

LETTER AGREEMENT

July 16, 2009

Big Rivers Electric Corporation
201 Third Street
Henderson, KY 42420

City of Henderson Utility Commission
d/b/a Henderson Municipal Power & Light
100 5th Street
Henderson, KY 42420

Gentlemen:

This is a Letter Agreement made and entered into by Big Rivers Electric Corporation (hereinafter referred to as "BREC") and City of Henderson Utility Commission, d/b/a Henderson Municipal Power & Light, (hereinafter referred to as "HMP&L") as an operating procedures agreement relating to the quality of fuels to be used by BREC and HMP&L in Units One and Two of Henderson Station Two, beginning at the date and time when the operation of Henderson's Station Two Power Plant reverts to BREC pursuant to Section 10.16 of the Station Two Agreement on the effective date of the proposed Second Amendatory Agreement among Big Rivers Electric Corporation, LG&E Energy Marketing Inc., Western Kentucky Energy Corp., WKE Corp., WKE Station Two Inc., City of Henderson, Kentucky, and City of Henderson Utility Commission, d/b/a Henderson Municipal Power & Light.

BREC and HMP&L mutually agree as follows:

1. BREC and HMP&L agree to burn only bituminous coal in Units One and Two of Station Two, unless otherwise agreed to in writing by both parties.
2. BREC and HMP&L agree to burn bituminous coal in Units One and Two of Station Two having a sulfur content not exceeding 3.6% sulfur, weighted monthly average, subject to such variances as the parties may otherwise mutually agree in writing from time to time, or as may otherwise be permitted by the following terms of this section.

Subsequent to the execution of this Letter Agreement, either party may submit a written request to the other party for the establishment of a bituminous coal fuel box for Station Two Unit One and Unit Two. In the event a request is made, each party will select an individual to represent them and to participate in the establishment of a fuel box. The two individuals selected by the parties shall, thereafter, mutually agree upon the selection of a third disinterested individual to work with them in establishing the fuel box. The two individuals shall select a firm experienced in fuel specifications, boiler design characteristics, and operations that has recognized

qualifications to design the fuel box. When the fuel box is established by the three individuals, the parties shall use those established standards for the bidding and purchase of bituminous coal fuel to be used at Station Two Unit One and Unit Two. The parties agree that costs associated with the establishment of the fuel box shall be divided equally between them. The parties further agree that internal costs to either Big Rivers or HMP&L shall be the responsibility of that party and will not be a part of the cost share described in the previous sentence. The parties agree to pursue the procedure described in this paragraph promptly, cooperatively, diligently, and in good faith.

3. BREC and HMP&L agree not to burn Pet Coke in Units One and Two of Station Two.

4. BREC and, to the extent permitted by law, HMP&L, further agree to take every precaution to keep this agreement confidential, recognizing that public disclosure of the information contained in this agreement could have an adverse, limiting effect on the bids received by BREC and HMP&L in their coal procurement process.


This agreement contains the entire agreement of the parties on the subject matter hereof, and may be altered or amended solely upon the written consent of both BREC and HMP&L. The invalidity of any one portion of this agreement shall not affect the validity of the remaining portions of the agreement.

ENTERED this 16th day of July, 2009.

BIG RIVERS ELECTRIC CORPORATION

By: _____
Title: President and CEO

CITY OF HENDERSON UTILITY COMMISSION
d/b/a HENDERSON MUNICIPAL POWER &
LIGHT

By: 
Title: General Manager
GARY QUIRK

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ENTERED this 16th day of July, 2009.

BIG RIVERS ELECTRIC CORPORATION

By: Mark C. Beley
Title: President and CEO

CITY OF HENDERSON UTILITY COMMISSION
d/b/a HENDERSON MUNICIPAL POWER &
LIGHT

By: _____
Title: General Manager