



S T O L L · K E E N O N · O G D E N
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July 14, 2009

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

RECEIVED

JUL 15 2009

PUBLIC SERVICE
COMMISSION

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

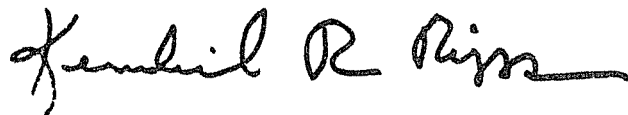
Dear Mr. DeRouen:

Enclosed please find and accept for filing the original and ten copies of a redlined version of a Confirmation of the Backstop Commodity Swap Transaction between E.ON U.S. LLC and Century Aluminum of Kentucky in the above-referenced matter. This document was inadvertently omitted from E.ON U.S. LLC's filing made at the Commission on July 13, 2009.

Please confirm your receipt of this filing by placing the stamp of your Office with the date received on the enclosed additional copies and return them to me in the enclosed self-addressed stamped envelope.

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

Yours very truly,


Kendrick R. Riggs

KRR:ec
Enclosures
cc: Parties of Record

400001.358719/587251.1

CONFIRMATION

Backstop Commodity Swap Transaction between
E.ON U.S. LLC ("Party A")
and Century Aluminum of Kentucky General Partnership ("Party B")

July __, 2009

To: Century Aluminum Kentucky General Partnership
P.O. Box 500
State Route 271 North
Hawesville, KY 42348

From: E.ON U.S. LLC
220 West Main Street
Louisville, Kentucky 40202

The purpose of this letter agreement (this "Confirmation") is to confirm the terms and conditions of the Backstop Commodity Swap Transaction entered into between us on the trade date specified below (the "Transaction"). This Confirmation constitutes a "Confirmation" as referred to in the Master Agreement defined below.

This Confirmation is subject to and incorporates the terms of the 1992 ISDA Master Agreement and Schedule dated as of the date hereof between Party A and Party B (such 1992 ISDA Master Agreement and Schedule, collectively, the "Master Agreement", and the Master Agreement, together with this Confirmation, the "Agreement"). All provisions contained in, or incorporated by reference to, the Master Agreement shall govern this Confirmation except as expressly modified below. In the event of any inconsistency between the provisions of that Master Agreement and this Confirmation, this Confirmation shall prevail for the purpose of this Transaction.

Capitalized terms used herein and not otherwise defined herein or in the Master Agreement shall have ~~the same meanings as their corresponding terms~~ in the Retail Electric Service Agreement by and between Kenergy Corp. ("Kenergy") and Party B dated as of even date herewith (the "Century Retail Agreement") as such agreement exists on the date hereof, and shall not include any amendment, modification or novation thereof unless Party A expressly agrees in writing to the inclusion of such amendment, modification or novation. All calculations shall be made and all amounts shall be determined in accordance with the Accounting Principles.

The terms of the Transaction to which this Confirmation relates are as follows:

1. Terms of the Transaction

Trade Date: July __, 2009

Effective Date: The "Effective Date" as defined in the Century Retail Agreement.

Swap Termination Date: December 31, 2010; provided, that in the event, prior to December 31, 2010, Alcan Primary Products Corporation ("Alcan") gives a "Notice of Termination for Closure" [NOTE: parties discussing conditions under the Retail Electric Service Agreement between Alcan and Kenergy dated as of even date herewith prior to the delivery of such a notice by Party B pursuant to Section 7.3 of the Century Retail Agreement, then the Swap Termination Date shall~~which the term can~~ be extended to December 31, 2011.]

Notwithstanding the foregoing, the Swap Termination Date will be the date the Century Retail Agreement is terminated if such termination is prior to the date ~~set forth~~determined in the paragraph above.

Swap Term: The period from and including the Effective Date to and including the Swap Termination Date.

Underlying Commodity: Energy

Commodity Definitions: Sections 4.1, 4.2 and 4.3 and Articles V, VI and VIII of the Commodity Definitions (as defined in the Master Agreement) will not apply to this Confirmation. In addition, where the terms "Fixed Price Payer" and "Floating Price Payer" are used in the Commodity Definitions, those terms will mean Fixed Payment Payer and Floating Payment Payer as used hereunder. Where the terms "Fixed Amount" and "Fixed Price" are used in the Commodity Definitions, those terms will mean Fixed Payment as used hereunder. Where the terms "Floating Amount" and "Floating Price" are used in the Commodity Definitions, those terms will mean Floating Payment as used hereunder. Additionally, Article VII of the Commodity Definitions shall apply solely to the LME Index.

Fixed Payment Payer: Party A

Floating Payment Payer: Party B

Floating Payment:

For each Billing Month under the Century Retail Agreement: (a) the amounts credited to Party B pursuant to Section 4.13.1 of the Century Retail Agreement (including, without limitation, the amounts credited with respect to the Net Proceeds arising from any Surplus Sales and from any Potline Reduction Sales), plus (b) any credits to the TIER Adjustment Charge or the Rebate related to profits from Actual Sales, less (c) the amounts credited to Party B with respect to the Net Proceeds arising from any Undeliverable Energy Sales (after being reduced by \$0.25 per MWh as administrative fee with respect to such Undeliverable Energy Sales), ~~and less~~ (d) any amounts payable which are described in Section 4.14 of the Century Retail Agreement (other than the amounts payable pursuant to Section 10.2.3 of the Century Retail Agreement), and plus (e) the Inter-smelter TIER Allocation Payment, if any.

Where:

Inter-smelter TIER Allocation Payment (in terms of dollars) = with respect to a Billing Month, any amounts paid pursuant to an agreement among Century and Alcan Primary Products Corporation in connection with the reallocation of profits from Surplus Sales (or similar sales pursuant to the Alcan Retail Agreement) and related to (a) the TIER Adjustment Charge, or (b) the Rebate. For purposes of this Agreement, the Inter-smelter TIER Allocation Payment will be a positive value in the case of payments received by Century, and will be a negative value in the case of payments made by Century.

~~Examples of the Floating Payment determination are found on Appendix 1 attached hereto. Such examples shall be for illustrative purposes only and shall not be considered a part of this Agreement.~~

Fixed Payment:

For each Billing Month under the Century Retail Agreement:

$(\text{Base Backstop Energy} \times (\text{Base Rate} + \text{Variable Retail Factor})) + ((\text{Actual Sales} - \text{Base Backstop Energy}) \times \text{Base Variable Rate}) + (\text{Actual Sales} \times (\text{FAC Factor} + \text{Environmental Surcharge Factor} + \text{Non-FAC Purchased Power Adjustment Factor})) + \text{Allocated Fixed Charges} - \text{Fixed Payment Cap Credit}$

Where:

Actual Sales (in terms of MWh) = the sum of (a) the Surplus Sales pursuant to Section 10.1 of the Century Retail Agreement and (b)

the Potline Reduction Sales pursuant to Section 10.3 of the Century Retail Agreement made in a particular Billing Month.

All-in Rate (in terms of \$/MWh) = the sum of (a) the Base Rate, (b) the FAC Factor, (c) the Environmental Surcharge Factor, (d) the Variable Retail Factor, (e) the Non-FAC Purchased Power Adjustment Factor, and (f) Backstop Fixed Charges, divided by Base Fixed Energy.

Allocated Fixed Charges (in terms of dollars) = Backstop Fixed Charges x (Base Backstop Energy divided by Base Fixed Energy).

Backstop Fixed Charges (in terms of dollars) = the sum of the charges or credits (or any portions thereof) determined pursuant to the following subsections of Section 4.1 of the Century Retail Agreement: (a) Section 4.1.6, the TIER Adjustment Charge calculated pursuant to Section 4.7.1 but excluding any credits to the TIER Adjustment Charge related to profits from Actual Sales, plus or minus (b) Section 4.1.10, the monthly amortization of the Restructuring Amount calculated pursuant to Section 16.5.1, minus (c) Section 4.1.11, the Rebate calculated pursuant to Section 4.9 but excluding any credits to the Rebate related to profits from Actual Sales, minus (d) Section 4.1.12, the Equity Development Credit calculated pursuant to Section 4.10, and plus (e) Section 4.1.13, the Surcharge calculated pursuant to Section 4.11.

Base Backstop Energy (in terms of MWh) = the product of (a) the portion of Base Demand per Hour for which sales are requested by Party B pursuant to Sections 10.1.1 and 10.3.1 of the Century Retail Agreement (as evidenced by written notice from Party B to Kenergy and Big Rivers), (b) the number of Hours in the Billing Month, and (c) 0.98.

Fixed Payment Cap =

(a) \$52.50/MWh (applicable from the Effective Date until December 31, 2009), or

(b) \$55.00/MWh (applicable from January 1, 2010 until December 31, 2010), or

(c) \$57.50/MWh (applicable from January 1, 2011 until the Swap Termination Date, if such Swap Termination Date is extended beyond December 31, 2010).

Fixed Payment Cap Credit (in terms of dollars) = an amount calculated as follows:

The Fixed Payment Cap Credit will be zero unless (a) the Floating Payment Rate is less than or equal to the All-in Rate and (b) the All-in Rate is greater than the Fixed Payment Cap, in which case the Fixed Payment Cap Credit shall equal: (All-in Rate - Fixed Payment Cap) x (Base Backstop Energy).

Floating Payment Rate = Floating Payment ÷ Actual Sales.

Variable Retail Factor = \$0.045 / MWh, being the number set forth in Section 4.12(a)(i) of the Century Retail Agreement, multiplied by 1000 to convert it to \$/MWh.

For the avoidance of doubt, in no event shall the Fixed Payment ever include any of the following charges or credits (or any portions thereof) determined pursuant to the following subsections of Section 4.1 of the Century Retail Agreement: (a) 4.1.2 (Supplemental Energy Charge), (b) 4.1.3 (Back-Up Energy Charge), and (c) 4.1.5 (Excess Reactive Demand Charge).

An example entitled "Backstop Commodity Swap Transaction Calculation Formulas" is Examples of the Floating Payment determination are found in Appendix 12 attached hereto.- Such exampleexamples shall be for illustrative purposes only and shall not be considered a part of this Agreement. In the event of a conflict between (a) the provisions of the Floating Payment section and the Fixed Payment section above, and (b) the example found in Appendix 1, the provisions of the Floating Payment section and the Fixed Payment section above shall control. Under no circumstances shall anything contained in Appendix 1 be binding on the parties hereto, nor shall anything contained in Appendix 1 be used or considered in the interpretation or application of any of the provisions of the Confirmation (including, without limitation, the provisions with respect to the calculation of the Floating Payment and the Fixed Payment).

Product: Financial Swap

Aluminum Production
Credit:

For the period from the Effective Date through December 31, 2010, Party B shall be entitled to receive a payment (calculated and payable on a Billing Month basis) based on the amount of Energy purchased by Party B pursuant to the Century Retail Agreement in order to produce aluminum, but shall exclude purchases, if any, for delivery or resale to Southwire Company (such amount of Energy purchased is herein called the "Qualifying Energy"); *provided*, however, that in no event shall the aggregate amount of all of the Aluminum Production Credits paid to Party B ever exceed the

Base Amount. Such “Aluminum Production Credit” shall be calculated as follows:

Qualifying Energy in any Billing Month x (Base Amount divided by (377 MW x .98 x 24 hours x the number of days during the period from the Effective Date through December 31, 2010)).

Base Amount = the sum of (a) \$ [REDACTED] and (b) (\$2.5 million less the Alcan Reserve Subaccount A as defined in the Escrow Agreement between Alcan and Party B dated as of even date herewith); provided that ~~this clause~~ subsection (b) shall not be less than zero.

Refund Term: From and including the day after the Swap Termination Date through December 31, 2028.

Refund Payment: In the event that the Total Payments exceed the Base Amount, then Party B shall make refund payments during the Refund Term according to the following provisions:

During the Refund Term, Party B will be obligated to make up to 72 monthly payments (to commence in the first calendar month following the Swap Termination Date) to Party A, each equal to the Refund Payment in respect of the relevant calendar month plus the Interest Payment in respect of the relevant calendar month. Party B’s obligation will be to make such payments plus interest in each month of the Refund Term where the Monthly Refund Payment Conditions are met.

Accrued Interest = the aggregate of the Current Month Interest for prior months that has not been paid as of any date of calculation.

Current Month Interest = interest that accrues, in a particular month, from and after the Swap Termination Date, at an annual rate equal to 10.94% (based on a 30/360 day count methodology) multiplied by (the Refund Amount less the aggregate of the Refund Payments actually paid plus any Accrued Interest).

Interest Payment = the lesser of, in a particular month, (a) Accrued Interest plus Current Month Interest and (b) the Current Month Interest multiplied by 3.

LME Index = in respect of a calendar month, the average of the daily Cash Seller & Settlement Prices on the London Metal Exchange (as published at www.lme.co.uk/aluminum.asp) for prompt delivery of Primary Aluminum for the month prior to the month in which a particular Refund Payment is due.

LME Multiplier = in respect of a calendar month, the greater of (a) LME Index divided by \$2600/tonne, and (b) 1.0.

Refund Amount = Total Payments less the Base Amount.

Refund Payment = in respect of a calendar month, the lesser of (a) (the Refund Amount divided by 72) multiplied by the LME Multiplier and (b) the Refund Amount less the aggregate Refund Payments actually paid.

Total Payments = the total amount paid by Party A to Party B under this Confirmation during the Swap Term (both with respect to the Financial Swap and the Aluminum Production Credit).

Party B's obligation to make a Refund Payment plus the Interest Payment in any particular month shall be subject to the following two conditions (the "Monthly Refund Payment Conditions"): (i) the Hawesville Smelter producing a minimum 16,267 tonnes during such month (as evidenced by a certificate from an officer of Party B as to the production of the Hawesville Smelter in such month); and (ii) the LME Index being equal to or greater than \$2,600/tonne. If either Monthly Refund Payment Condition is not met with respect to any month, then, at Party B's option exercised on or before the ~~third~~^{second} Local Business Day of the following calendar month, Party B's obligation to make the Refund Payment plus the Interest Payment in that month will be suspended; *provided*, however, that if such suspension occurs, interest will continue to accrue against the unpaid balance of the Refund Amount.

Party B may make one or multiple Refund Payments in any month during the Refund Term without penalty and regardless of whether the Monthly Refund Payment Conditions have been met.

Termination Payments:

If an Event of Default with respect to Party B occurs under the Agreement and an Early Termination Date is designated by Party A, the determination of the amounts to be paid shall be made as follows:

(1) If an Event of Default with respect to Party B occurs prior to the end of the Swap Term, then the following shall apply:

- (a) Any Unpaid Amounts due from Party A under the Confirmation shall be paid into the Lockbox Account (as defined below) and will not be netted with the Settlement Amount.

- (b) The Settlement Amount shall be determined on the basis of "Loss" and so that "Loss" means the difference between the Base Amount and the Total Payments made prior to the Early Termination Date; provided that such calculation cannot be less than zero; and provided further that such amount shall be paid by Party A into the Collateral Lockbox Account.

(2) If an Event of Default with respect to Party B occurs during the Refund Term, then the following shall apply:

- (a) Any Unpaid Amounts due from Party A with respect to payments owed during the Swap Term under the Confirmation shall be paid into the Lockbox Account and will not be netted with the Settlement Amount.
- (b) The Settlement Amount shall be determined on the basis of "Loss" and so that "Loss" means the Refund Amount less the aggregate of the Refund Payments and Interest Payments actually paid (if any). In determining "Loss" pursuant to this subsection (b), assumptions with respect to the Monthly Refund Payment Conditions (including the projected future satisfaction, if any, of the Monthly Refund Payment Conditions, and the forward curve of the LME Index and the projected future production levels at the Hawesville Smelter) shall be given full effect, including with respect to the present value of the Refund Payments and Interest Payments that would have been paid if not for the termination.

(3) If an Event of Default with respect to Party A occurs under the Agreement and an Early Termination Date is designated by Party B, the determination of the amounts to be paid by Party A shall be made pursuant to Section 6 of the Agreement on the basis of "Loss"; and provided further that any such amount to be paid to Party B shall be paid by Party A into the Collateral Account."

(4) If a Termination Event occurs under the Agreement and an Early Termination Event is designated, payments pursuant to Section 6(e)(ii) of the Agreement shall be determined in the basis of "Loss"; and provided further that any such amount to be paid to Party B shall be paid by Party A into the Collateral Account."

Additional Termination

Event: It shall be an Additional Termination Event under this Agreement with Party B as the sole Affected Party if, pursuant to the Collateral and Security Agreement between Big Rivers, Kenergy and Party B, dated as of the date hereof (the “Security Agreement”), any Secured Party (as defined under the Security Agreement), including without limitation, Big Rivers and/or Kenergy, steps in or otherwise assumes any of Party B's rights or obligations under this Agreement. In such event, subsection 1 of the Termination Payments section above shall apply for purposes of determining payments under Section 6 of this Agreement.

Commercial Terms Applicable to the Transaction

Escrow Agreement: The “Escrow Agreement” means the Escrow Agreement among Alcan, Party B and the Escrow Agent as defined therein dated as of even date herewith.

Coordination Agreement: The “Coordination Agreement” means the Coordination Agreement between Big Rivers and Party B dated as of even date herewith.

Settlement: For the Transaction hereunder, a financial settlement month will occur for each calendar month of the Swap Term and the Refund Term. For the financial swap part of the Transaction, each settlement month the parties agree to financially settle the difference between the Fixed Payment and the Floating Payment for the Transaction in respect of the preceding month. If the Floating Payment exceeds the Fixed Payment, the Floating Payment Payer will pay to the Fixed Payment Payer the excess of the Floating Payment over the Fixed Payment. If the Floating Payment is less than the Fixed Payment, the Fixed Payment Payer will pay to the Floating Payment Payer the excess of the Fixed Payment over the Floating Payment. Additionally, any Aluminum Production Credit (for all days of the prior month) will be paid during each month of the Swap Term, as applicable and subject to the provisions above. Any Refund Payment plus the Interest Payment will be paid on a monthly basis, as applicable and subject to the provisions above. As provided herein, the financially settled amounts in respect of the Transaction shall be netted against each other, and the party owing the greater amount will pay the other party such amount.

Lockbox Account and Collateral Account:

To the extent the invoice calculated by the Calculation Agent for any month indicates that payment is due from Party A to Party B, Party A agrees to make such payment to Party B into a lockbox account (the “Lockbox Account”) that will be subject to that

certain Security and Lockbox Agreement by and between Kenergy, Party B, Big Rivers and Old National Bank dated as of date hereof (the "Lockbox Agreement"). Party B hereby irrevocably directs Party A to make all payments other than the Settlement Amount into the Lockbox Account and waives any claims it may have (and indemnifies Party A against any claims made by third parties) in connection with such direction.

Party A agrees to make any payment in respect of the Settlement Amount to Party B into a collateral account (the "Collateral Account") that will be subject to that certain Collateral and Security Agreement by and between Kenergy, Party B, Big Rivers and Old National Bank dated as of date hereof (the "Collateral Agreement"). Party B hereby irrevocably directs Party A to make all payments in respect of a Settlement Amount into the Collateral Account and waives any claims it may have (and indemnifies Party A against any claims made by third parties) in connection with such direction.

Payment Due Date:

All payments with respect to amounts owed pursuant to a Swap Term Invoice (with respect to the Financial Swap and Aluminum Production Credits) will be due on the first Local Business Day ~~preceding~~ after the ~~24th~~ 23rd day of a Billing Month, subject to a day-for-day extension to the extent Party A does not receive from Party B, Big Rivers or Kenergy on or before the 10th Local Business Day of such Billing Month, a copy of the invoice that is provided to Party B from Big Rivers or Kenergy pursuant to the Century Retail Agreement, which such invoice shall include itemized charges and credits from Article 4 of the Century Retail Agreement (such invoice, the "Retail Agreement Invoice"). The receipt by Party A of the applicable Retail Agreement Invoice shall be a condition to Party A's payment of any Swap Term Invoice.

Swap Term Invoice:

Within 5 days of receiving the Retail Agreement Invoice, Party B will independently, and agrees to cooperate and work with Party A in order to, verify the accuracy of the Retail Agreement Invoice as soon as practicable after receipt of the Retail Agreement Invoice by both parties. Party B shall calculate and provide an invoice, together with information to support the calculation of the Fixed Amount, Floating Amount and Aluminum Price Credits, including any good faith estimates, as applicable (the "Swap Term Invoice"), to Party A within 3 days after completion of such verification process above. If the Retail Agreement Invoice does not include Supporting Information or if Party B does not receive Supporting Information prior to the end of the 5 day period provided above in this paragraph ~~for providing a Swap Term Invoice to Party A~~ or if Party A and Party B believe there is an error in the Retail Agreement Invoice, Party B (a) will prepare the Swap Term

Invoice based on the Retail Agreement Invoice using a good faith estimate to determine the Fixed Payment, Floating Payment and the Aluminum Production Credits, as applicable, and (b) will dispute the error in the Retail Agreement Invoice pursuant to the Century Retail Agreement. After an estimate is used in a Swap Term Invoice, the next Swap Term Invoice will be trued up to account for the actual determination of the Fixed Amount, Floating Payment and Aluminum Production Credits based on Supporting Information obtained after a Swap Term Invoice has been paid and, if applicable, any dispute with respect to the Retail Agreement Invoice has been resolved.

If Party B does not provide the Swap Term Invoice within the 8 days of receiving the Retail Agreement Invoice, Party A shall prepare the Swap Term Invoice, on the basis of the Retail Agreement Invoice, with such estimates as provided above and subject to the resolution of any dispute with respect to the Retail Agreement Invoice.

Disputed Payments: If any portion of any invoice hereunder (including, without limitation, the Swap Term Invoice), the Retail Agreement Invoice or the Supporting Information is disputed, not delivered or unverifiable, the disputed amount must still be paid when due and the parties shall use Commercially Reasonable Efforts to resolve such dispute, non-delivery or non-verification as soon as practicable thereafter. In the event a payment is found to be incorrect, any refund or additional payment shall be paid to a party together with interest at the Prime Rate commencing on the first day after the date of payment and accruing on each day thereafter until the date the refund or additional payment is made. Any refund or additional payment, plus interest as provided above, will be paid to a party (in the case of payments by Party A, into the Collateral Account) within 5 days after the resolution.

Local Business Day: Mondays through Fridays of each week except legal holidays established by federal law in the United States of America or state law in the Commonwealth of Kentucky.

Business Day Convention: Modified Following

Contractual Currency: All units denominated in a currency shall refer to, and all payments shall be made in, United States Dollars (USD).

Calculation Agent: During the Swap Term, means Party B. During the Refund Term, means Party A.

Information Requirements: During the Swap Term, Party B, through its audit rights or otherwise, shall obtain from Big Rivers and Kenergy all supporting

information as is reasonably required for Party B to determine and verify the components of the Fixed Payment, Floating Payment and the Aluminum Production Credits (including, without limitation, hourly scheduling and meter data and price and volume for Surplus Sales and Potline Reduction Sales) (the “Supporting Information”) as soon as practicable, and provide such Supporting Information to Party A. Party B will provide the Retail Agreement Invoice to Party A as soon as practicable after receipt of the Retail Agreement Invoice.

During the Swap Term, in the event Party A requests additional supporting information, or if any Retail Agreement Invoice is disputed by Party A as being potentially erroneous, inconsistent or inconclusive, Party B agrees to use Commercially Reasonable Efforts to enforce its rights, including the right to dispute such payments, under the Century Retail Agreement. Additionally, in the event of any valid billing adjustments under the Century Retail Agreement with respect to any particular month due to miscalculations, recalculations, disputes or other invoice issues, Party B will recalculate ~~the Swap Term Invoice for such month~~any invoice provided hereunder and refunds or credits shall be provided in future invoices. Such recalculation will be consistent with the terms hereof. In determining the use of “Commercially Reasonable Efforts” by Party B under this section, “Commercially Reasonable Efforts” will be determined as if this Agreement does not exist.

During the Refund Period, Party B shall provide information substantiating the fact that it either has or has not met the Monthly Refund Payment Conditions on or before the third Local Business Day of each calendar month during the Refund Term.

“Commercially Reasonable Efforts” means, with respect to any decision or other action made, attempted or taken by a Party, such efforts as a reasonably prudent business would undertake for the protection of its own interest under the conditions affecting such decision or other action.

Performance Covenant:

Party B agrees to:

(a) perform all of its obligations under the Retail Electric Service Agreement by and between Kenergy and Party B dated as of even date herewith, the Coordination Agreement, the Lockbox Agreement and under any other agreements related thereto (as such agreements may be amended or modified from time to time hereafter and any novation thereof) (collectively, the “Century Transaction Documents”), and

(b) use Commercially Reasonable Efforts to require the performance by each of Kenergy and Big Rivers of its material obligations under the Century Transaction Documents, including, without limitation, Big Rivers efforts with respect to Surplus Sales and Potline Reduction Sales under the Century Retail Agreement and the provision of Supporting Information. In the event of a breach of a material obligation by Kenergy and/or Big Rivers with respect to any Century Transaction Document, Party B agrees to use Commercially Reasonable Efforts to exercise and prosecute any rights and remedies it may have under such Century Transaction Document, at law or in equity. Party B shall provide notice, as soon as practicable, of any dispute, consent, issues raised, default or event of default under any Century Transaction Document, whether applicable to Party B or another party to such document. In determining the use of “Commercially Reasonable Efforts” by Party B under this subsection (b), “Commercially Reasonable Efforts” will be determined as if this Agreement does not exist.

It shall be an Event of Default under the Agreement if during the Swap Term Party B fails to perform any material obligation under subsection (a) above and such failure results in a termination of a Century Transaction Document, except if such termination results from a failure by Party B to make a payment pursuant to Section 5.1 of the Century Retail Agreement during any calendar month due to a failure of Party A to make a payment due from it in accordance with this Agreement.

No Third Party Beneficiaries: Nothing in the Agreement may be construed to create any third party beneficiary rights in any third party (including Big Rivers and Kenergy). Nothing in the Agreement may be construed to create any obligation, duty, standard of care or liability of Party A under any of the Century Transaction Documents (including, without limitation, the payment of any invoices under any Century Transaction Document).

2. Account Details:

Party A: Bank of America
ABA# 026-0095-93
E.ON U.S. LLC
Acct# 3752102075

Party B: The Lockbox Account identified in the Lockbox Agreement.

|

[Signatures follow.]

|

Please confirm that the foregoing correctly sets forth the terms of our agreement with respect to this Transaction by executing the copy of this Confirmation enclosed for that purpose and returning it to us or by sending it to us by telecopy to telecopy number 502-627-3950. It is the intention of the parties hereto that one or more executed counterparts hereof, transmitted by telecopy, be deemed to be, and be, an original or originals hereof.

Yours sincerely,

E.ON U.S. LLC

By: _____

Name:

Title:

Confirmed as of the date first above written:

CENTURY ALUMINUM KENTUCKY
GENERAL PARTNERSHIP

By: _____

Name:

Title:

**BACKSTOP COMMODITY SWAP TRANSACTION
CALCULATION FORMULAS**

Line	Source Reference		
1		Fixed Payment	\$
2	lines 34, 17, 53	= Base Backstop Energy x (Base Rate + Variable Retail Factor)	
3	lines 13, 34, 42	+ (Actual Sales - Base Backstop Energy) x Base Variable Rate	
4	lines 13, 18, 19, 21	+ Actual Sales x (FAC Factor + Environmental Surcharge Factor + Non-FAC Purchased Power Adjustment Factor)	
5	line 23	+ Allocated Fixed Charges	
6	line 47	- Fixed Payment Cap Credit	
7		Floating Payment	\$
8	4.13.1	All amounts credited to Party B pursuant to Section 4.13.1	
9	Big Rivers	+ Credits to TIER Adjustment Charge or Rebate related to profits from Actual Sales	
10	4.13.1	- Amounts credited to Party B with respect to Net Proceeds from Undeliverable Energy	
11	4.14 & 10.2.3	- Amounts payable for Taxes related to Section 4.14 other than amounts related to 10.2.3	
12	Alcan/Century	± Inter-smelter TIER Allocation Payment	
13		Actual Sales	MWh
14	10.1	= Surplus Sales pursuant to Century Retail Agreement	
15	10.3	+ Potline Reduction Sales pursuant to Century Retail Agreement	
16		All-in Rate	\$/MWh
17	1.1.19	= Base Rate	
18	1.1.49	+ FAC Factor	
19	1.1.40	+ Environmental Surcharge Factor	
20	line 53	+ Variable Retail Factor	
21	1.1.80	+ Non-FAC Purchased Power Adjustment Factor	
22	line 26 ÷ line 38	+ Backstop Fixed Charges divided by Base Fixed Energy	
23		Allocated Fixed Charges	\$
24	line 26	= Backstop Fixed Charges	
25	line 34 ÷ line 38	x Base Backstop Energy divided by Base Fixed Energy	
26		Backstop Fixed Charges	\$
27	4.1.6	= TIER Adjustment Charge	
28	Big Rivers	- Credits related to profits from Actual Sales included in the TIER Adjustment Charge	
29	4.1.10	± Amortization of Restructuring Amount	
30	4.1.11	- Rebate	
31	Big Rivers	- Credits related to profits from Actual Sales included in the Rebate	
32	4.1.12	- Equity Development Credit	
33	4.1.1	+ Surcharge	
34		Base Backstop Energy	MWh
35	10.1.1 & 10.3.1	= Base Demand curtailed	MW
36		x Hours in Billing Month	
37		x 0.98	
38	1.1.16	Base Fixed Energy	MWh
39	1.1.14	= Base Demand	MW
40		x Hours in Billing Month	
41		x 0.98	
42	1.1.21	Base Variable Rate	\$/MWh
43		Fixed Payment Cap	
44		\$52.50/MWh for 2009	
45		\$55.00/MWh for 2010	
46		\$57.50/MWh for 2011, if applicable	
47		Fixed Payment Cap Credit	
48		= Zero	
49	lines 16, 43, 34	unless (a) the Floating Payment Rate is less than or equal to the All-in Rate and (b) the All-in Rate is greater than the Fixed Payment Cap, in which case the Fixed Payment Cap shall equal: (All-in Rate - Fixed Payment Cap) x (Base Backstop Energy)	
50		Floating Payment Rate	\$/MWh
51	line 7	= Floating Payment	
52	line 13	÷ Actual Sales	
53	4.12 (a)	Variable Retail Factor	\$/MWh

APPENDIX 1

EXAMPLES OF FLOATING PAYMENT CALCULATION

APPENDIX 2

EXAMPLES OF FIXED PAYMENT CALCULATION