, to the extent they related in any way to the subject matter hereof.

6.4 Successors and Assigns. This Indemnification Agreement shall be binding upon and inure to the benefit of the Parties named herein and their respective successors and permitted assigns.

6.5 Notices. All notices, requests, demands, claims, and other communications hereunder shall be in writing and shall be deemed duly given if (and then two Business Days after) it is sent by registered or certified mail, return receipt requested, postage prepaid, and addressed to the intended recipient as set forth below:

If to WKEC:

Western Kentucky Energy Corp.
c/o E.ON U.S. LLC
220 West Main Street
Louisville, KY 40202
Facsimile: 502-627-2995
Telephone: 502-627-3861
Attn: President

LG&E Energy Marketing Dispatch
220 West Main Street
Louisville, Kentucky 40202
Facsimile: 502-627-4177
Telephone: 502-627-4275

Copy to:

John R. McCall
Executive Vice President & General Counsel
E.ON U.S. LLC
220 West Main Street
Louisville, Kentucky 40202
Facsimile: 502-627-4622
Telephone: 502-627-3665

If to Big Rivers:

Big Rivers Electric Corporation
201 Third Street
P.O. Box 24
Henderson Kentucky 42419
Attention: CEO and President
Facsimile: 270-827-2558
Telephone: 270-827-2561

Copy to:

Big Rivers Electric Corporation
201 Third Street
P.O. Box 24
Henderson Kentucky 42419
Attention: Senior Vice President of External Relations
Facsimile: 270-827-2101
Telephone: 270-827-2561

Big Rivers Electric Corporation
201 Third Street
P.O. Box 24
Henderson Kentucky 42419
Attention: Senior Vice President for Energy Services
Facsimile: 270-827-2101
Telephone: 270-827-2561

James M. Miller, Esq.
Sullivan, Mountjoy, Stainback & Miller, P.S.C.
100 St. Ann Building
Post Office Box 727
Owensboro, Kentucky 42302-0727
Facsimile: 270-683-6694
Telephone: 270-926-4000

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

6.6 Governing Law. This Indemnification Agreement shall be governed by and construed and enforced in accordance with the laws of the Commonwealth of Kentucky, without regard to its conflicts of laws rules or principles.

6.7 Amendments and Waivers. This Indemnification Agreement shall not be modified or amended except pursuant to an instrument in writing executed and delivered on behalf of each of WKEC and Big Rivers. No waiver of any of the provisions of this Indemnification Agreement shall be deemed to or shall constitute a waiver of any other provision hereof (whether or not similar). No delay on the part of any Party in exercising any right, power or privilege hereunder shall operate as a waiver thereof.

6.8 Severability. Any term or provision of this Indemnification Agreement which is invalid or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Indemnification Agreement or affecting the validity or enforceability of any of the terms or provisions of this Indemnification Agreement in any other jurisdiction.

6.9 Construction. The Parties have participated jointly in the negotiation and drafting of this Indemnification Agreement. In the event an ambiguity or question of intent or interpretation arises, this Indemnification Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Indemnification Agreement.

6.10 Incorporation. The Exhibits identified in this Indemnification Agreement are incorporated herein by reference and made a part hereof.

6.11 Waiver of Jury Trial. EACH OF THE PARTIES HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING BETWEEN THEM ARISING OUT OF OR RELATED TO THIS INDEMNIFICATION AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

6.12 Headings. The article and section headings contained in this Indemnification Agreement are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Indemnification Agreement.

6.13 Counterparts. This Indemnification Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument.

6.14 Venue. Any legal action or proceeding by any Party hereto against the other Party arising out of this Agreement may be brought in or removed to the state or federal courts of the Commonwealth of Kentucky.

6.15 Assignments. Big Rivers shall not assign, transfer or delegate this Indemnification Agreement or any of Big Rivers rights or obligations hereunder to any other Person without the prior written consent of WKEC and E.ON, except that such consent shall not be required with respect to (a) any merger or consolidation of Big Rivers into or with another Person following the Effective Date, (b) any assignment or this Indemnification Agreement resulting from a transfer of voting control of the Big Rivers membership interests following the Effective Date, (c) any sale of substantially all of the assets of Big Rivers following the effective Date where the assignee assumes Big Rivers' rights and obligations under this Indemnification Agreement and succeeds to all of Big Rivers' rights and obligations under the Station Two Contracts, and (d) any assignment of this Indemnification Agreement as collateral security for indebtedness of Big Rivers.

6.16 Specific Performance. In the event of any failure on the part of any Party to perform or comply with any of its covenants or agreements set forth in this Indemnification Agreement, the Parties agree that the non-breaching Party shall have, in addition to all other rights or remedies that may be available at law, in equity, under contract or otherwise, the right to specific performance and injunctive relief with respect to that failure, and the breaching Party waives any right that it may have to claim or argue that the non-breaching Party has an adequate remedy at law.

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

BIG RIVERS ELECTRIC CORPORATION

By: _____

Name: Mark Bailey

Title: President

WESTERN KENTUCKY ENERGY CORP.

By: _____

Name: Paul W. Thompson

Title: President

EXHIBIT A
PROTOCOLS, PRACTICES AND METHODOLOGIES

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

GUARANTEE

This Guarantee (this “Guarantee”) is made and entered into as of this ____ day of _____, 2009 (the “Effective Date”), between (i) **E.ON U.S. LLC**, a Kentucky limited liability company (“E.ON U.S.”), and (ii) **Big Rivers Electric Corporation**, a Kentucky rural electric cooperative (“Big Rivers”) (collectively, the “Parties”).

RECITALS:

A. Reference is made to that certain Transaction Termination Agreement dated as of March 26, 2007, as amended (the “Termination Agreement”) among Big Rivers, Western Kentucky Energy Corp., a Kentucky corporation (“WKEC”), and LG&E Energy Marketing Inc., an Oklahoma corporation (“LEM”, and together with WKEC, the “WKE Parties”), pursuant to which, among other transactions, Big Rivers and the WKE Parties have agreed to terminate and release certain agreements between or among them and to extinguish certain property interests vested in one or more of them, in each case upon the terms and subject to the conditions set forth in the Termination Agreement and, upon the “Closing” (as defined in the Termination Agreement), in the other Definitive Documents contemplated in the Termination Agreement.

B. E.ON U.S. owns, directly or indirectly, all of the voting stock of each WKE Party, and will derive substantial benefits from the Closing and the transactions contemplated by the Termination Agreement, which benefits are hereby acknowledged by E.ON U.S.

C. Big Rivers, E.ON U.S., WKEC and LEM desire that the Closing occur on the date hereof. However, Big Rivers has conditioned its willingness to consummate the transactions contemplated in the Termination Agreement at the Closing on (1) the execution and delivery by WKEC of an Indemnification Agreement of even date herewith, pursuant to which WKEC would agree to indemnify Big Rivers from and against certain risks associated with Excess Henderson Energy upon the terms and subject to the conditions set forth therein (the “Indemnification Agreement”), and (2) the execution and delivery by E.ON U.S. of this Guarantee.

D. E.ON U.S. is willing to execute and deliver this Guarantee in consideration of, and as an inducement for, Big Rivers’ agreement to consummate the Closing on the Effective Date.

E. Terms defined in the Indemnification Agreement and used (but not defined) in this Guarantee shall be deemed to have the meaning in this Guarantee assigned to them in the Indemnification Agreement. Terms defined in the Termination Agreement and used (but not defined) in this Guarantee or the Indemnification Agreement shall be deemed to have the meaning in this Guarantee assigned to them in the Termination Agreement. The rules of construction set forth in Exhibit A to the Termination Agreement shall apply to this Guarantee.

AGREEMENT:

NOW, THEREFORE, the Parties, for valuable consideration, hereby agree as follows:

1. GUARANTEE. Subject to the limitations expressly provided for in this Guarantee, E.ON U.S. hereby unconditionally guarantees to and for the benefit of Big Rivers, its successors and permitted assigns, the due and punctual payment, performance and discharge by WKEC of its present and future obligations to Big Rivers arising under the Indemnification Agreement, but subject to all of the terms and conditions of the Indemnification Agreement. By way of example and not of limitation, WKEC's action in withholding payments owed to Big Rivers under the Indemnification Agreement, based on WKEC's exercise of a set-off, dispute resolution, cure or any other right under the Indemnification Agreement, shall not constitute an instance of a failure to perform WKEC's obligations for the purposes of this Guarantee. E.ON U.S. agrees that if WKEC shall fail to perform when due any of its obligations to Big Rivers under the Indemnification Agreement, E.ON U.S. will perform, or will cause to be performed, such obligations forthwith. The provisions of this Guarantee shall extend to and be applicable to all renewals, replacements, amendments, extensions, consolidations and modifications of the Indemnification Agreement, and any and all references herein to the Indemnification Agreement shall be deemed to include any such renewals, replacements, amendments, extensions, consolidations and modifications thereof and supplements thereto, in each case without consent by E.ON U.S. This is an unconditional, irrevocable and continuing guarantee in accordance with (and subject to) the terms hereof and, subject to the provisions of Section 17 of this Guarantee, shall remain in full force and effect and be binding upon E.ON U.S. and its successors until all of the present and future obligations to Big Rivers, its successors or assigns, guaranteed hereunder have been satisfied in full, including via termination, expiration, waiver or release.

2. EFFECTIVE DATE; APPLICATION TO FUTURE DOCUMENTS. The Parties agree that this Guarantee shall be effective and enforceable from and after the date first written above, without notice or further action on the part of any Party.

3. WAIVERS.

(a) E.ON U.S. expressly waives the acceptance of this Guarantee by Big Rivers, protest, notice of protest and notice of dishonor or nonpayment of any amounts under the Indemnification Agreement (except in those instances in which there exists a bona fide right of set off or dispute as to the liability or obligation of performance for WKEC under the provisions of the Indemnification Agreement), any right to require the pursuit of any remedies against WKEC, including commencement of suit, before enforcing this Guarantee, any right to have any security or the right of set off applied before enforcing this Guarantee, all diligence in collection and enforcement, and any failure or delay by Big Rivers in the protection or exercise of Big Rivers' rights as against WKEC, in each case other than (i) the expiration of any applicable statute of limitations, (ii) the expiration of the right of Big Rivers to seek or compel performance from WKEC, or (iii) as described or contemplated in the limitations provisions of Section 9 of this Guarantee (but in each such case (i), (ii) or (iii), subject to Section 5 of this Guaranty). Before enforcing this Guarantee against E.ON U.S. (by reason of a default on the part of WKEC under the Indemnification Agreement) at any time after E.ON U.S. has given notice hereunder to Big Rivers that E.ON U.S. no longer owns (directly or indirectly) at least a majority of the issued and outstanding capital stock of WKEC, Big Rivers shall give E.ON U.S. written notice of such default, and shall initiate the giving of such notice to E.ON U.S. at the same time and in the same manner as notice of the default is provided to WKEC. E.ON U.S. shall be permitted to cure any default by WKEC within any time permitted by the Indemnification Agreement, which cure

period for E.ON U.S. shall run concurrently with the cure period set forth in the Indemnification Agreement.

(b) Other than as set forth in Section 3(a) above, E.ON U.S. hereby waives and agrees not to assert or to take advantage of any defense based upon: (i) any incapacity or lack of authority of E.ON U.S. or any incapacity, lack of authority, death or disability of any other person or entity (other than Big Rivers); (ii) any lack of notice to which E.ON U.S. might be entitled other than pursuant to this Guarantee; (iii) the inaccuracy of any representation by WKEC contained in the Indemnification Agreement; (iv) any assertion or claim that the automatic stay provided by 11 U.S.C. § 362 (arising upon the voluntary or involuntary bankruptcy proceeding of WKEC) or any other stay provided under any other debtor relief law (whether statutory, common law, case law or otherwise) of any jurisdiction whatsoever, now or hereafter in effect, which may be or become applicable, shall operate or be interpreted to stay, interdict, condition, reduce or inhibit the ability of Big Rivers to enforce any rights, whether now existing or hereafter acquired, which Big Rivers may have against E.ON U.S.; or (v) any action, occurrence, event or matter consented to by E.ON U.S. under Section 4 hereof, under any other provision hereof, or otherwise.

4. CONSENTS.

(a) E.ON U.S. consents and agrees that renewals and extensions of time of any obligation, surrender, release, exchange, substitution, dealing with or taking of collateral, modifying any obligations of, taking or release of other guarantors, abstaining from taking advantage of or realizing upon any collateral security or other guarantee and any and all other forbearances or indulgences granted by Big Rivers to WKEC may be made, granted or effected by Big Rivers without notice to E.ON U.S. and without affecting in any manner E.ON U.S.'s liability hereunder.

(b) Other than as set forth in Section 3(a) above, the liability of E.ON U.S. under this Guarantee shall be direct and immediate and not conditional or contingent upon the pursuit of any remedies against WKEC. In the event that, on account of the Bankruptcy Reform Act of 1978, as amended, or any other debtor relief law (whether statutory, common law, case law or otherwise) of any jurisdiction whatsoever, now or hereafter in effect, which may be or become applicable, WKEC shall be relieved of or fail to incur any debt, obligation or liability as provided in the Indemnification Agreement, E.ON U.S. shall nevertheless be fully liable therefore in accordance with the terms of the Indemnification Agreement.

5. INSOLVENCY PROCEEDINGS. In the event that WKEC becomes the subject of any insolvency proceedings, including bankruptcy, reorganization and receivership, this Guarantee specifically includes any amount paid to Big Rivers pursuant to the Indemnification Agreement which Big Rivers may be required to repay on account of an avoided transfer or preference. Regardless of the performance of the obligations hereby guaranteed, the liability of E.ON U.S. to Big Rivers will continue until 30 days after the expiration of the longest of any potentially applicable federal or state statute of limitation relating to preferences or fraudulent transfers with respect to the Indemnification Agreement, subject to Section 17 below. Big Rivers shall not be obligated to file any claim against WKEC relating to the obligations hereby guaranteed in the

event that WKEC becomes subject to such insolvency proceedings, and the failure of Big Rivers so to file shall not affect E.ON U.S.'s obligations hereunder.

6. SUBORDINATION OF CLAIMS. E.ON U.S. subordinates E.ON U.S.'s claims against WKEC (including any rights of subrogation and the rights to payment, collection, or enforcement of any present or future debt, liability or obligation of WKEC to E.ON U.S.) to any claims of Big Rivers against WKEC. E.ON will not exercise any right it may have by way of subrogation until all obligations then due and owing to Big Rivers under the Indemnification Agreement have been paid or performed in full.

7. E.ON U.S. COVENANTS.

(a) Throughout the term of this Guarantee, E.ON U.S. shall preserve and maintain in full force and effect all rights, privileges and franchises necessary for the fulfillment of its obligations under this Guarantee, and E.ON U.S. shall not liquidate, wind up or dissolve itself, or suffer any liquidation or dissolution.

(b) E.ON U.S. agrees that if, during the term of this Guarantee: (i) E.ON U.S. is in default under any loan agreement or instrument entered into in connection with or evidencing any E.ON U.S. debt in an aggregate principal amount of \$50 million or more ("Material Debt") and such default enables the holder of such Material Debt or any person acting on such holder's behalf to accelerate the maturity thereof and (x) such Material Debt is accelerated as a result of such default or (y) 60 days shall have elapsed during which such default shall have continued unremedied and unwaived; or (ii) the Tangible Net Worth of E.ON U.S. on a consolidated basis shall be less than five hundred million dollars (\$500,000,000.00) (as demonstrated by the audited and unaudited financial statements delivered to Big Rivers pursuant to Section 7(c) hereof), E.ON U.S. shall within three Business Days after the occurrence of such event notify Big Rivers thereof in writing and, if thereafter requested in writing by Big Rivers, E.ON U.S. shall, within 60 days of receipt of Big Rivers' request, provide collateral to Big Rivers with respect to its obligations under this Guarantee, in the form of cash or an irrevocable letter of credit (in form satisfactory to Big Rivers) from a banking institution with a rating of at least A and capital and surplus of at least \$500 million, in the amount of \$30 million. For purposes of this Section 7(b), the Tangible Net Worth of E.ON U.S. shall be, as of any date of determination, on a consolidated basis, the aggregate of Members' Equity, minus any Intangible Assets and any indebtedness due from members, employees or Affiliates (other than Affiliates that are subsidiaries of E.ON U.S. whose financial results are consolidated in the financial statements of E.ON U.S.). Members' Equity shall mean as of any date of determination, the consolidated members' equity of E.ON U.S. as of that date, determined in accordance with GAAP; provided that there shall be excluded from Members' Equity any amount attributable to Disqualified Equity. Disqualified Equity means any equity interests, warrants, options or other rights to acquire equity ownership which, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or is redeemable at the option of the holder thereof, in whole or in part. Intangible Assets means assets that are considered intangible assets under GAAP, including customer lists, goodwill, covenants not to compete, copyrights, trade names, trademarks and patents. Big Rivers shall release any

collateral, if provided as a result of an event specified in clause (i) above, promptly after delivery to Big Rivers of evidence that such default is no longer continuing and, if provided as a result of an event specified in clause (ii) above, promptly after delivery to Big Rivers of audited financial statements of E.ON U.S. indicating that E.ON U.S.'s consolidated Tangible Net Worth equals at least five hundred million dollars \$(500,000,000.00).

(c) So long as this Guarantee remains in effect, E.ON U.S. will deliver to Big Rivers copies of (i) its unaudited financial statements for each of the first three fiscal quarters of each fiscal year within 65 days of the end of each such fiscal quarter, (ii) its audited financial statements for each fiscal year within 125 days of the end of each fiscal year and (iii) all loan agreements and other documents or instruments relating to any Material Debt within 30 days of execution thereof by E.ON U.S.

8. REPRESENTATIONS AND WARRANTIES. E.ON U.S. represents and warrants to Big Rivers that:

8.1 E.ON U.S. is a limited liability company duly organized and existing under the laws of the Commonwealth of Kentucky. The execution, delivery and performance of this Guarantee by E.ON U.S. have been duly authorized by all necessary action.

8.2 This Guarantee is executed at the request of WKEC.

8.3 E.ON U.S. has established adequate means of obtaining from WKEC, on a continuing basis, financial and other information pertaining to their affairs or business, and E.ON U.S. is and will be familiar with the affairs, business, operation and condition of WKEC and its assets. E.ON U.S. hereby waives any duty on the part of Big Rivers to disclose to E.ON U.S. any matter relating to the affairs, business, operation or condition of WKEC and its assets now known or hereafter known to Big Rivers during the life of this Guarantee (other than the notice of default from Big Rivers contemplated in Section 3(a) above).

8.4 This Guarantee has been duly authorized, executed and delivered by E.ON U.S. and constitutes a legal, valid and binding obligation of E.ON U.S., enforceable against E.ON U.S. in accordance with the terms hereof, except as enforceability may be limited by bankruptcy, insolvency, reorganization, arrangement, moratorium of E.ON U.S. or other laws relating to or affecting the rights of creditors generally and by general principles of equity.

8.5 Neither the signing or delivery of, nor the performance by E.ON U.S. of E.ON U.S.'s obligations under, this Guarantee is prohibited by, or will result in a fine, penalty, or similar sanction under, any applicable statutory law, regulation, or court or administrative order, will violate any of E.ON U.S.'s organizational documents, or will breach, or constitute an event of default under, any agreement, instrument, mortgage, indenture, or other contract to which E.ON U.S. is a party or by which it or its property is bound.

8.6 On the date hereof, there is no litigation, claim, action or proceeding pending or threatened against E.ON U.S. which would materially and adversely affect the ability of E.ON U.S. to perform its obligations hereunder.

8.7 E.ON U.S. has delivered to Big Rivers copies of E.ON U.S.'s audited balance sheet as of December 31, 2008 (without footnotes) and the related audited statements of income, retained earnings and cash flows for the year then ended (the "Audited Financial Statements"), and (b) E.ON U.S.'s unaudited balance sheet as of March 31, 2009, and the related unaudited statement of income for the three-month period then ended (the "Interim Financial Statements", and together with the Audited Financial Statements, the "Financial Statements"). The Financial Statements present fairly in all material respects the financial position of E.ON U.S. as of the dates thereof and the related results of its operations for the period then ended. The Audited Financial Statements have been prepared, and the audited financial statements delivered pursuant to Section 7(c) will be prepared, in accordance with generally accepted accounting principles ("GAAP") and the Interim Financial Statements have been prepared, and the interim unaudited financial statements delivered pursuant to Section 7(c) will be prepared, in accordance with GAAP for interim statements, applied on a basis consistent with prior periods except as disclosed therein. All adjustments, consisting of normal, recurring accruals necessary for a fair presentation, have been made in the Interim Financial Statements. Since March 31, 2009, to the date hereof, there has been no change in the business, financial position, results of operations or prospects of E.ON U.S. which would materially and adversely affect the ability of E.ON U.S. to perform its obligations hereunder.

8.8 All consents, licenses, clearances, authorizations and approvals of, and registrations and declarations with, any governmental authority or regulatory body necessary for the due execution, delivery and performance of this Guarantee by E.ON U.S. have been obtained and remain in full force and effect and all conditions thereof have been duly complied with, and no other action by, and no notice to or filing with, any governmental authority or regulatory body is required in connection with the execution, delivery or performance of this Guarantee by E.ON U.S. There are no conditions to the effectiveness of this Guarantee that have not been satisfied or waived.

9. DEFAULT; LIMITATIONS ON REMEDIES. In the event that (i) any representation or warranty made by E.ON U.S. in this Guarantee shall prove to be incorrect in any material respect when made or (ii) E.ON U.S. shall fail to observe or perform any covenant contained in this Guarantee in any material respect (each, a "Default"), which Default is not cured within 15 days following receipt by E.ON U.S. of written notice of Default from Big Rivers (provided, that there shall be no cure period with respect to any Default described in (i) above, and further provided, no further written notice of Default shall be required where written notice has previously been given to E.ON U.S. in accordance with Section 3(a)), Big Rivers shall be entitled (a) to seek to collect from E.ON U.S. the damages resulting to Big Rivers from such default and (b) to pursue any or all other rights and remedies available to it at law or in equity. NOTWITHSTANDING THE PRECEDING SENTENCE OR ANY OTHER PROVISION OF THIS GUARANTEE TO THE CONTRARY, AND EXCEPT TO THE EXTENT SUCH DAMAGES ARE EXPRESSLY PERMITTED TO BE RECOVERED BY BIG RIVERS FROM WKEC BY THE TERMS OF THE INDEMNIFICATION AGREEMENT, BIG RIVERS SHALL NOT AT ANY TIME BE ENTITLED TO RECOVER FROM E.ON U.S. ANY INCIDENTAL, CONSEQUENTIAL, PUNITIVE, EXEMPLARY OR SPECIAL DAMAGES OR OTHER SIMILAR RELIEF (INCLUDING LOST PROFITS OR LOST BUSINESS OPPORTUNITY). IN ADDITION TO THE LIMITATIONS PROVIDED IN THE PRECEDING SENTENCE, THE RIGHT OR ENTITLEMENT OF BIG RIVERS TO SEEK

RECOVERY OF DAMAGES OR OTHER RELIEF FROM E.ON U.S. PURSUANT TO THIS GUARANTEE SHALL BE SUBJECT TO ANY AND ALL LIMITATIONS AND EXCLUSIONS ON SUCH RECOVERY OR RECOVERIES AS MAY BE APPLICABLE TO BIG RIVERS' RIGHT OR ENTITLEMENT TO RECOVER FROM WKEC PURSUANT TO THE INDEMNIFICATION AGREEMENT, INCLUDING ANY LIMITATIONS THAT MAY BAR BIG RIVERS' CLAIM OR RECOVERY BY REASON OF THE PASSAGE OF TIME. BY WAY OF EXAMPLE AND NOT OF LIMITATION, THE LIMITATION ON BIG RIVERS' RIGHTS OF RECOVERY OF DAMAGES AND/OR OTHER RELIEF PROVIDED FOR IN SECTION 4 OF THE INDEMNIFICATION AGREEMENT SHALL APPLY WITH EQUAL EFFECT TO LIMIT BIG RIVERS' RIGHTS OF RECOVERY FROM E.ON U.S. PURSUANT TO THIS GUARANTEE, AND ANY DAMAGES OR OTHER AMOUNTS SO RECOVERED BY BIG RIVERS FROM WKEC, ON THE ONE HAND, OR E.ON U.S., ON THE OTHER HAND, SHALL BE COMBINED FOR PURPOSES OF DETERMINING WHETHER THE LIMITATION CONTEMPLATED IN SUBSECTION 4.3 OF THE INDEMNIFICATION AGREEMENT HAS BEEN REACHED.

10. COSTS. The prevailing Party in the trial or appeal of any civil action, insolvency proceeding, or arbitration proceeding to construe or enforce this Guarantee or to defend any claims, offsets, defenses, counterclaims, and third party claims that are asserted under contract, tort, or other common law theories will be entitled to recover reasonable attorney fees in addition to costs and disbursements, and such fees, costs, and disbursements will bear interest at a rate equal to the "Default Rate" (as hereinafter defined) from the date when reimbursement is requested in writing until the date when such reimbursement is made. As used in this Guarantee, "Default Rate" shall mean the lesser of (a) 125% of the time-weighted average prime rate of interest as reported from time-to-time in the "Money Rate" section of *The Wall Street Journal* as of the date payment was due, or (ii) the maximum rate allowed by law.

11. AMENDMENT. This Guarantee shall not be suspended, amended, released, terminated or modified in any manner except by an instrument in writing signed by E.ON U.S. and Big Rivers.

12. WAIVER OF DEFAULT. No waiver by Big Rivers of any default of any provision of this Guarantee shall be deemed a waiver of any other pre-existing or subsequently existing default, nor shall any such waiver be deemed a continuing waiver. No delay or omission by Big Rivers in exercising any right hereunder, at law or in equity, or otherwise, except such delay as would, by the passage of time cause a claim to be barred by an applicable statute of limitations or by the expiration or termination of the right to pursue or assert the claim or breach under the Indemnification Agreement upon which the claim under this Guarantee is based, shall impair any such right or be construed as a waiver thereof, or acquiescence therein, nor shall any single or partial exercise of any right preclude other or further exercise of any right that may exist or that may thereafter exist.

13. GOVERNING LAW. This Guarantee is governed by the substantive provisions (that is, without regard for the rules for conflict of laws) of the law of the Commonwealth of Kentucky.

14. JURISDICTION AND VENUE. Any legal action or proceeding with respect to this Guarantee may be brought in the United States District Court for the Western District of

Kentucky, and, by execution and delivery of this Agreement, Big Rivers and E.ON U.S. consent to the nonexclusive jurisdiction of that court. Each of the Parties waives any objection, including any objection to venue or based upon forum non conveniens, which it may now or hereafter have to the bringing of any action or proceeding in such jurisdiction.

15. NOTICE. All notices, payments and other communications to either Party under this Guarantee must be in writing and shall be addressed respectively as follows:

If to Big Rivers:

Big Rivers Electric Corporation
201 Third Street
P.O. Box 24
Henderson, Kentucky 42419
Telephone: (270) 827-2561
Facsimile: (270) 827-2558
Attention: President & CEO
Senior Vice President of External Relations

With a copy to:

Sullivan, Mountjoy, Stainback & Miller, PSC
100 St. Ann Building
P.O. Box 727
Owensboro, Kentucky 42302-0727
Attention: James M. Miller, Esq.
Telephone: (270) 926-4000
Facsimile: (270) 683-6694

If to E.ON U.S.:

E.ON U.S. LLC
220 West Main Street
P.O. Box 32030
Louisville, Kentucky 40232
Attention: John R. McCall, Esq., Executive Vice
President, General Counsel and Corporate Secretary
Telephone: (502) 637-3665
Facsimile: (502) 627-2585

With a copy to:

Greenebaum Doll & McDonald PLLC
3500 National City Tower
101 South Fifth Street
Louisville, Kentucky 40202
Attention: Patrick R. Northam, Esq.

Telephone: (502) 589-4200
Facsimile: (502) 587-3695

Each Party may change its address from time to time by notice given to the other Party in the manner set forth above. All notices shall be given (i) by personal delivery to the Party (including overnight delivery if receipt by such party is confirmed), (ii) certified or registered mail, return receipt requested, or (iii) by confirmed electronic communication if followed on the same date by registered or certified mail, return receipt requested. All notices shall be effective and shall be deemed delivered (a) if by personal delivery, on the date of delivery, or (b) if by certified or registered mail, on the date delivered by the United States Postal Service as shown on the receipt or (c) if by electronic communication, on the date the confirmation is delivered to the United States Postal Service, as shown on the receipt.

16. ASSIGNMENT. This Guarantee may not be assigned by E.ON U.S. Big Rivers may assign its interest in this Guarantee to any person who is a permitted assignee pursuant to and in the manner required by Section 6.15 of the Indemnification Agreement. Upon any transfer or assignment by WKEC of its rights and obligations under the Indemnification Agreement, in accordance with Section 6.15 of the Indemnification Agreement, this Guarantee shall continue in full force and effect. Notwithstanding anything in this Guarantee or in the Indemnification Agreement to the contrary, and except to the extent Big Rivers has released E.ON U.S. from such liabilities and obligations, following any permitted transfer or assignment by WKEC pursuant to Section 6.15 of the Termination Agreement, this Guarantee shall continue in full force and effect and apply to the liabilities and obligations of the assignee assumed from WKEC, regardless of whether such transfer or assignment effected a release by Big Rivers of WKEC. For purposes of the preceding sentence, "assignee" shall include any successor (pursuant to a merger, consolidation or otherwise) or transferee of WKEC.

17. EXPIRATION; TERMINATION.

(a) Notwithstanding anything contained in this Guarantee or in the Indemnification Agreement to the contrary, this Guarantee shall immediately expire and become null and void and of no further force or effect whatsoever, and E.ON U.S. shall be fully released and discharged of and from any further obligation or liability to Big Rivers hereunder, without notice or further action on the part of any Party, immediately upon the expiration or termination of the Indemnification Agreement in accordance with its terms (the "Expiration Date"); provided, however, that in the event, prior to the Expiration Date, both (i) WKEC shall fail to perform when due any obligation to Big Rivers guaranteed by this Guarantee and (ii) Big Rivers shall assert a claim in writing with respect to that failure to perform in accordance with this Guarantee, then that claim on the part of Big Rivers shall survive the Expiration Date and shall continue to be binding on E.ON U.S. in accordance with the terms of this Guarantee until satisfied or discharged in full by or on behalf of E.ON U.S. or WKEC.

(b) In addition to the provisions of Subsection (a) above, this Guarantee shall terminate and become null and void and of no further force or effect whatsoever upon the later to occur of: (a) the expiration of the statute of limitations or other agreed (in the Indemnification Agreement) period pursuant to or during which Big Rivers may pursue a claim or action against

E.ON U.S. or WKEC (or any permitted assignee of WKEC) under this Guarantee and the Indemnification Agreement; or (b) if a claim shall have been made or action shall have been taken against E.ON U.S. under this Guarantee or against WKEC (or any permitted assignee of WKEC) under the Indemnification Agreement within the applicable statute of limitations and, as applicable, within the relevant period permitted by the Indemnification Agreement; then the date upon which the final, unappealable resolution of all such claims and actions occurs and E.ON U.S.'s obligations under this Guarantee with respect to such claims have been fulfilled.

(c) Notwithstanding anything contained in this Guarantee or the Indemnification Agreement to the contrary, neither E.ON U.S. nor WKEC shall at any time be entitled to terminate, cancel or otherwise nullify this Guarantee or the payment or performance obligations of E.ON U.S. hereunder by reason of any breach or default by Big Rivers under the Indemnification Agreement, or by reason of the expiration or termination of the Indemnification Agreement for any reason, to the extent that WKEC has any continuing obligations or liabilities to Big Rivers under the Indemnification Agreement.

18. MISCELLANEOUS. This Guarantee will bind and inure to the benefit of E.ON U.S. and Big Rivers and their respective successors and permitted assigns. This Guarantee may be signed in one or more counterparts.

19. INTEGRATION. This writing constitutes the entire agreement of the Parties with respect to the subject matter hereof, and supersedes any and all prior or contemporaneous agreements or understandings with respect to the subject matter hereof, whether oral or written.

WITNESS the signatures of the undersigned as of the date first written above.

BIG RIVERS ELECTRIC CORPORATION E.ON U.S. LLC

By: _____
Mark A Bailey
Its: President & CEO

By: _____
Paul W. Thompson
Its: Senior Vice President

LOU: 3388140-3

AMENDED AND RESTATED GUARANTEE

This Amended and Restated Guarantee (this “Guarantee”) is made and entered into as of this ____ day of _____, 2009, between (i) **E.ON U.S. LLC**, a Kentucky limited liability company (“E.ON U.S.”), and (ii) **Big Rivers Electric Corporation**, a Kentucky rural electric cooperative (“Big Rivers”) (collectively, the “Parties”).

RECITALS:

A. Reference is made to that certain Transaction Termination Agreement dated as of March 26, 2007, as amended (the “Termination Agreement”), among Big Rivers, Western Kentucky Energy Corp., a Kentucky corporation (“WKEC”), and LG&E Energy Marketing Inc., an Oklahoma corporation (“LEM”, and together with WKEC, the “WKE Parties”), pursuant to which, among other transactions, Big Rivers and the WKE Parties have agreed to terminate and release certain agreements between or among them and to extinguish certain property interests vested in one or more of them, in each case upon the terms and subject to the conditions set forth in the Termination Agreement and, upon the “Closing” (as defined in the Termination Agreement), in the other agreements and instruments set forth or identified on Exhibit S attached to the Termination Agreement (the Termination Agreement, and such other agreements and instruments set forth or identified on Exhibit S to the Termination Agreement, being collectively referred to in this Guarantee as the “Definitive Documents”). For ease of reference, Exhibit S to the Termination Agreement has been attached to this Guarantee as Exhibit A, and is incorporated herein by reference and made a part hereof.

B. Reference is also made to that certain Guarantee dated as of March 26, 2007, between E.ON U.S. and Big Rivers (the “Original Guarantee”), pursuant to which, among other transactions, E.ON U.S. guaranteed to Big Rivers the due and punctual payment, performance and discharge by the WKE Parties of their respective debts, obligations and liabilities under or pursuant to the Definitive Documents, upon the terms and subject to the conditions set forth therein.

C. E.ON U.S. owns, directly or indirectly, all of the voting stock of each WKE Party, and will derive substantial benefits from the transactions contemplated by the Termination Agreement, which benefits are hereby acknowledged by E.ON U.S.

D. The Parties now desire by this Guarantee to amend, restate and replace the Original Guarantee in its entirety.

E. Terms defined in the Definitive Documents and used (but not defined) in this Guarantee shall be deemed to have the meaning in this Guarantee assigned to them in the Definitive Documents. The rules of construction set forth in Exhibit A to the Termination Agreement shall apply to this Guarantee.

AGREEMENT:

NOW, THEREFORE, the Parties, for valuable consideration, hereby agree to amend, restate and replace the Original Guarantee as follows, and hereby agree as follows:

1. GUARANTEE. Subject to the limitations expressly provided for in this Guarantee, effective from and after the date of the Original Guarantee (the “Original Guarantee Date”), E.ON U.S. hereby unconditionally guarantees to and for the benefit of Big Rivers, its successors and permitted assigns the due and punctual payment, performance and discharge by each WKE Party of its respective present and future obligations to Big Rivers arising under the Termination Agreement and, upon their execution and delivery by the parties thereto, to Big Rivers arising under the other Definitive Documents to which that WKE Party may become a signatory, from and after the respective effective dates of those Definitive Documents, but subject to all of the terms and conditions of the Termination Agreement and those other Definitive Documents as so executed and delivered. By way of example and not of limitation, any WKE Party’s action in withholding payments owed to Big Rivers under any of the Definitive Documents, based on a WKE Party’s exercise of a set-off, dispute resolution, cure or any other right under any of the Definitive Documents, shall not constitute an instance of a failure to perform that WKE Parties’ obligations for the purposes of this Guarantee. E.ON U.S. agrees that if any of the WKE Parties shall fail to perform when due any of its obligations to Big Rivers under any of the Definitive Documents, E.ON U.S. will perform, or will cause to be performed, such obligations forthwith. The provisions of this Guarantee shall extend to and be applicable to all renewals, replacements, amendments, extensions, consolidations and modifications of any Definitive Document, and any and all references herein to the Definitive Documents or any of them shall be deemed to include any such renewals, replacements, amendments, extensions, consolidations and modifications thereof and supplements thereto, in each case without consent by E.ON U.S. (unless such consent is required to be obtained by the terms of the applicable Definitive Document). This is an unconditional, irrevocable and continuing guarantee in accordance with (and subject to) the terms hereof and, subject to the provisions of Section 17 of this Guarantee, shall remain in full force and effect and be binding upon E.ON U.S. and its successors until all of the present and future obligations to Big Rivers, its successors or assigns, guaranteed hereunder have been satisfied in full, including via termination, expiration, waiver or release.

2. EFFECTIVE DATE; APPLICATION TO FUTURE DOCUMENTS. The Parties agree that this Guarantee shall be effective and enforceable from and after the Original Guarantee Date, and shall become applicable to each Definitive Document as and when such Definitive Document shall have been fully executed and delivered by each intended signatory thereto (whether contemporaneous with or following the execution and delivery of this Guarantee), but not before, in each case without notice or further action on the part of any Party.

3. WAIVERS.

(a) E.ON U.S. expressly waives the acceptance of this Guarantee by Big Rivers, protest, notice of protest and notice of dishonor or nonpayment of any instrument evidencing any indebtedness of any of the WKE Parties (except in those instances in which there exists a bona fide right of set off or dispute as to the liability or obligation of performance for the applicable WKE Party under the provisions of any Definitive Document), any right to require the pursuit of any remedies against any of the WKE Parties, including commencement of suit, before enforcing this Guarantee, any right to have any security or the right of set off applied before enforcing this Guarantee, all diligence in collection and enforcement, and any failure or delay by Big Rivers in the protection or exercise of Big Rivers' rights as against any of the WKE Parties, in each case other than (i) the expiration of any applicable statute of limitations, (ii) the expiration of the right

of Big Rivers to seek or compel performance from the applicable WKE Party, or (iii) as described or contemplated in the limitations provisions of Section 9 of this Guarantee (but in each such case (i), (ii) or (iii), subject to Section 5 of this Guaranty). Before enforcing this Guarantee against E.ON U.S. (by reason of a default on the part of a WKE Party under any of the Definitive Documents) at any time after E.ON U.S. has given notice hereunder to Big Rivers that E.ON U.S. no longer owns (directly or indirectly) at least a majority of the issued and outstanding capital stock of that WKE Party, Big Rivers shall give E.ON U.S. written notice of such default, and shall initiate the giving of such notice to E.ON U.S. at the same time and in the same manner as notice of the default is provided to that WKE Party. E.ON U.S. shall be permitted to cure any default by a WKE Party within the time permitted by the applicable Definitive Document, which cure period for E.ON U.S. shall run concurrently with the cure period set forth in the applicable Definitive Document.

(b) Other than as set forth in Section 3(a) above, E.ON U.S. hereby waives and agrees not to assert or to take advantage of any defense based upon: (i) any incapacity or lack of authority of E.ON U.S. or any incapacity, lack of authority, death or disability of any other person or entity (other than Big Rivers); (ii) any lack of notice to which E.ON U.S. might be entitled other than pursuant to this Guarantee; (iii) the inaccuracy of any representation by any of the WKE Parties contained in any of the Definitive Documents; (iv) any assertion or claim that the automatic stay provided by 11 U.S.C. § 362 (arising upon the voluntary or involuntary bankruptcy proceeding of any of the WKE Parties) or any other stay provided under any other debtor relief law (whether statutory, common law, case law or otherwise) of any jurisdiction whatsoever, now or hereafter in effect, which may be or become applicable, shall operate or be interpreted to stay, interdict, condition, reduce or inhibit the ability of Big Rivers to enforce any rights, whether now existing or hereafter acquired, which Big Rivers may have against E.ON U.S.; or (v) any action, occurrence, event or matter consented to by E.ON U.S. under Section 4 hereof, under any other provision hereof, or otherwise.

4. CONSENTS.

(a) E.ON U.S. consents and agrees that renewals and extensions of time of any obligation, surrender, release, exchange, substitution, dealing with or taking of collateral, modifying any obligations of, taking or release of other guarantors, abstaining from taking advantage of or realizing upon any collateral security or other guarantee and any and all other forbearances or indulgences granted by Big Rivers to any of the WKE Parties may be made, granted or effected by Big Rivers without notice to E.ON U.S. and without affecting in any manner E.ON U.S.'s liability hereunder.

(b) Other than as set forth in Section 3(a) above, the liability of E.ON U.S. under this Guarantee shall be direct and immediate and not conditional or contingent upon the pursuit of any remedies against any of the WKE Parties. In the event that, on account of the Bankruptcy Reform Act of 1978, as amended, or any other debtor relief law (whether statutory, common law, case law or otherwise) of any jurisdiction whatsoever, now or hereafter in effect, which may be or become applicable, any of the WKE Parties shall be relieved of or fail to incur any debt, obligation or liability as provided in the Definitive Documents, E.ON U.S. shall nevertheless be fully liable therefore in accordance with the terms of those Definitive Documents.

5. INSOLVENCY PROCEEDINGS. In the event that any of the WKE Parties becomes the subject of any insolvency proceedings, including bankruptcy, reorganization and receivership, this Guarantee specifically includes any amount paid to Big Rivers pursuant to a Definitive Document which Big Rivers may be required to repay on account of an avoided transfer or preference. Regardless of the performance of the obligations hereby guaranteed, the liability of E.ON U.S. to Big Rivers will continue until 30 days after the expiration of the longest of any potentially applicable federal or state statute of limitation relating to preferences or fraudulent transfers with respect to any Definitive Document, subject to Section 17 below. Big Rivers shall not be obligated to file any claim against any of the WKE Parties relating to the obligations hereby guaranteed in the event that any of the WKE Parties becomes subject to such insolvency proceedings, and the failure of Big Rivers so to file shall not affect E.ON U.S.'s obligations hereunder.

6. SUBORDINATION OF CLAIMS. E.ON U.S. subordinates E.ON U.S.'s claims against any of the WKE Parties (including any rights of subrogation and the rights to payment, collection, or enforcement of any present or future debt, liability or obligation of any of the WKE Parties to E.ON U.S.) to any claims of Big Rivers against any WKE Party. E.ON will not exercise any right it may have by way of subrogation until all obligations then due and owing to Big Rivers under the Termination Agreement and any other Definitive Document have been paid or performed in full.

7. E.ON U.S. COVENANTS.

(a) Throughout the term of this Guarantee, E.ON U.S. shall preserve and maintain in full force and effect all rights, privileges and franchises necessary for the fulfillment of its obligations under this Guarantee, and E.ON U.S. shall not liquidate, wind up or dissolve itself, or suffer any liquidation or dissolution.

(b) E.ON U.S. agrees that if, during the term of this Guarantee: (i) E.ON U.S. is in default under any loan agreement or instrument entered into in connection with or evidencing any E.ON U.S. debt in an aggregate principal amount of \$50 million or more ("Material Debt") and such default enables the holder of such Material Debt or any person acting on such holder's behalf to accelerate the maturity thereof and (x) such Material Debt is accelerated as a result of such default or (y) 60 days shall have elapsed during which such default shall have continued unremedied and unwaived; or (ii) the Tangible Net Worth of E.ON U.S. on a consolidated basis shall be less than five hundred million dollars (\$500,000,000.00) (as demonstrated by the audited and unaudited financial statements delivered to Big Rivers pursuant to Section 7(c) hereof), E.ON U.S. shall within three Business Days after the occurrence of such event notify Big Rivers thereof in writing and, if thereafter requested in writing by Big Rivers, E.ON U.S. shall, within 60 days of receipt of Big Rivers' request, provide collateral to Big Rivers with respect to its obligations under this Guarantee, in the form of cash or an irrevocable letter of credit (in form satisfactory to Big Rivers) from a banking institution with a rating of at least A and capital and surplus of at least \$500 million, in the amount of \$60 million. For purposes of this Section 7(b), the Tangible Net Worth of E.ON U.S. shall be, as of any date of determination, on a consolidated basis, the aggregate of Members' Equity, minus any Intangible Assets and any indebtedness due from members, employees or Affiliates (other than Affiliates that are

subsidiaries of E.ON U.S. whose financial results are consolidated in the financial statements of E.ON U.S.). Members' Equity shall mean as of any date of determination, the consolidated members' equity of E.ON U.S. as of that date, determined in accordance with GAAP; provided that there shall be excluded from Members' Equity any amount attributable to Disqualified Equity. Disqualified Equity means any equity interests, warrants, options or other rights to acquire equity ownership which, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or is redeemable at the option of the holder thereof, in whole or in part. Intangible Assets means assets that are considered intangible assets under GAAP, including customer lists, goodwill, covenants not to compete, copyrights, trade names, trademarks and patents. Big Rivers shall release any collateral, if provided as a result of an event specified in clause (i) above, promptly after delivery to Big Rivers of evidence that such default is no longer continuing and, if provided as a result of an event specified in clause (ii) above, promptly after delivery to Big Rivers of audited financial statements of E.ON U.S. indicating that E.ON U.S.'s consolidated Tangible Net Worth equals at least five hundred million dollars \$(500,000,000.00).

(c) So long as this Guarantee remains in effect, E.ON U.S. will deliver to Big Rivers copies of (i) its unaudited financial statements for each of the first three fiscal quarters of each fiscal year within 65 days of the end of each such fiscal quarter, (ii) its audited financial statements, excluding footnotes for audited financial statements delivered prior to Closing, for each fiscal year within 125 days of the end of each fiscal year and (iii) all loan agreements and other documents or instruments relating to any Material Debt within 30 days of execution thereof by E.ON U.S.

8. REPRESENTATIONS AND WARRANTIES. E.ON U.S. represents and warrants to Big Rivers that:

8.1 E.ON U.S. is a limited liability company duly organized and existing under the laws of the Commonwealth of Kentucky. The execution, delivery and performance of this Guarantee by E.ON U.S. have been duly authorized by all necessary action.

8.2 This Guarantee is executed at the request of each of the WKE Parties.

8.3 E.ON U.S. has established adequate means of obtaining from each of the WKE Parties, on a continuing basis, financial and other information pertaining to their affairs or business, and E.ON U.S. is and will be familiar with the affairs, business, operation and condition of each of the WKE Parties and their assets. E.ON U.S. hereby waives any duty on the part of Big Rivers to disclose to E.ON U.S. any matter relating to the affairs, business, operation or condition of any of the WKE Parties and their assets now known or hereafter known to Big Rivers during the life of this Guarantee (other than the notice of default from Big Rivers contemplated in Section 3(a) above).

8.4 This Guarantee has been duly authorized, executed and delivered by E.ON U.S. and constitutes a legal, valid and binding obligation of E.ON U.S., enforceable against E.ON U.S. in accordance with the terms hereof, except as enforceability may be limited by

bankruptcy, insolvency, reorganization, arrangement, moratorium of E.ON U.S. or other laws relating to or affecting the rights of creditors generally and by general principles of equity.

8.5 Neither the signing or delivery of, nor the performance by E.ON U.S. of E.ON U.S.'s obligations under, this Guarantee is prohibited by, or will result in a fine, penalty, or similar sanction under, any applicable statutory law, regulation, or court or administrative order, will violate any of E.ON U.S.'s organizational documents, or will breach, or constitute an event of default under, any agreement, instrument, mortgage, indenture, or other contract to which E.ON U.S. is a party or by which it or its property is bound.

8.6 On the date hereof, there is no litigation, claim, action or proceeding pending or threatened against E.ON U.S. which would materially and adversely affect the ability of E.ON U.S. to perform its obligations hereunder.

8.7 E.ON U.S. has delivered to Big Rivers copies of E.ON U.S.'s audited balance sheet as of December 31, 2005 (without footnotes) and the related audited statements of income, retained earnings and cash flows for the year then ended (the "Audited Financial Statements"), and (b) E.ON U.S.'s unaudited balance sheet as of September 30, 2006, and the related unaudited statement of income for the three-month period then ended (the "Interim Financial Statements", and together with the Audited Financial Statements, the "Financial Statements"). The Financial Statements present fairly in all material respects the financial position of E.ON U.S. as of the dates thereof and the related results of its operations for the period then ended. The Audited Financial Statements have been prepared, and the audited financial statements delivered pursuant to Section 7(c) will be prepared, in accordance with generally accepted accounting principles ("GAAP") and the Interim Financial Statements have been prepared, and the interim unaudited financial statements delivered pursuant to Section 7(c) will be prepared, in accordance with GAAP for interim statements, applied on a basis consistent with prior periods except as disclosed therein. All adjustments, consisting of normal, recurring accruals necessary for a fair presentation, have been made in the Interim Financial Statements. Since September 30, 2006, to the date hereof, there has been no change in the business, financial position, results of operations or prospects of E.ON U.S. which would materially and adversely affect the ability of E.ON U.S. to perform its obligations hereunder.

8.8 All consents, licenses, clearances, authorizations and approvals of, and registrations and declarations with, any governmental authority or regulatory body necessary for the due execution, delivery and performance of this Guarantee by E.ON U.S. have been obtained and remain in full force and effect and all conditions thereof have been duly complied with, and no other action by, and no notice to or filing with, any governmental authority or regulatory body is required in connection with the execution, delivery or performance of this Guarantee by E.ON U.S. There are no conditions to the effectiveness of this Guarantee that have not been satisfied or waived.

9. DEFAULT; LIMITATIONS ON REMEDIES. In the event that (i) any representation or warranty made by E.ON U.S. in this Guarantee shall prove to be incorrect in any material respect when made or (ii) E.ON U.S. shall fail to observe or perform any covenant contained in this Guarantee in any material respect (each, a "Default"), which Default is not cured within 15 days following receipt by E.ON U.S. of written notice of Default from Big Rivers (provided, that

there shall be no cure period with respect to any Default described in (i) above, and further provided, no further written notice of Default shall be required where written notice has previously been given to E.ON U.S. in accordance with Section 3(a)), Big Rivers shall be entitled (a) to seek to collect from E.ON U.S. the damages resulting to Big Rivers from such default and (b) to pursue any or all other rights and remedies available to it at law or in equity. NOTWITHSTANDING THE PRECEDING SENTENCE OR ANY OTHER PROVISION OF THIS GUARANTEE TO THE CONTRARY, AND EXCEPT TO THE EXTENT SUCH DAMAGES ARE EXPRESSLY PERMITTED TO BE RECOVERED BY BIG RIVERS FROM ANY WKE PARTY BY THE TERMS OF A DEFINITIVE DOCUMENT, BIG RIVERS SHALL NOT AT ANY TIME BE ENTITLED TO RECOVER FROM E.ON U.S. ANY INCIDENTAL, CONSEQUENTIAL, PUNITIVE, EXEMPLARY OR SPECIAL DAMAGES OR OTHER SIMILAR RELIEF (INCLUDING LOST PROFITS OR LOST BUSINESS OPPORTUNITY). IN ADDITION TO THE LIMITATIONS PROVIDED IN THE PRECEDING SENTENCE, THE RIGHT OR ENTITLEMENT OF BIG RIVERS TO SEEK RECOVERY OF DAMAGES OR OTHER RELIEF FROM E.ON U.S. PURSUANT TO THIS GUARANTEE SHALL BE SUBJECT TO ANY AND ALL LIMITATIONS AND EXCLUSIONS ON SUCH RECOVERY OR RECOVERIES AS MAY BE APPLICABLE TO BIG RIVERS' RIGHT OR ENTITLEMENT TO RECOVER FROM THE RELEVANT WKE PARTY OR PARTIES PURSUANT TO THE RELEVANT DEFINITIVE DOCUMENT(S), INCLUDING ANY LIMITATIONS THAT MAY BAR BIG RIVERS' CLAIM OR RECOVERY BY REASON OF THE PASSAGE OF TIME. BY WAY OF EXAMPLE AND NOT OF LIMITATION, THE LIMITATION ON BIG RIVERS' RIGHTS OF RECOVERY OF DAMAGES AND/OR OTHER RELIEF PROVIDED FOR IN SUBSECTION 16.4(b) OF THE TERMINATION AGREEMENT SHALL APPLY WITH EQUAL EFFECT TO LIMIT BIG RIVERS' RIGHTS OF RECOVERY FROM E.ON U.S. PURSUANT TO THIS GUARANTEE, AND ANY DAMAGES OR OTHER AMOUNTS SO RECOVERED BY BIG RIVERS FROM ANY WKE PARTY, ON THE ONE HAND, OR E.ON U.S., ON THE OTHER HAND, SHALL BE COMBINED FOR PURPOSES OF DETERMINING WHETHER THE LIMITATION CONTEMPLATED IN THAT SUBSECTION 16.4(b) HAS BEEN REACHED.

10. COSTS. The prevailing Party in the trial or appeal of any civil action, insolvency proceeding, or arbitration proceeding to construe or enforce this Guarantee or to defend any claims, offsets, defenses, counterclaims, and third party claims that are asserted under contract, tort, or other common law theories will be entitled to recover reasonable attorney fees in addition to costs and disbursements, and such fees, costs, and disbursements will bear interest at a rate equal to the "Default Rate" (as hereinafter defined) from the date when reimbursement is requested in writing until the date when such reimbursement is made. As used in this Guarantee, "Default Rate" shall mean the lesser of (a) 125% of the time-weighted average prime rate of interest as reported from time-to-time in the "Money Rate" section of *The Wall Street Journal* as of the date payment was due, or (ii) the maximum rate allowed by law.

11. AMENDMENT. This Guarantee shall not be suspended, amended, released, terminated or modified in any manner except by an instrument in writing signed by E.ON U.S. and Big Rivers.

12. WAIVER OF DEFAULT. No waiver by Big Rivers of any default of any provision of this Guarantee shall be deemed a waiver of any other pre-existing or subsequently existing

default, nor shall any such waiver be deemed a continuing waiver. No delay or omission by Big Rivers in exercising any right hereunder, at law or in equity, or otherwise, except such delay as would, by the passage of time cause a claim to be barred by an applicable statute of limitations or by the expiration or termination of the right to pursue or assert the claim or breach under the Definitive Documents upon which the claim under this Guarantee is based, shall impair any such right or be construed as a waiver thereof, or acquiescence therein, nor shall any single or partial exercise of any right preclude other or further exercise of any right that may exist or that may thereafter exist.

13. GOVERNING LAW. This Guarantee is governed by the substantive provisions (that is, without regard for the rules for conflict of laws) of the law of the Commonwealth of Kentucky.

14. JURISDICTION AND VENUE. Any legal action or proceeding with respect to this Guarantee may be brought in the United States District Court for the Western District of Kentucky, and, by execution and delivery of this Agreement, Big Rivers and E.ON U.S. consent to the nonexclusive jurisdiction of that court. Each of the Parties waives any objection, including any objection to venue or based upon forum non conveniens, which it may now or hereafter have to the bringing of any action or proceeding in such jurisdiction.

15. NOTICE. All notices, payments and other communications to either Party under this Guarantee must be in writing and shall be addressed respectively as follows:

If to Big Rivers:

Big Rivers Electric Corporation
201 Third Street
P.O. Box 24
Henderson, Kentucky 42419
Telephone: (502) 827-2561
Facsimile: (502) 827-2558
Attention: Michael Core
David Spainhoward

With a copy to:

Sullivan, Mountjoy, Stainback & Miller, PSC
100 St. Ann Building
P.O. Box 727
Owensboro, Kentucky 42302-0727
Attention: James M. Miller, Esq.
Telephone: (502) 926-4000
Facsimile: (502) 683-6694

If to E.ON U.S.:

E.ON U.S. LLC
220 West Main Street

P.O. Box 32030
Louisville, Kentucky 40232
Attention: John R. McCall, Esq., Executive Vice
President, General Counsel and Corporate Secretary
Telephone: (502) 637-3665
Facsimile: (502) 627-2585

With a copy to:

Greenebaum Doll & McDonald PLLC
3500 National City Tower
101 South Fifth Street
Louisville, Kentucky 40202
Attention: Patrick R. Northam, Esq.
Telephone: (502) 589-4200
Facsimile: (502) 587-3695

Each Party may change its address from time to time by notice given to the other Party in the manner set forth above. All notices shall be given (i) by personal delivery to the Party (including overnight delivery if receipt by such party is confirmed), (ii) certified or registered mail, return receipt requested, or (iii) by confirmed electronic communication if followed on the same date by registered or certified mail, return receipt requested. All notices shall be effective and shall be deemed delivered (a) if by personal delivery, on the date of delivery, or (b) if by certified or registered mail, on the date delivered by the United States Postal Service as shown on the receipt or (c) if by electronic communication, on the date the confirmation is delivered to the United States Postal Service, as shown on the receipt.

16. ASSIGNMENT. This Guarantee may not be assigned by E.ON U.S. Big Rivers may assign its interest in this Guarantee to any person who is a permitted assignee pursuant to and in the manner required by Section 18.3 of the Termination Agreement. Upon any transfer or assignment by any WKE Party of its rights and obligations under the Definitive Documents, in accordance with Section 18.3 of the Termination Agreement, this Guarantee shall continue in full force and effect. Notwithstanding anything in this Guarantee or any other Definitive Document to the contrary, and except to the extent Big Rivers has released E.ON U.S. from such liabilities and obligations, following any permitted transfer or assignment by a WKE Party pursuant to Section 18.3 of the Termination Agreement, this Guarantee shall continue in full force and effect and apply to the liabilities and obligations of the assignee assumed from that WKE Party, regardless of whether such transfer or assignment effected a release by Big Rivers of the applicable WKE Party. For purposes of the preceding sentence, "assignee" shall include any successor (pursuant to a merger, consolidation or otherwise) or transferee of a WKE Party.

17. EXPIRATION; TERMINATION.

(a) Notwithstanding anything contained in this Guarantee or in any other Definitive Document to the contrary, this Guarantee shall immediately expire and become null and void and of no further force or effect whatsoever, and E.ON U.S. shall be fully released and discharged of and from any further obligation or liability to Big Rivers hereunder, without notice

or further action on the part of any Party: (a) on the fifth (5th) anniversary of the date of this Guarantee, in the event the “Closing” contemplated in the Termination Agreement shall not have occurred on or before that anniversary date; or (b) in the event the Closing contemplated in the Termination Agreement shall have occurred, on the twelfth (12th) anniversary of the “Unwind Closing Date” contemplated in the Termination Agreement (the relevant anniversary date contemplated in (a) or (b) above being referred to in this Guarantee as the “Expiration Date”); provided, however, that in the event, prior to the Expiration Date, both (i) a WKE Party shall fail to perform when due any obligation to Big Rivers guaranteed by this Guarantee and (ii) Big Rivers shall assert a claim in writing with respect to that failure to perform in accordance with this Guarantee, demanding the performance of that obligation by E.ON U.S. pursuant to this Guarantee, then that claim on the part of Big Rivers shall survive the Expiration Date and shall continue to be binding on E.ON U.S. in accordance with the terms of this Guarantee until satisfied or discharged in full by or on behalf of E.ON U.S. or the relevant WKE Party.

(b) In addition to the provisions of Subsection (a) above, this Guarantee shall terminate and become null and void and of no further force or effect whatsoever upon the later to occur of: (a) the expiration of the statute of limitations or other agreed (in a Definitive Document) period pursuant to or during which Big Rivers may pursue a claim or action against E.ON U.S. or any WKE Party (or any permitted assignee of a WKE Party) under this Guarantee and each Definitive Document; or (b) if a claim shall have been made or action shall have been taken against E.ON U.S. under this Guarantee or against any WKE Party (or any permitted assignee of a WKE Party) under any Definitive Document within the applicable statute of limitations and, as applicable, within the relevant period permitted by such Definitive Document, then the date upon which the final, unappealable resolution of all such claims and actions occurs and E.ON U.S.’s obligations under this Guarantee with respect to such claims have been fulfilled.

(c) Notwithstanding anything contained in this Guarantee or any Definitive Document to the contrary, neither E.ON U.S. nor any of the WKE Parties shall at any time be entitled to terminate, cancel or otherwise nullify this Guarantee or the payment or performance obligations of E.ON U.S. hereunder by reason of any breach or default by Big Rivers under any of the Definitive Documents, or by reason of the expiration or termination of any of the Definitive Documents (other than this Guarantee) for any reason, to the extent that any of the WKE Parties have any continuing obligations or liabilities to Big Rivers under those Definitive Documents (including where any other Definitive Document expressly provides E.ON U.S. or any of the WKE Parties with the right to terminate all or any portion of the Definitive Documents under the circumstances described therein, but one or more obligations or liabilities of a WKE Party to Big Rivers under such Definitive Document(s) survive that termination).

18. MISCELLANEOUS. This Guarantee will bind and inure to the benefit of E.ON U.S. and Big Rivers and their respective successors and permitted assigns. This Guarantee may be signed in one or more counterparts.

19. INTEGRATION. This writing constitutes the entire agreement of the Parties with respect to the subject matter hereof, and supersedes any and all prior or contemporaneous agreements or understandings with respect to the subject matter hereof, whether oral or written.

WITNESS the signatures of the undersigned as of the date first written above.

BIG RIVERS ELECTRIC CORPORATION

E.ON U.S. LLC

By: _____

By: _____

Its: _____

Paul W. Thompson
Senior Vice President

EXHIBIT A

TERMINATION AGREEMENT “EXHIBIT S”

DEFINITIVE DOCUMENTS

1. Termination Agreement
2. Termination and Release
3. E.ON Guaranty
4. Inventory Bill of Sale
5. Personal Property Bill of Sale
6. Assignment and Assumption of Contracts
7. Intercreditor Agreement
8. Deed of Real Property (Central Lab parcel)
9. Deed of Real Property (Hancock County parcel)
10. Assignment of Owned Intellectual Property
11. License of Owned Intellectual Property
12. Information Technology Support Services Agreement
13. Assignment and Assumption of Permits
14. Conveyance of Allowances
15. Alcan Termination and Release
16. Century Termination and Release
17. Creditor Termination and Release
18. Station Two Termination and Release
19. Texas Gas Termination and Release
20. Transmission Agreement
21. Generation Dispatch Support Services Agreement

22. Assignment of Unemployment Reserve
23. Any Contract Counterparty Consents or other agreed forms of Assigned Contract Counterparty acknowledgments, releases and discharges that may be entered into as contemplated in Section 5.2.
24. The Assigned Contract Indemnity if any.
25. The letter agreement dated November 1, 2004, as amended, between Big Rivers and WKEC (as successor to WKE), and the related guaranty of even date therewith, as amended, from E.ON to and in favor of Big Rivers.
26. The letter agreement dated February 9, 2007, among Big Rivers, E.ON, Alcan Primary Products Corporation and Century Aluminum of Kentucky General Partnership, regarding the funding of certain consent fees.
27. The letter agreement dated February 9, 2007, among Big Rivers, E.ON, Alcan Primary Products Corporation and Century Aluminum of Kentucky General Partnership, regarding the funding of certain transaction costs.
28. The certificate of the Responsible Officer of Big Rivers contemplated in Section 10.2(a), and the certificate of the Responsible Officer of Big Rivers contemplated in Section 10.2(c).
29. The written acknowledgment regarding the Termination Payment contemplated in Section 10.2(z), and the written acknowledgment regarding the True-Up Payments contemplated in Section 10.2(aa).
30. The acknowledgment of Big Rivers contemplated in Section 10.2(hh).
31. The release and discharge contemplated in Section 10.2(ii) unless such release and discharge is accomplished pursuant to the agreements referred to in items 17 and 18 above.
32. The certificate of the Responsible Officer of each of the WKE Parties contemplated in Section 10.3(a), and the certificate of the Responsible Officer of the WKE Parties and E.ON contemplated in Section 10.3(c).
33. The Confidentiality Agreement dated April 26, 2004, as amended, between or among certain of the Parties and/or E.ON.
34. The written waiver of certain Member Cooperatives contemplated in Section 3.2(o).
35. All documents of conveyance, assignment and transfer as shall be required to transfer to Big Rivers at the Closing all of WKEC's rights, title and interests in and to all tow boats and other motorized vessels owned by

WKEC (but excluding the “Barges” (as defined in Section 15 of the Third Amendment to Transaction Termination Agreement)), including without limitation, any such documents as are required to be filed with the United States Coast Guard to effect that conveyance, assignment and transfer;

36. The Closing Memorandum among Big Rivers, WKEC, LEM and E.ON to be entered into as of the Closing and to be dated as of the Unwind Closing Date, evidencing certain agreements of the Parties with respect to the Closing or certain transactions relating to the Closing;
37. The letter agreement dated April 14, 2008, among the Parties, and relating to the capacity testing of the Generating Plants contemplated in Subsection 10.2(ee) of the Termination Agreement;
38. The First Amendment to Transaction Termination Agreement dated November 1, 2007, among the Parties, together with the related letter agreement among the Parties dated December 4, 2008;
39. The Second Amendment to Transaction Termination Agreement among the Parties dated June 19, 2008;
40. The Third Amendment to Transaction Termination Agreement among the Parties dated November 3, 2008;
41. The letter agreement dated April 17, 2008, among the Parties, setting the Scheduled Unwind Closing Date;
42. The letter agreement among Big Rivers, Alcan Primary Products Corporation, Century Aluminum of Kentucky General Partnership and E.ON, dated June 24, 2008, relating to the buy-out of Bank of America’s defeased lease position by Big Rivers;
43. The letter agreement between Big Rivers and E.ON, dated June 24, 2008, relating to the buy-out of Bank of America’s defeased lease position by Big Rivers;
44. The sublease to Big Rivers of the space leased by WKEC in the Soaper Building located in downtown Henderson, Kentucky;
45. The letter agreement between Big Rivers and E.ON, dated September 26, 2008, relating to the treatment of certain costs associated with the buy-out of Philip Morris Capital Corporation’s defeased lease position by Big Rivers; and
46. Any and all amendments to any of the other agreements or instruments identified in this Exhibit S that have been or may hereafter be

implemented by the written agreement of the parties to such agreements or instruments.

* * * * *

LOU: 3400789-2

AMENDED AND RESTATED GUARANTEE

This Amended and Restated Guarantee (this "Guarantee") is made and entered into as of this 26th day of March, 2007, 2009, between (i) **E.ON U.S. LLC**, a Kentucky limited liability company ("E.ON U.S."), and (ii) **Big Rivers Electric Corporation**, a Kentucky rural electric cooperative ("Big Rivers") (collectively, the "Parties").

RECITALS:

A. Reference is made to that certain Transaction Termination Agreement ~~of even date herewith~~ dated as of March 26, 2007, as amended (the "Termination Agreement"), among Big Rivers, Western Kentucky Energy Corp., a Kentucky corporation ("WKEC"), and LG&E Energy Marketing Inc., an Oklahoma corporation ("LEM", and together with WKEC, the "WKE Parties"), pursuant to which, among other transactions, Big Rivers and the WKE Parties have agreed to terminate and release certain agreements between or among them and to extinguish certain property interests vested in one or more of them, in each case upon the terms and subject to the conditions set forth in the Termination Agreement and, upon the "Closing" (as defined in the Termination Agreement), in the other agreements and instruments set forth or identified on Exhibit S attached to the Termination Agreement (the Termination Agreement, and such other agreements and instruments set forth or identified on Exhibit S to the Termination Agreement, being collectively referred to in this Guarantee as the "Definitive Documents"). For ease of reference, Exhibit S to the Termination Agreement has been attached to this Guarantee as Exhibit A, and is incorporated herein by reference and made a part hereof.

B. Reference is also made to that certain Guarantee dated as of March 26, 2007, between E.ON U.S. and Big Rivers (the "Original Guarantee"), pursuant to which, among other transactions, E.ON U.S. guaranteed to Big Rivers the due and punctual payment, performance and discharge by the WKE Parties of their respective debts, obligations and liabilities under or pursuant to the Definitive Documents, upon the terms and subject to the conditions set forth therein.

C. E.ON U.S. owns, directly or indirectly, all of the voting stock of each WKE Party, and will derive substantial benefits from the transactions contemplated by the Termination Agreement, which benefits are hereby acknowledged by E.ON U.S.

~~C. This Guarantee is being executed and delivered by E.ON U.S. as a material inducement for the execution and delivery of the Termination Agreement by Big Rivers, and was a condition precedent to the execution and delivery of the Termination Agreement by Big Rivers. This Guarantee constitutes the "E.ON Guaranty" referred to in Section 14.6 of the Termination Agreement.~~

D. The Parties now desire by this Guarantee to amend, restate and replace the Original Guarantee in its entirety.

DE. Terms defined in the Definitive Documents and used (but not defined) in this Guarantee shall be deemed to have the meaning in this Guarantee assigned to them in the Definitive Documents. The rules of construction set forth in Exhibit A to the Termination Agreement shall apply to this Guarantee.

AGREEMENT:

NOW, THEREFORE, the Parties, for valuable consideration, hereby agree to amend, restate and replace the Original Guarantee as follows, and hereby agree as follows:

1. GUARANTEE. Subject to the limitations expressly provided for in this Guarantee, effective from and after the date of the Original Guarantee (the "Original Guarantee Date"), E.ON U.S. hereby unconditionally guarantees to and for the benefit of Big Rivers, its successors and permitted assigns, the due and punctual payment, performance and discharge by each WKE Party of its respective present and future obligations to Big Rivers arising under the Termination Agreement and, upon their execution and delivery by the parties thereto, to Big Rivers arising under the other Definitive Documents to which that WKE Party may become a signatory, from and after the respective effective dates of those Definitive Documents, but subject to all of the terms and conditions of the Termination Agreement and those other Definitive Documents as so executed and delivered. By way of example and not of limitation, any WKE Party's action in withholding payments owed to Big Rivers under any of the Definitive Documents, based on a WKE Party's exercise of a set-off, dispute resolution, cure or any other right under any of the Definitive Documents, shall not constitute an instance of a failure to perform that WKE Parties' obligations for the purposes of this Guarantee. E.ON U.S. agrees that if any of the WKE Parties shall fail to perform when due any of its obligations to Big Rivers under any of the Definitive Documents, E.ON U.S. will perform, or will cause to be performed, such obligations forthwith. The provisions of this Guarantee shall extend to and be applicable to all renewals, replacements, amendments, extensions, consolidations and modifications of any Definitive Document, and any and all references herein to the Definitive Documents or any of them shall be deemed to include any such renewals, replacements, amendments, extensions, consolidations and modifications thereof and supplements thereto, in each case without consent by E.ON U.S. (unless such consent is required to be obtained by the terms of the applicable Definitive Document). This is an unconditional, irrevocable and continuing guarantee in accordance with (and subject to) the terms hereof and, subject to the provisions of Section 17 of this Guarantee, shall remain in full force and effect and be binding upon E.ON U.S. and its successors until all of the present and future obligations to Big Rivers, its successors or assigns, guaranteed hereunder have been satisfied in full, including via termination, expiration, waiver or release.

2. EFFECTIVE DATE; APPLICATION TO FUTURE DOCUMENTS. The Parties agree that this Guarantee shall be effective and enforceable from and after the ~~date first written above~~ Original Guarantee Date, and shall become applicable to each Definitive Document as and when such Definitive Document shall have been fully executed and delivered by each intended signatory thereto (whether contemporaneous with or following the execution and delivery of this Guarantee), but not before, in each case without notice or further action on the part of any Party.

3. WAIVERS.

(a) E.ON U.S. expressly waives the acceptance of this Guarantee by Big Rivers, protest, notice of protest and notice of dishonor or nonpayment of any instrument evidencing any indebtedness of any of the WKE Parties (except in those instances in which there exists a bona fide right of set off or dispute as to the liability or obligation of performance for the applicable WKE Party under the provisions of any Definitive Document), any right to require the pursuit of

any remedies against any of the WKE Parties, including commencement of suit, before enforcing this Guarantee, any right to have any security or the right of set off applied before enforcing this Guarantee, all diligence in collection and enforcement, and any failure or delay by Big Rivers in the protection or exercise of Big Rivers' rights as against any of the WKE Parties, in each case other than (i) the expiration of any applicable statute of limitations, (ii) the expiration of the right of Big Rivers to seek or compel performance from the applicable WKE Party, or (iii) as described or contemplated in the limitations provisions of Section 9 of this Guarantee (but in each such case (i), (ii) or (iii), subject to Section 5 of this Guaranty). Before enforcing this Guarantee against E.ON U.S. (by reason of a default on the part of a WKE Party under any of the Definitive Documents) at any time after E.ON U.S. has given notice hereunder to Big Rivers that E.ON U.S. no longer owns (directly or indirectly) at least a majority of the issued and outstanding capital stock of that WKE Party, Big Rivers shall give E.ON U.S. written notice of such default, and shall initiate the giving of such notice to E.ON U.S. at the same time and in the same manner as notice of the default is provided to that WKE Party. E.ON U.S. shall be permitted to cure any default by a WKE Party within the time permitted by the applicable Definitive Document, which cure period for E.ON U.S. shall run concurrently with the cure period set forth in the applicable Definitive Document.

(b) Other than as set forth in Section 3(a) above, E.ON U.S. hereby waives and agrees not to assert or to take advantage of any defense based upon: (i) any incapacity or lack of authority of E.ON U.S. or any incapacity, lack of authority, death or disability of any other person or entity (other than Big Rivers); (ii) any lack of notice to which E.ON U.S. might be entitled other than pursuant to this Guarantee; (iii) the inaccuracy of any representation by any of the WKE Parties contained in any of the Definitive Documents; (iv) any assertion or claim that the automatic stay provided by 11 U.S.C. § 362 (arising upon the voluntary or involuntary bankruptcy proceeding of any of the WKE Parties) or any other stay provided under any other debtor relief law (whether statutory, common law, case law or otherwise) of any jurisdiction whatsoever, now or hereafter in effect, which may be or become applicable, shall operate or be interpreted to stay, interdict, condition, reduce or inhibit the ability of Big Rivers to enforce any rights, whether now existing or hereafter acquired, which Big Rivers may have against E.ON U.S.; or (v) any action, occurrence, event or matter consented to by E.ON U.S. under Section 4 hereof, under any other provision hereof, or otherwise.

4. CONSENTS.

(a) E.ON U.S. consents and agrees that renewals and extensions of time of any obligation, surrender, release, exchange, substitution, dealing with or taking of collateral, modifying any obligations of, taking or release of other guarantors, abstaining from taking advantage of or realizing upon any collateral security or other guarantee and any and all other forbearances or indulgences granted by Big Rivers to any of the WKE Parties may be made, granted or effected by Big Rivers without notice to E.ON U.S. and without affecting in any manner E.ON U.S.'s liability hereunder.

(b) Other than as set forth in Section 3(a) above, the liability of E.ON U.S. under this Guarantee shall be direct and immediate and not conditional or contingent upon the pursuit of any remedies against any of the WKE Parties. In the event that, on account of the Bankruptcy Reform Act of 1978, as amended, or any other debtor relief law (whether statutory,

common law, case law or otherwise) of any jurisdiction whatsoever, now or hereafter in effect, which may be or become applicable, any of the WKE Parties shall be relieved of or fail to incur any debt, obligation or liability as provided in the Definitive Documents, E.ON U.S. shall nevertheless be fully liable therefore in accordance with the terms of those Definitive Documents.

5. INSOLVENCY PROCEEDINGS. In the event that any of the WKE Parties becomes the subject of any insolvency proceedings, including bankruptcy, reorganization and receivership, this Guarantee specifically includes any amount paid to Big Rivers pursuant to a Definitive Document which Big Rivers may be required to repay on account of an avoided transfer or preference. Regardless of the performance of the obligations hereby guaranteed, the liability of E.ON U.S. to Big Rivers will continue until 30 days after the expiration of the longest of any potentially applicable federal or state statute of limitation relating to preferences or fraudulent transfers with respect to any Definitive Document, subject to Section 17 below. Big Rivers shall not be obligated to file any claim against any of the WKE Parties relating to the obligations hereby guaranteed in the event that any of the WKE Parties becomes subject to such insolvency proceedings, and the failure of Big Rivers so to file shall not affect E.ON U.S.'s obligations hereunder.

6. SUBORDINATION OF CLAIMS. E.ON U.S. subordinates E.ON U.S.'s claims against any of the WKE Parties (including any rights of subrogation and the rights to payment, collection, or enforcement of any present or future debt, liability or obligation of any of the WKE Parties to E.ON U.S.) to any claims of Big Rivers against any WKE Party. E.ON will not exercise any right it may have by way of subrogation until all obligations then due and owing to Big Rivers under the Termination Agreement and any other Definitive Document have been paid or performed in full.

7. E.ON U.S. COVENANTS.

(a) Throughout the term of this Guarantee, E.ON U.S. shall preserve and maintain in full force and effect all rights, privileges and franchises necessary for the fulfillment of its obligations under this Guarantee, and E.ON U.S. shall not liquidate, wind up or dissolve itself, or suffer any liquidation or dissolution.

(b) E.ON U.S. agrees that if, during the term of this Guarantee: (i) E.ON U.S. is in default under any loan agreement or instrument entered into in connection with or evidencing any E.ON U.S. debt in an aggregate principal amount of \$50 million or more ("Material Debt") and such default enables the holder of such Material Debt or any person acting on such holder's behalf to accelerate the maturity thereof and (x) such Material Debt is accelerated as a result of such default or (y) 60 days shall have elapsed during which such default shall have continued unremedied and unwaived; or (ii) the Tangible Net Worth of E.ON U.S. on a consolidated basis shall be less than five hundred million dollars (\$500,000,000.00) (as demonstrated by the audited and unaudited financial statements delivered to Big Rivers pursuant to Section 7(c) hereof), E.ON U.S. shall within three Business Days after the occurrence of such event notify Big Rivers thereof in writing and, if thereafter requested in writing by Big Rivers, E.ON U.S. shall, within 60 days of receipt of Big Rivers' request, provide collateral to Big Rivers

with respect to its obligations under this Guarantee, in the form of cash or an irrevocable letter of credit (in form satisfactory to Big Rivers) from a banking institution with a rating of at least A and capital and surplus of at least \$500 million, in the amount of \$60 million. For purposes of this Section 7(b), the Tangible Net Worth of E.ON U.S. shall be, as of any date of determination, on a consolidated basis, the aggregate of Members' Equity, minus any Intangible Assets and any indebtedness due from members, employees or Affiliates (other than Affiliates that are subsidiaries of E.ON U.S. whose financial results are consolidated in the financial statements of E.ON U.S.). Members' Equity shall mean as of any date of determination, the consolidated members' equity of E.ON U.S. as of that date, determined in accordance with GAAP; provided that there shall be excluded from Members' Equity any amount attributable to Disqualified Equity. Disqualified Equity means any equity interests, warrants, options or other rights to acquire equity ownership which, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or is redeemable at the option of the holder thereof, in whole or in part. Intangible Assets means assets that are considered intangible assets under GAAP, including customer lists, goodwill, covenants not to compete, copyrights, trade names, trademarks and patents. Big Rivers shall release any collateral, if provided as a result of an event specified in clause (i) above, promptly after delivery to Big Rivers of evidence that such default is no longer continuing and, if provided as a result of an event specified in clause (ii) above, promptly after delivery to Big Rivers of audited financial statements of E.ON U.S. indicating that E.ON U.S.'s consolidated Tangible Net Worth equals at least five hundred million dollars \$(500,000,000.00).

(c) So long as this Guarantee remains in effect, E.ON U.S. will deliver to Big Rivers copies of (i) its unaudited financial statements for each of the first three fiscal quarters of each fiscal year within 65 days of the end of each such fiscal quarter, (ii) its audited financial statements, excluding footnotes for audited financial statements delivered prior to Closing, for each fiscal year within 125 days of the end of each fiscal year and (iii) all loan agreements and other documents or instruments relating to any Material Debt within 30 days of execution thereof by E.ON U.S.

8. REPRESENTATIONS AND WARRANTIES. E.ON U.S. represents and warrants to Big Rivers that:

8.1 E.ON U.S. is a limited liability company duly organized and existing under the laws of the Commonwealth of Kentucky. The execution, delivery and performance of this Guarantee by E.ON U.S. have been duly authorized by all necessary action.

8.2 This Guarantee is executed at the request of each of the WKE Parties.

8.3 E.ON U.S. has established adequate means of obtaining from each of the WKE Parties, on a continuing basis, financial and other information pertaining to their affairs or business, and E.ON U.S. is and will be familiar with the affairs, business, operation and condition of each of the WKE Parties and their assets. E.ON U.S. hereby waives any duty on the part of Big Rivers to disclose to E.ON U.S. any matter relating to the affairs, business, operation or condition of any of the WKE Parties and their assets now known or hereafter known to Big

Rivers during the life of this Guarantee (other than the notice of default from Big Rivers contemplated in Section 3(a) above).

8.4 This Guarantee has been duly authorized, executed and delivered by E.ON U.S. and constitutes a legal, valid and binding obligation of E.ON U.S., enforceable against E.ON U.S. in accordance with the terms hereof, except as enforceability may be limited by bankruptcy, insolvency, reorganization, arrangement, moratorium of E.ON U.S. or other laws relating to or affecting the rights of creditors generally and by general principles of equity.

8.5 Neither the signing or delivery of, nor the performance by E.ON U.S. of E.ON U.S.'s obligations under, this Guarantee is prohibited by, or will result in a fine, penalty, or similar sanction under, any applicable statutory law, regulation, or court or administrative order, will violate any of E.ON U.S.'s organizational documents, or will breach, or constitute an event of default under, any agreement, instrument, mortgage, indenture, or other contract to which E.ON U.S. is a party or by which it or its property is bound.

8.6 On the date hereof, there is no litigation, claim, action or proceeding pending or threatened against E.ON U.S. which would materially and adversely affect the ability of E.ON U.S. to perform its obligations hereunder.

8.7 E.ON U.S. has delivered to Big Rivers copies of E.ON U.S.'s audited balance sheet as of December 31, 2005 (without footnotes) and the related audited statements of income, retained earnings and cash flows for the year then ended (the "Audited Financial Statements"),² and (b) E.ON U.S.'s unaudited balance sheet as of September 30, 2006, and the related unaudited statement of income for the three-month period then ended (the "Interim Financial Statements", and together with the Audited Financial Statements, the "Financial Statements"). The Financial Statements present fairly in all material respects the financial position of E.ON U.S. as of the dates thereof and the related results of its operations for the period then ended. The Audited Financial Statements have been prepared, and the audited financial statements delivered pursuant to Section 7(c) will be prepared, in accordance with generally accepted accounting principles ("GAAP") and the Interim Financial Statements have been prepared, and the interim unaudited financial statements delivered pursuant to Section 7(c) will be prepared, in accordance with GAAP for interim statements, applied on a basis consistent with prior periods except as disclosed therein. All adjustments, consisting of normal, recurring accruals necessary for a fair presentation, have been made in the Interim Financial Statements. Since September 30, 2006, to the date hereof, there has been no change in the business, financial position, results of operations or prospects of E.ON U.S. which would materially and adversely affect the ability of E.ON U.S. to perform its obligations hereunder.

8.8 All consents, licenses, clearances, authorizations and approvals of, and registrations and declarations with, any governmental authority or regulatory body necessary for the due execution, delivery and performance of this Guarantee by E.ON U.S. have been obtained and remain in full force and effect and all conditions thereof have been duly complied with, and no other action by, and no notice to or filing with, any governmental authority or regulatory body is required in connection with the execution, delivery or performance of this Guarantee by E.ON U.S. There are no conditions to the effectiveness of this Guarantee that have not been satisfied or waived.

9. DEFAULT; LIMITATIONS ON REMEDIES. In the event that (i) any representation or warranty made by E.ON U.S. in this Guarantee shall prove to be incorrect in any material respect when made or (ii) E.ON U.S. shall fail to observe or perform any covenant contained in this Guarantee in any material respect (each, a “Default”), which Default is not cured within 15 days following receipt by E.ON U.S. of written notice of Default from Big Rivers (provided, that there shall be no cure period with respect to any Default described in (i) above, and further provided, no further written notice of Default shall be required where written notice has previously been given to E.ON U.S. in accordance with Section 3(a)), Big Rivers shall be entitled (a) to seek to collect from E.ON U.S. the damages resulting to Big Rivers from such default and (b) to pursue any or all other rights and remedies available to it at law or in equity. NOTWITHSTANDING THE PRECEDING SENTENCE OR ANY OTHER PROVISION OF THIS GUARANTEE TO THE CONTRARY, AND EXCEPT TO THE EXTENT SUCH DAMAGES ARE EXPRESSLY PERMITTED TO BE RECOVERED BY BIG RIVERS FROM ANY WKE PARTY BY THE TERMS OF A DEFINITIVE DOCUMENT, BIG RIVERS SHALL NOT AT ANY TIME BE ENTITLED TO RECOVER FROM E.ON U.S. ANY INCIDENTAL, CONSEQUENTIAL, PUNITIVE, EXEMPLARY OR SPECIAL DAMAGES OR OTHER SIMILAR RELIEF (INCLUDING LOST PROFITS OR LOST BUSINESS OPPORTUNITY). IN ADDITION TO THE LIMITATIONS PROVIDED IN THE PRECEDING SENTENCE, THE RIGHT OR ENTITLEMENT OF BIG RIVERS TO SEEK RECOVERY OF DAMAGES OR OTHER RELIEF FROM E.ON U.S. PURSUANT TO THIS GUARANTEE SHALL BE SUBJECT TO ANY AND ALL LIMITATIONS AND EXCLUSIONS ON SUCH RECOVERY OR RECOVERIES AS MAY BE APPLICABLE TO BIG RIVERS’ RIGHT OR ENTITLEMENT TO RECOVER FROM THE RELEVANT WKE PARTY OR PARTIES PURSUANT TO THE RELEVANT DEFINITIVE DOCUMENT(S), INCLUDING ANY LIMITATIONS THAT MAY BAR BIG RIVERS’ CLAIM OR RECOVERY BY REASON OF THE PASSAGE OF TIME. BY WAY OF EXAMPLE AND NOT OF LIMITATION, THE LIMITATION ON BIG RIVERS’ RIGHTS OF RECOVERY OF DAMAGES AND/OR OTHER RELIEF PROVIDED FOR IN SUBSECTION 16.4(b) OF THE TERMINATION AGREEMENT SHALL APPLY WITH EQUAL EFFECT TO LIMIT BIG RIVERS’ RIGHTS OF RECOVERY FROM E.ON U.S. PURSUANT TO THIS GUARANTEE, AND ANY DAMAGES OR OTHER AMOUNTS SO RECOVERED BY BIG RIVERS FROM ANY WKE PARTY, ON THE ONE HAND, OR E.ON U.S., ON THE OTHER HAND, SHALL BE COMBINED FOR PURPOSES OF DETERMINING WHETHER THE LIMITATION CONTEMPLATED IN THAT SUBSECTION 16.4(b) HAS BEEN REACHED.

10. COSTS. The prevailing Party in the trial or appeal of any civil action, insolvency proceeding, or arbitration proceeding to construe or enforce this Guarantee or to defend any claims, offsets, defenses, counterclaims, and third party claims that are asserted under contract, tort, or other common law theories will be entitled to recover reasonable attorney fees in addition to costs and disbursements, and such fees, costs, and disbursements will bear interest at a rate equal to the “Default Rate” (as hereinafter defined) from the date when reimbursement is requested in writing until the date when such reimbursement is made. As used in this Guarantee, “Default Rate” shall mean the lesser of (a) 125% of the time-weighted average prime rate of interest as reported from time-to-time in the “Money Rate” section of *The Wall Street Journal* as of the date payment was due, or (ii) the maximum rate allowed by law.

11. AMENDMENT. This Guarantee shall not be suspended, amended, released, terminated or modified in any manner except by an instrument in writing signed by E.ON U.S. and Big Rivers.

12. WAIVER OF DEFAULT. No waiver by Big Rivers of any default of any provision of this Guarantee shall be deemed a waiver of any other pre-existing or subsequently existing default, nor shall any such waiver be deemed a continuing waiver. No delay or omission by Big Rivers in exercising any right hereunder, at law or in equity, or otherwise, except such delay as would, by the passage of time cause a claim to be barred by an applicable statute of limitations or by the expiration or termination of the right to pursue or assert the claim or breach under the Definitive Documents upon which the claim under this Guarantee is based, shall impair any such right or be construed as a waiver thereof, or acquiescence therein, nor shall any single or partial exercise of any right preclude other or further exercise of any right that may exist or that may thereafter exist.

13. GOVERNING LAW. This Guarantee is governed by the substantive provisions (that is, without regard for the rules for conflict of laws) of the law of the Commonwealth of Kentucky.

14. JURISDICTION AND VENUE. Any legal action or proceeding with respect to this Guarantee may be brought in the United States District Court for the Western District of Kentucky, and, by execution and delivery of this Agreement, Big Rivers and E.ON U.S. consent to the nonexclusive jurisdiction of that court. Each of the Parties waives any objection, including any objection to venue or based upon forum non conveniens, which it may now or hereafter have to the bringing of any action or proceeding in such jurisdiction.

15. NOTICE. All notices, payments and other communications to either Party under this Guarantee must be in writing and shall be addressed respectively as follows:

If to Big Rivers:

Big Rivers Electric Corporation
201 Third Street
P.O. Box 24
Henderson, Kentucky 42419
Telephone: (502) 827-2561
Facsimile: (502) 827-2558
Attention: Michael Core
David Spainhoward

With a copy to:

Sullivan, Mountjoy, Stainback & Miller, PSC
100 St. Ann Building
P.O. Box 727
Owensboro, Kentucky 42302-0727
Attention: James M. Miller, Esq.
Telephone: (502) 926-4000

Facsimile: (502) 683-6694

If to E.ON U.S.:

E.ON U.S. LLC
220 West Main Street
P.O. Box 32030
Louisville, Kentucky 40232
Attention: John R. McCall, Esq., Executive Vice
President, General Counsel and Corporate Secretary
Telephone: (502) 637-3665
Facsimile: (502) 627-2585

With a copy to:

Greenebaum Doll & McDonald PLLC
3500 National City Tower
101 South Fifth Street
Louisville, Kentucky 40202
Attention: Patrick R. Northam, Esq.
Telephone: (502) 589-4200
Facsimile: (502) 587-3695

Each Party may change its address from time to time by notice given to the other Party in the manner set forth above. All notices shall be given (i) by personal delivery to the Party (including overnight delivery if receipt by such party is confirmed), (ii) certified or registered mail, return receipt requested, or (iii) by confirmed electronic communication if followed on the same date by registered or certified mail, return receipt requested. All notices shall be effective and shall be deemed delivered (a) if by personal delivery, on the date of delivery, or (b) if by certified or registered mail, on the date delivered by the United States Postal Service as shown on the receipt or (c) if by electronic communication, on the date the confirmation is delivered to the United States Postal Service, as shown on the receipt.

16. ASSIGNMENT. This Guarantee may not be assigned by E.ON U.S. Big Rivers may assign its interest in this Guarantee to any person who is a permitted assignee pursuant to and in the manner required by Section 18.3 of the Termination Agreement. Upon any transfer or assignment by any WKE Party of its rights and obligations under the Definitive Documents, in accordance with Section 18.3 of the Termination Agreement, this Guarantee shall continue in full force and effect. Notwithstanding anything in this Guarantee or any other Definitive Document to the contrary, and except to the extent Big Rivers has released E.ON U.S. from such liabilities and obligations, following any permitted transfer or assignment by a WKE Party pursuant to Section 18.3 of the Termination Agreement, this Guarantee shall continue in full force and effect and apply to the liabilities and obligations of the assignee assumed from that WKE Party, regardless of whether such transfer or assignment effected a release by Big Rivers of the applicable WKE Party. For purposes of the preceding sentence, "assignee" shall include any successor (pursuant to a merger, consolidation or otherwise) or transferee of a WKE Party.

17. EXPIRATION; TERMINATION.

(a) Notwithstanding anything contained in this Guarantee or in any other Definitive Document to the contrary, this Guarantee shall immediately expire and become null and void and of no further force or effect whatsoever, and E.ON U.S. shall be fully released and discharged of and from any further obligation or liability to Big Rivers hereunder, without notice or further action on the part of any Party: (a) on the fifth (5th) anniversary of the date of this Guarantee, in the event the “Closing” contemplated in the Termination Agreement shall not have occurred on or before that anniversary date; or (b) in the event the Closing contemplated in the Termination Agreement shall have occurred, on the twelfth (12th) anniversary of the “Unwind Closing Date” contemplated in the Termination Agreement (the relevant anniversary date contemplated in (a) or (b) above being referred to in this Guarantee as the “Expiration Date”); provided, however, that in the event, prior to the Expiration Date, both (i) a WKE Party shall fail to perform when due any obligation to Big Rivers guaranteed by this Guarantee and (ii) Big Rivers shall assert a claim in writing with respect to that failure to perform in accordance with this Guarantee, demanding the performance of that obligation by E.ON U.S. pursuant to this Guarantee, then that claim on the part of Big Rivers shall survive the Expiration Date and shall continue to be binding on E.ON U.S. in accordance with the terms of this Guarantee until satisfied or discharged in full by or on behalf of E.ON U.S. or the relevant WKE Party.

(b) In addition to the provisions of Subsection (a) above, this Guarantee shall terminate and become null and void and of no further force or effect whatsoever upon the later to occur of: (a) the expiration of the statute of limitations or other agreed (in a Definitive Document) period pursuant to or during which Big Rivers may pursue a claim or action against E.ON U.S. or any WKE Party (or any permitted assignee of a WKE Party) under this Guarantee and each Definitive Document; or (b) if a claim shall have been made or action shall have been taken against E.ON U.S. under this Guarantee or against any WKE Party (or any permitted assignee of a WKE Party) under any Definitive Document within the applicable statute of limitations and, as applicable, within the relevant period permitted by such Definitive Document, then the date upon which the final, unappealable resolution of all such claims and actions occurs and E.ON U.S.’s obligations under this Guarantee with respect to such claims have been fulfilled.

(c) Notwithstanding anything contained in this Guarantee or any Definitive Document to the contrary, neither E.ON U.S. nor any of the WKE Parties shall at any time be entitled to terminate, cancel or otherwise nullify this Guarantee or the payment or performance obligations of E.ON U.S. hereunder by reason of any breach or default by Big Rivers under any of the Definitive Documents, or by reason of the expiration or termination of any of the Definitive Documents (other than this Guarantee) for any reason, to the extent that any of the WKE Parties have any continuing obligations or liabilities to Big Rivers under those Definitive Documents (including where any other Definitive Document expressly provides E.ON U.S. or any of the WKE Parties with the right to terminate all or any portion of the Definitive Documents under the circumstances described therein, but one or more obligations or liabilities of a WKE Party to Big Rivers under such Definitive Document(s) survive that termination).

18. MISCELLANEOUS. This Guarantee will bind and inure to the benefit of E.ON U.S. and Big Rivers and their respective successors and permitted assigns. This Guarantee may be signed in one or more counterparts.

19. INTEGRATION. This writing constitutes the entire agreement of the Parties with respect to the subject matter hereof, and supersedes any and all prior or contemporaneous agreements or understandings with respect to the subject matter hereof, whether oral or written.

WITNESS the signatures of the undersigned as of the date first written above.

BIG RIVERS ELECTRIC CORPORATION

E.ON U.S. LLC

By: _____

By: _____

Its: _____

Paul W. Thompson
Senior Vice President

EXHIBIT A

TERMINATION AGREEMENT “EXHIBIT S”

DEFINITIVE DOCUMENTS

1. Termination Agreement
2. Termination and Release
3. E.ON Guaranty
4. Inventory Bill of Sale
5. Personal Property Bill of Sale
6. Assignment and Assumption of Contracts
7. Intercreditor Agreement
8. Deed of Real Property (Central Lab parcel)
9. Deed of Real Property (Hancock County parcel)
10. Assignment of Owned Intellectual Property
11. License of Owned Intellectual Property
12. Information Technology Support Services Agreement
13. Assignment and Assumption of Permits
14. Conveyance of Allowances
15. Alcan Termination and Release
16. Century Termination and Release
17. Creditor Termination and Release
18. Station Two Termination and Release
19. Texas Gas Termination and Release
20. Transmission Agreement
21. Generation Dispatch Support Services Agreement

22. Assignment of Unemployment Reserve
23. Any Contract Counterparty Consents or other agreed forms of Assigned Contract Counterparty acknowledgments, releases and discharges that may be entered into as contemplated in Section 5.2.
24. The Assigned Contract Indemnity if any.
25. The letter agreement dated November 1, 2004, as amended, between Big Rivers and WKEC (as successor to WKE), and the related guaranty of even date therewith, as amended, from E.ON to and in favor of Big Rivers.
26. The letter agreement dated February 9, 2007, among Big Rivers, E.ON, Alcan Primary Products Corporation and Century Aluminum of Kentucky General Partnership, regarding the funding of certain consent fees.
27. The letter agreement dated February 9, 2007, among Big Rivers, E.ON, Alcan Primary Products Corporation and Century Aluminum of Kentucky General Partnership, regarding the funding of certain transaction costs.
28. The certificate of the Responsible Officer of Big Rivers contemplated in Section 10.2(a), and the certificate of the Responsible Officer of Big Rivers contemplated in Section 10.2(c).
29. The written acknowledgment regarding the Termination Payment contemplated in Section 10.2(z), and the written acknowledgment regarding the True-Up Payments contemplated in Section 10.2(aa).
30. The acknowledgment of Big Rivers contemplated in Section 10.2(hh).
31. The release and discharge contemplated in Section 10.2(ii) unless such release and discharge is accomplished pursuant to the agreements referred to in items 17 and 18 above.
32. The certificate of the Responsible Officer of each of the WKE Parties contemplated in Section 10.3(a), and the certificate of the Responsible Officer of the WKE Parties and E.ON contemplated in Section 10.3(c).
33. The Confidentiality Agreement dated April 26, 2004, as amended, between or among certain of the Parties and/or E.ON.
34. The written waiver of certain Member Cooperatives contemplated in Section 3.2(o).
35. All documents of conveyance, assignment and transfer as shall be required to transfer to Big Rivers at the Closing all of WKEC's rights, title and interests in and to all tow boats and other motorized vessels owned by WKEC (but excluding

the “Barges” (as defined in Section 15 of the Third Amendment to Transaction Termination Agreement)), including without limitation, any such documents as are required to be filed with the United States Coast Guard to effect that conveyance, assignment and transfer:

36. The Closing Memorandum among Big Rivers, WKEC, LEM and E.ON to be entered into as of the Closing and to be dated as of the Unwind Closing Date, evidencing certain agreements of the Parties with respect to the Closing or certain transactions relating to the Closing;
37. The letter agreement dated April 14, 2008, among the Parties, and relating to the capacity testing of the Generating Plants contemplated in Subsection 10.2(ee) of the Termination Agreement;
38. The First Amendment to Transaction Termination Agreement dated November 1, 2007, among the Parties, together with the related letter agreement among the Parties dated December 4, 2008;
39. The Second Amendment to Transaction Termination Agreement among the Parties dated June 19, 2008;
40. The Third Amendment to Transaction Termination Agreement among the Parties dated November 3, 2008;
41. The letter agreement dated April 17, 2008, among the Parties, setting the Scheduled Unwind Closing Date;
42. The letter agreement among Big Rivers, Alcan Primary Products Corporation, Century Aluminum of Kentucky General Partnership and E.ON, dated June 24, 2008, relating to the buy-out of Bank of America’s defeased lease position by Big Rivers;
43. The letter agreement between Big Rivers and E.ON, dated June 24, 2008, relating to the buy-out of Bank of America’s defeased lease position by Big Rivers;
44. The sublease to Big Rivers of the space leased by WKEC in the Soaper Building located in downtown Henderson, Kentucky;
45. The letter agreement between Big Rivers and E.ON, dated September 26, 2008, relating to the treatment of certain costs associated with the buy-out of Philip Morris Capital Corporation’s defeased lease position by Big Rivers; and
46. Any and all amendments to any of the other agreements or instruments identified in this Exhibit S that have been or may hereafter be

