AGREEMENT FOR INTERRUPTIBLE TIER 3 ENERGY
BETWEEN
KENERGY CORP.
AND
BIG RIVERS ELECTRIC CORPORATION

ARTICLE I

PARTIES

The Parties to this Agreement, dated as of this 29th day of July, 2002, are KENERGY CORP., a Kentucky corporation organized under KRS Chapter 279 ("Kenergy") and BIG RIVERS ELECTRIC CORPORATION, a Kentucky corporation ("Supplier" or "Big Rivers"). Kenergy and Supplier are each referred to individually as a "Party" and collectively as "Parties." It is recognized by the Parties that Alcan Aluminum Corporation ("Alcan") is a third-party beneficiary under this Agreement. Pursuant to the attached Form of Consent, Alcan consents to this Agreement.

ARTICLE II

RECITALS

Section 2.01 Supplier is engaged in the business of selling electric power at wholesale.

Section 2.02 Kenergy is an electric cooperative that provides electric energy at retail to Alcan pursuant to an agreement entitled "Agreement for Electric Service between Kenergy Corp. and Alcan Aluminum Corporation" dated July 15, 1998 (the "Alcan Power Agreement").

Section 2.03 Alcan owns and operates an aluminum reduction plant in Sebree, Henderson County, Kentucky (the "Sebree Facility").

Section 2.04 Pursuant to Section 9.2 of the Alcan Power Agreement and upon the request of Alcan, Kenergy shall contract with one or more third party suppliers for certain quantities of energy denominated as "Tier 3 Energy" at prices, terms and conditions which respond to Alcan's requirements.

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Section 2.05 Alcan has made a request for limited and fully interruptible Tier 3 Energy, and Kenergy therefore desires to enter into an agreement with Supplier to purchase for resale to Alcan, and Supplier desires to enter into an agreement with Kenergy to sell, limited and fully interruptible Tier 3 Energy in the following three blocks:

> Block A – a block of 8 MW for delivery in year 2002, Firm L.D. subject to Supplier's right of limited interruption as set forth in Section 5.04 of this Agreement ("Block A Energy");
>
> Block B – a block of 15 MW for delivery in years 2003-06, Firm L.D. subject to Supplier's right of limited interruption as set forth in Section 5.04 of this Agreement ("Block B Energy"); and
>
> Block C – a block of up to 10 MW for delivery in year 2002 renewable thereafter by mutual consent, fully interruptible and subject to the scheduling requirements set forth in Section 5.05 of this Agreement ("Block C Energy").

THEREFORE, in consideration of the mutual covenants set forth below, the Parties agree as follows.

ARTICLE III

DEFINITIONS:

The following terms, when used in this Agreement with initial capitalization, whether in the singular or the plural, shall have the meanings specified:

Section 3.01 Agreement: This Agreement together with any amendments to which the Parties may agree in writing from time to time.

Section 3.02 Alcan: Alcan Aluminum Corporation, an Ohio corporation, its successors and assigns.

Section 3.03 Base Rate: The rate per megawatt hour for Block C Scheduled Energy as set forth in Section 5.05(d) for the period ending December 31, 2002, and for each annual renewal period as provided for in Section 4.05(c).

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Section 3.04 A.M.: Means A.M., Central Standard Time or Central Daylight Time, as applicable.

Section 3.05 Billing Month: Each calendar month during the term of this Agreement in which any block of Tier 3 Energy is provided to Kenergy by Supplier under this Agreement.

Section 3.06 Block A Energy: The volume of Tier 3 Energy set forth in Section 5.01.

Section 3.07 Block B Energy: The volume of Tier 3 Energy set forth in Section 5.02.

Section 3.08 Block C Energy: The volume of Tier 3 Energy set forth in Section 5.05(a).

Section 3.09 Block C Scheduled Energy: Block C Energy that has been scheduled by Kenergy and agreed by Supplier to be delivered by Supplier in accordance with the provisions of Section 5.05(c). Block C Scheduled Energy shall include Buy-Through Energy purchased under Section 5.05(f)(iv) and (v) at the Buy-Through Price.

Section 3.10 Buy-Through Energy: Block A Energy, Block B Energy and Block C Scheduled Energy that Supplier is obligated to provide at the Buy-Through Price pursuant to Section 5.04(e) and/or 5.05(f)(iv).

Section 3.11 Buy-Through Price: The rate per megawatt hour that Kenergy may elect to pay to Supplier pursuant to Section 5.04(e) and/or Section 5.05(f)(iv) as an alternative to a permitted interruption.

Section 3.12 Effective Date: The date specified in Section 4.01.

Section 3.13 Energy: The flow of electricity denominated in kilowatt-hours or megawatt hours.

Section 3.14 FERC: The Federal Energy Regulatory Commission or any successor agency.

Section 3.15 Firm L.D.: Financially firm power with liquidated damages.

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Section 3.16 Kenergy: Kenergy Corp., its successors or assigns.

Section 3.17 KPSC: The Kentucky Public Service Commission or any successor agency.

Section 3.18 Minimum Scheduling Obligation: The amount of Block C Scheduled Energy to be scheduled by Kenergy in Off-Peak Hours pursuant to Section 5.05(e).

Section 3.19 Monthly Charge: The total charge in each Billing Month for Tier 3 Energy delivered or made available under this Agreement and computed in accordance with this Agreement.

Section 3.20 Notice of Interruption: The notice sent by Supplier to Kenergy and Alcan pursuant to Section 5.04 and 5.05(f) defining the volume and duration of any interruption.

Section 3.21 Off-Peak Hours : All hours that are not On-Peak Hours.

Section 3.22 On-Peak Hours: Working Days from hour ending 700 to hour ending 2200.

Section 3.23 Open Access Transmission Tariff. Any transmission tariff approved by FERC following filing by a public utility pursuant to 18 C.F.R. § 35.28(c) or approved by FERC as constituting reciprocal transmission service following a submittal by a non-public utility pursuant to 18 C.F.R. § 35.28(e).

Section 3.24 P.M.: Means P.M., Central Standard Time or Central Daylight Time, as applicable.

Section 3.25 Point of Delivery: The existing set of meters at Big Rivers' Reid Substation or such other point of delivery to which the parties mutually agree.

Section 3.26 Prudent Utility Practice: Any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period; or any of the practices, methods, and acts which, in the exercise of reasonable judgment in light of the facts known at the time a decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Prudent Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.

Section 3.27 Sebree Facility: The aluminum reduction plant located in Henderson County, Kentucky, and any expansions, additions, improvements and replacements thereof or thereto at the existing site.

Section 3.28 Supplier or Big Rivers: Big Rivers Electric Corporation, its successors and assigns.

Section 3.29 Tier 3 Energy: The energy acquired by Kenergy from third party suppliers at the request of Alcan, including Block A Energy, Block B Energy and Block C Scheduled Energy acquired under this Agreement, as further described in section 2.05.

Section 3.30 Transmission Provider: Big Rivers Electric Corporation, its successors or assigns, in its capacity as provider of transmission services.

Section 3.31 Uncontrollable Force: Any cause beyond the control of the Party unable, in whole or in part, to perform its obligations under this Agreement which, despite exercise of due diligence and foresight, such Party could not reasonably have been expected to avoid and which, despite the exercise of due diligence, it has been unable to overcome. Such causes include, but are not limited to: acts of God; strikes, acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, arrests and restraints of the Government, whether Federal, State or local, civil or military, civil

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disturbances, explosions, breakage of or accident to machinery, equipment or transmission lines, inability of either Party hereto to obtain necessary materials, supplies or permits due to existing or future rules, regulations, orders, laws or proclamations of governmental authorities, whether Federal, State or local, civil or military, and any other forces which are not reasonably within the control of the Party claiming suspension. A forced outage of a generating unit or units is not an Uncontrollable Force unless it prevents the physical delivery of power to Kenergy for resale to Alcan. Uncontrollable Force shall not include Alcan's inability to economically use the Tier 3 Energy or market conditions relating to Alcan's business or the products produced at the Sebree Facility.

Section 3.32 Working Days: Mondays through Fridays of each week except NERC holidays.

ARTICLE IV

EFFECTIVE DATE, INITIAL CONDITIONS AND TERMS

Section 4.01 Term. This Agreement shall become effective on the date it is executed and delivered by the Parties. The term with respect to the delivery and purchase obligations of each block of power to be sold and delivered under this Agreement shall be as set forth in Section 4.05. Unless earlier terminated by either Party pursuant to Section 4.04 (failure of KPSC initial approval), Section 9.01 (default) or by mutual agreement of the Parties, this Agreement shall terminate with the expiration or termination of the term with respect to the delivery and purchase obligation for the last block of power to be sold and delivered under this Agreement.

Section 4.02 Condition to Purchase and Delivery Obligations. Notwithstanding the Effective Date of this Agreement, the delivery obligations of Supplier and the purchase obligations of Kenergy for all blocks of Tier 3 Energy pursuant to Article V are subject to the condition that the Parties have received all regulatory and other approvals, permits and consents

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necessary for the provision of Tier 3 Energy under this Agreement, including KPSC approval of the rates for block A Energy and Block B Energy and the Base Rate for Block C Scheduled Energy to be provided under this Agreement.

Section 4.03. Notice of Condition Satisfaction. As soon as the condition set forth in Section 4.02 has been satisfied, Kenergy shall promptly provide written notice to Alcan and Supplier that the condition has been satisfied. Unless waived by Supplier in writing, the condition contained in Section 4.02 shall not be deemed satisfied until Supplier has received such notice.

Section 4.04. Cooperation. Each Party agrees to use reasonable diligence to satisfy the condition described in Section 4.02. If the condition has not been satisfied by September 30, 2002, either Party may terminate this Agreement upon written notice to the other Party.

Section 4.05 Block Terms. The delivery obligation of Supplier and the purchase obligation of Kenergy shall commence and terminate as follows:

(a) For Block A Energy, the term commences at 12:01 AM on the day following receipt by Supplier of the notice set forth in Section 4.03 and terminates at midnight on December 31, 2002 ("Block A Energy Availability Period").

(b) For Block B Energy, the term commences at 12:01 AM on January 1, 2003 and terminates at midnight on December 31, 2006 ("Block B Energy Availability Period").

(c) For Block C Energy, the initial term commences at 12:01 AM on the day following receipt by Supplier of the notice set forth in Section 4.03 and terminates at midnight on December 31, 2002; PROVIDED, HOWEVER, the term for Block C Energy shall be automatically renewed for successive one (1) year terms commencing on January 1, 2003 and each succeeding January 1 unless either party notifies the other by November 30, 2002, (or

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November 30 of a succeeding year), of its election not to renew in which case the term for Block C Energy shall terminate at midnight on December 31 of the year in which that notice is given.

ARTICLE V

PURCHASE AND SALE OF TIER 3 ENERGY

Section 5.01 Block A Energy and Rate. During the Block A Energy Availability Period, Supplier shall sell and deliver to Kenergy and Kenergy shall purchase from Supplier and pay for a block of 8 MW of Tier 3 Energy around the clock (24 hours X 7 days) at the Point of Delivery, subject, however, to the limited right of Supplier to interrupt pursuant to the terms and conditions set forth in Section 5.04. The rate for Block A Energy for all hours of delivery shall be $27.00 per MWh.

Section 5.02 Block B Energy and Rate. During the Block B Energy Availability Period, Supplier shall sell and deliver to Kenergy and Kenergy shall purchase from Supplier and pay for a block of 15 MW of Tier 3 Energy around the clock (24 hours X 7 days) at the Point of Delivery, subject, however, to the limited right of Supplier to interrupt pursuant to the terms and conditions set forth in Section 5.04. The rate for Block B Energy for all hours of delivery shall be $27.55 per MWh from January 1, 2003 through December 31, 2005 and $28.40 per MWh from January 1, 2006 through December 31, 2006.

Section 5.03 Block A and Block B Energy Rates Not Subject To Change. Except as set forth in Section 5.04(e), the rates for Block A Energy and Block B Energy are not subject to change over their respective Energy Availability Periods. Kenergy shall purchase and accept delivery of the full amount of the Block A and Block B Energy made available by Supplier. If Kenergy or Alcan does not accept delivery of the full amount of such energy, the

Charge shall include the amount that would have been due had the full amount of such energy been accepted.

Section 5.04 Limited Interruptibility of Block A and Block B Energy. In year 2002 with respect to Block A Energy and in years 2003 through 2006 with respect to Block B Energy, Supplier, in its sole discretion, may interrupt delivery of all or any part of the Block A Energy or Block B Energy subject to the following terms, limitations and conditions:

(a) Supplier shall send a Notice of Interruption to Kenergy and Alcan at least ten (10) minutes prior to each interruption.

(b) Supplier may not implement more than sixty (60) interruptions in any calendar year and all such interruptions may not exceed an aggregate of four hundred (400) hours in any calendar year.

(c) The maximum duration of any interruption shall be eight (8) hours.

(d) Each Notice of Interruption shall be made orally and shall be followed by a confirmation transmitted by facsimile, and shall designate the amount of power to be interrupted and the duration of such interruption.

(e) Each Notice of Interruption shall specify, for each one hour period of the intended interruption, the price or set of hourly prices per megawatt hour that Kenergy may elect to pay to Supplier as an alternative to the intended interruption (the "Buy-Through Price"). Kenergy shall have ten (10) minutes from the time it receives verbal Notice of Interruption to notify Supplier that it accepts the Buy-Through Price for all or any part of the intended interruption. If Kenergy verbally accepts the Buy-Through Price, Kenergy will follow with a written confirmation transmitted by facsimile. The failure of Kenergy to notify Supplier of its acceptance of the Buy-Through Price within this ten-minute period shall constitute a rejection of

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the Buy-Through Price, and the interruption shall thereafter be implemented in accordance with the Notice of Interruption.

(f) Upon Kenergy's acceptance of the Buy-Through Price for the Buy-Through Energy, the obligation of Supplier to provide Firm L.D. power shall be re-established, provided that Supplier shall charge to Kenergy the Buy-Through Price for all such power instead of the rate set forth in Sections 5.01 and 5.02 above, and further provided that any period during which Kenergy pays the Buy-Through Price shall be deemed an interruption for purposes of determining hours of interruption and number of interruptions in any calendar year.

(g) During any period of interruption, Supplier may notify Kenergy and Alcan of its willingness to terminate the interruption and resume the delivery of Firm L.D. power under the applicable price set forth in Sections 5.01 or 5.02 above. Upon notification from Supplier terminating the interruption, Kenergy shall purchase and accept delivery of firm power for resale to Alcan at the top of the next hour.

(h) Following any period of interruption, Kenergy (on behalf of Alcan) shall be granted a recovery period of no less that sixteen (16) hours, and Supplier may not implement a subsequent interruption during such recovery period; provided, however, that for purposes of this subsection only, any period during which Kenergy elected to pay the Buy-Through Price shall not be deemed to be a period of interruption.

Section 5.05 Block C Energy. The provision of Block C Energy shall be subject to the following scheduling requirements:

(a) Subject to Section 5.05(e), Kenergy may from time to time schedule Block C Energy by no later than 3:00 PM on the second Working Day prior to the day of the scheduled delivery (or such shorter period agreed to by Supplier) in one (1) megawatt increments up to ten

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(10) megawatts at the time(s) and for the duration(s) specified in the schedule;

(b) Supplier shall be under no obligation to accept the schedule submitted by Kenergy and deliver the volume of Tier 3 Energy scheduled by Kenergy but shall be obligated, upon receipt of such schedule, to promptly notify Kenergy and Alcan of the number of megawatts, if any, Supplier is willing to deliver and the hour and duration when the delivery shall take place (the "Response").

(c) Subject to Supplier's right to interrupt in accordance with Section 5.05(f), Supplier shall have the obligation to deliver the volume of Block C Energy at the time and for the duration so specified in the Response ("Block C Scheduled Energy"). Kenergy shall purchase and accept delivery of the amount of Block C Scheduled Energy made available by Supplier. If Kenergy or Alcan does not accept delivery of the full amount of Block C Scheduled Energy, the Monthly Charge shall include the amount that would have been due had the full amount of such Block C Scheduled Energy been accepted.

(d) The Base Rate for Block C Scheduled Energy supplied pursuant to this Agreement through December 31, 2002, shall be $26.30 per MWh. By November 15, 2002 and by November 15 of each succeeding year for which this Agreement is renewed, Supplier and Kenergy (with Alcan's consent) shall determine a mutually agreeable Base Rate for the renewal year and execute an appropriate amendment to this Agreement documenting their agreement. No later than November 30 prior to each renewal year Kenergy shall file the amendment with the KPSC requesting its approval of the Base Rate to become effective on January 1 of the renewal year. The Base Rate set forth in this Section 5.05(d) and the modification to such rate during each renewal term are not subject to change during the term of their applicability.

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(e) During each Billing Month, Kenergy shall schedule an amount of Block C Energy

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to be delivered during Off-Peak Hours that is no less than the amount of Block C Scheduled Energy (excluding Buy-Through Energy) that Kenergy schedules and Supplier delivers during On-Peak Hours ("Minimum Scheduling Obligation"). If Kenergy has met the Minimum Scheduling Obligation during any Billing Month, Kenergy shall have no payment obligation for Block C Scheduled Energy that was scheduled for Off-Peak Hours but that Supplier elects to interrupt. However, in the event that Kenergy does not satisfy the Minimum Scheduling Obligation during any Billing Month, Kenergy shall be obligated to pay to Supplier an additional charge equal to the price set forth in Section 5.05(d) multiplied by the difference between the Minimum Scheduling Obligation and the amount of Block C Energy that Kenergy scheduled to be delivered during Off-Peak Hours.

(f) Block C Scheduled Energy shall be interruptible by Supplier upon the following terms and conditions:

(i) Supplier, in its sole discretion, may interrupt delivery of all or any portion of the Block C Scheduled Energy by sending a Notice of Interruption of at least one (1) hour notice to Kenergy and Alcan in which case Supplier shall have no obligation to supply the Block C Scheduled Energy during the period of interruption set forth in the Notice of Interruption. Supplier's delivery obligation for each hour shall be firm if it does not give timely Notice of Interruption of at least one (1) hour's notice.

(ii) A Notice of Interruption may be made orally and shall be followed by immediate confirmation transmitted by facsimile, and shall designate the amount of power to be interrupted and the duration of such interruption.

(iii) Supplier is not limited in the number of times it may interrupt the delivery of Block C Scheduled Energy.

(iv) In each Notice of Interruption Supplier may at its discretion (but without being required) offer an alternative price or prices per megawatt hour ("Buy-Through Price") upon which Supplier would make the interrupted amount of Block C Scheduled Energy available to Kenergy during the specified hour or hours of interruption. Kenergy shall have ten (10) minutes after the time it receives verbal Notice of Interruption to notify Supplier that it accepts the Buy-Through Price for the Block C Scheduled Energy comprising all or any part of the designated interruption ("Buy-Through Energy"). Kenergy will follow verbal acceptance of the Buy-Through Price with a facsimile confirmation. The failure of Kenergy to notify Supplier of its acceptance of the Buy-Through Price during this ten-minute period shall constitute a rejection of the Buy-Through Price, and the interruption shall thereafter be implemented in accordance with the Notice of Interruption.

(v) Upon Kenergy's acceptance of the Buy-Through Price for the Buy-Through Energy, the obligation of Supplier to provide the Block C Scheduled Energy in whole or in part, as the case may be, shall be re-established, provided that Supplier shall charge to Kenergy the Buy-Through Price for all Buy-Through Energy instead of the applicable Base Rates.

(vi) During any period of interruption, Supplier may notify Kenergy and Alcan of its willingness to terminate the interruption and resume the delivery of Block C Scheduled Energy under the applicable Base Rates. Upon notification from Supplier terminating the interruption, Kenergy shall purchase and accept delivery of Block C Scheduled Energy for resale to Alcan at the start of the hour following such notice. Supplier shall provide Kenergy and Alcan at least ten (10) minutes advance notice of the termination of an interruption.

Section 5.06 Cost of Transmission and Ancillary Services. In addition to the rates charged in Section 5.01 and Section 5.02 for Block A Energy and Block B Energy, respectively, and in addition to the Base Rate charged in Section 5.05(d) for Block C Scheduled Energy, the Monthly Charge shall include and Kenergy shall pay to Supplier (i) the cost to Big Rivers of transmitting the Tier 3 Energy purchased under this Agreement to the Point of Delivery based on network transmission service and (ii) the incremental cost, if any, of any unbundled purchase of ancillary services that Big Rivers is required to effect with respect to the Tier 3 Energy sold by Big Rivers and purchased by Kenergy under this Agreement.

Section 5.07 Service Obligation. Unless otherwise excused pursuant to Article XII or unless service is interrupted pursuant to Section 5.04 or Section 5.05(f), in the event that Supplier fails to deliver the Block A Energy, Block B Energy or Block C Scheduled Energy (including Buy-Through Energy) to the Point of Delivery in accordance with the terms of this Agreement, Supplier will be liable for 100% of the costs incurred by Kenergy in obtaining Tier 3 Energy in a commercially reasonably manner to replace the energy not delivered, less the amount that

Kenergy would have owed to Supplier had Supplier fulfilled its obligation to deliver hereunder.

ARTICLE VI

BILLING

Section 6.01 Monthly Billing. Supplier shall bill Kenergy on a monthly basis for the Monthly Charge based on the Tier 3 Energy provided or made available under this Agreement during the most recently ended Billing Month. Supplier shall issue its bill as soon after the Billing Month's end as detailed information is available. Kenergy shall pay Supplier the Monthly Charge in immediately available funds on or before the first Working Day after the 25th of the month in which the bill is issued. To facilitate satisfaction of Kenergy's obligation to Supplier, Kenergy hereby assigns to Supplier all of its rights to collect and enforce collection of amounts due from Alcan with respect to the Tier 3 Energy and related transmission and ancillary services sold by Supplier under this Agreement. Supplier releases Kenergy from further liability under this Agreement for amounts subject to such assignment to Supplier, provided that such release does not relieve Kenergy of its other liabilities under this Agreement. Kenergy agrees to cooperate with and assist Supplier with respect to any collections of amounts due from Alcan to Kenergy which are assigned to Supplier pursuant to this section, provided that Supplier will reimburse Kenergy for any commercially reasonable expenses Kenergy incurs in providing such cooperation and assistance.

Section 6.02 Late Charge. In the event any bill rendered by Supplier is not paid on the due date, interest will accrue and become payable by Kenergy to Supplier on all unpaid amounts at a rate of 4 percentage points over the then-effective prime commercial lending rate per annum published in the Money Rates section of *The Wall Street Journal* computed on the first Working Day after the due date. (Should *The Wall Street Journal* discontinue publication of the

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prime commercial lending rate, the Parties shall agree on a mutually acceptable alternative source for that rate.)

Section 6.03 Disputed Billing. In the event any portion of any bill is disputed by Kenergy, the disputed amount shall be paid, under protest, when due. If the protested portion of the payment is found to be incorrect, Supplier shall promptly cause to be refunded to Kenergy (or to Alcan on behalf of Kenergy, as applicable) the amount that was not then due and payable, together with interest accrued on each calendar day from the date of payment by Kenergy to the date the refund is made. The same interest rate and computation method provided for in Section 6.02 shall be applied to the determination of interest due to Kenergy on the refund.

Section 6.04 Non-Waiver. No payment made by Kenergy (or Alcan) pursuant to this Article VI shall constitute a waiver of any right of Kenergy (or Alcan) to contest the correctness of any charge or credit.

ARTICLE VII

(RESERVED)

ARTICLE VIII

BREACH AND DEFAULT

Section 8.01 Event of Default. The occurrence of any of the following events, unless otherwise excused pursuant to the terms of this Agreement, constitutes a breach by the relevant Party under this Agreement and if not curable or not cured within the applicable cure period (indicated in parenthesis) shall constitute a default:

(a) Failure by a Party to make any payment as and when due hereunder (curable within 3 days following notice of default from the non-defaulting party to the defaulting party and Alcan);

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(b) Failure of a Party to perform any material duty imposed on it by this Agreement (curable within 30 days following notice of default from the nondefaulting party to the defaulting party and Alcan);

(c) Any attempt by a Party to transfer an interest in this Agreement other than as permitted pursuant to Article XIII of this Agreement (not curable);

(d) Any filing of a petition in bankruptcy or insolvency, or for reorganization or arrangement under any bankruptcy or insolvency law, or voluntarily taking advantage of any such laws by answer or otherwise or the commencement of involuntary proceedings under any such laws by a Party (curable by withdrawing the petition or dismissing the proceeding within 30 days after filing).

(e) Assignment by a Party for the benefit of creditors, other than as expressly provided herein (not curable);

(f) Allowance by a Party of the appointment of a receiver or trustee of all or a material part of its property (curable by discharge of such receiver or trustee within 60 days after appointment).

(g) Failure, inability or refusal of Kenergy to cure a breach or default by Kenergy under the Alcan Power Agreement which gives rise to a termination of that agreement, or any termination by Kenergy of the Alcan Power Agreement in breach or default thereof (not curable).

Section 8.02 Non-Waiver. The waiver by either Party of any breach of any term, covenant or condition contained herein shall not be deemed a waiver of any other term, covenant or condition, nor shall it be deemed a waiver of any subsequent breach of the same or any other term, covenant or condition contained herein.

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ARTICLE IX

REMEDIES OF THE PARTIES

Section 9.01 Remedies, General: In event of a default by either Party, the non-defaulting Party may, in its sole discretion, elect to terminate this Agreement upon written notice to the other Party, or to seek enforcement of its terms at law or in equity.

Section 9.02 Remedies Scope: Remedies provided in this Agreement are cumulative, unless specifically designated to be an exclusive remedy. Nothing contained in this Agreement shall be construed to abridge, limit, or deprive either Party of any means of enforcing any remedy either at law or in equity for the breach or default of any of the provisions herein provided that:

(a) Neither Party is entitled to recover from the other Party any consequential, incidental or special damages including without limitation, lost profits; and

(b) Kenergy's sole and exclusive right to damages or other relief for a failure by Supplier to deliver Tier 3 Energy as required by this Agreement shall be as set forth in Section 5.07.

ARTICLE X

ADDITIONAL COVENANTS OF THE PARTIES

Section 10.01 General. Kenergy covenants that:

(a) It will not intentionally take any action that would shorten the Term of this Agreement or otherwise adversely affect the economic value of this Agreement to Supplier or Alcan.

(b) It will not resell any Tier 3 Energy purchased from Supplier under this Agreement to any user other than Alcan and will require that any Tier 3 Energy that Kenergy purchases from

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Supplier under this Agreement and resells to Alcan must be consumed by Alcan for its Sebree Facility except as expressly permitted with the written authorization of Supplier; provided, that in the event of an Uncontrollable Force that renders Alcan unable to receive and utilize power purchased by Kenergy from Supplier hereunder, Kenergy may take the action contemplated in Section 26.6 of the Alcan Power Agreement.

(c) It will not take any action or support any action by others that in any manner would impede Kenergy's ability to fulfill its obligations to Supplier under this Agreement;

(d) It will not waive compliance by Alcan with any of its obligations under the Alcan Power Agreement or fail to fully enforce the Alcan Power Agreement against Alcan in any manner that would adversely affect Kenergy's ability to fulfill its obligations under this Agreement; and

(e) It will not assign or transfer (by operation of law or otherwise) any rights or interests that it may have in the Alcan Power Agreement to any party without causing the transferee of the Alcan Power Agreement to assume and agree to perform all of Kenergy's obligations under this Agreement which arise following that assignment or transfer and without complying with Article XIII.

Section 10.02 Supplier Audit. Kenergy will permit Supplier to audit, upon reasonable notice, at its own expense, at a mutually agreeable time, all information in the possession of Kenergy relating to its service to Alcan under the Alcan Power Agreement, including (for example, but not by way of limitation) scheduled usage, meter records and billing records and records related to power supplied hereunder as such records relate to a determination of the amount of Tier 3 Energy supplied by Supplier under this Agreement and delivered to or used by

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Alcan. Kenergy shall retain all documentation applicable to service to Alcan under the Alcan Power Agreement for a period of three years and consistent with the requirements of Section 25 of the Alcan Power Agreement.

Section 10.03 Kenergy Audit. Supplier will permit Kenergy to audit, upon reasonable notice, at its own expense, at a mutually agreeable time, all information in the possession of Supplier relating to its service to Kenergy under this Agreement, including (for example, but not by way of limitation) scheduled deliveries, meter records and billing records and records related to payments made by Alcan to Supplier pursuant to the assignment described in Section 6.01 of this Agreement and such other documents related to payment for and determination of the amount of Tier 3 Energy supplied by Supplier and delivered to Kenergy for resale and delivery to Alcan under this Agreement. Supplier shall retain all documentation applicable to service to Kenergy under this Agreement for a period of three years.

Section 10.04 Assurance. Supplier covenants that it will not take any action or support any action by others that in any manner would impede Supplier's ability to fulfill its obligations to Kenergy under this Agreement and will not intentionally take any action that would diminish or otherwise adversely affect the economic value of this Agreement to Kenergy.

ARTICLE XI

DISPUTE RESOLUTION AND CHOICE OF LAW

Section 11.01 Dispute Resolution. Should any dispute arise between the Parties concerning the terms or conditions of this Agreement, the duties or obligations of the Parties under this Agreement, or the implementation, interpretation or breach of this Agreement, either Party may request in writing a meeting between an authorized representative of each of the Parties to discuss and attempt to reach a resolution of the dispute. Such meeting shall take place

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within ten (10) days (or such shorter or longer time as agreed upon by the Parties) of the request. Any resolution mutually agreed upon by the Parties shall be reduced to written form and signed by each Party, and thereafter shall be binding upon each Party to this Agreement. Absent such resolution, the Parties shall be entitled to pursue all rights and remedies that they may have at law, in equity or pursuant to this Agreement (subject to the limitations set forth in the Agreement) to resolve that dispute. Notwithstanding the provisions of this Section 11.01, each Party will at all times be free to seek injunctive relief, where its delay in doing so could result in irreparable injury.

Section 11.02 Controlling Law. This Agreement shall be interpreted, governed by and construed under the laws of the Commonwealth of Kentucky, without regard to its conflicts of laws rules.

Section 11.03 Venue. The Parties hereby agree that the Courts of the Commonwealth of Kentucky will have exclusive jurisdiction over each and every judicial action brought under this Agreement to enforce this Agreement or for breach of this Agreement, provided that the subject matter of such dispute is not a matter reserved by law to the U.S. federal judicial system and provided further that the Parties are not precluded from filing actions in or removing actions to a federal district court under such court's diversity of citizenship jurisdiction. In any such federal district court action, venue shall lie with the U.S. District Court for the Western District of Kentucky. The Parties hereby agree to submit to the jurisdiction of such courts for such purposes. Nothing in this paragraph prohibits a Party from referring to FERC any matter properly within FERC's jurisdiction.

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ARTICLE XII

UNCONTROLLABLE FORCES

Section 12.01 Application. No Party shall be considered to be in breach or default in the performance of any of its obligations under this Agreement when a failure of performance is due to an Uncontrollable Force, except as enumerated in this Article XII. The Party claiming failure or inability to perform shall promptly contact the other Party and provide written notice that an Uncontrollable Force has caused failure of performance. In the event either Party shall be unable, in whole or in part, by reason of Uncontrollable Force to carry out its obligations, then the obligations of the Parties (other than obligations to make payments then due or becoming due with respect to performance prior to such period), to the extent that they are affected by such Uncontrollable Force, shall be suspended during the continuance of any inability so caused, but for no longer period. A Party shall not be relieved of liability for failing to perform if such failure is due to causes arising out of its own negligence or willful acts or omissions, or to removable or remediable causes which it fails to remove or remedy with reasonable dispatch.

Section 12.02 Obligation To Mitigate. Either Party rendered unable to fulfill any obligation by reason of an Uncontrollable Force shall exercise due diligence to remove or remedy such inability with all reasonable dispatch.

Section 12.03 Notification. Kenergy and Supplier agree to notify the other Party and Alcan at the earliest practicable time following (i) the occurrence of any Uncontrollable Force which renders such Party incapable of performing hereunder, or (ii) the time at which such Party has reason to expect that such an Uncontrollable Force is imminent. Kenergy also agrees to so notify Supplier in the event that Kenergy receives notice from Alcan or the Transmission Provider that such entity anticipates that it will be unable to perform its obligations to Kenergy

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(under any contract or agreement that affects Kenergy's performance under this Agreement) due to an Uncontrollable Force.

Section 12.04 Labor Dispute. Nothing contained herein shall be construed to require a Party to prevent or to settle a labor dispute against its will.

ARTICLE XIII

SUCCESSORS AND ASSIGNS

This Agreement shall inure to the benefit of and be binding upon the Parties hereto and their respective successors and permitted assigns. No interest in this Agreement may be transferred or assigned by either Party, in whole or in part, by instrument or operation of law, without the prior written consent of the other Party, except that (a) assignment may be made by either Party without the consent of the other Party to such person or entity as acquires all or substantially all the assets of the assigning Party or which merges with or acquires all or substantially all of the stock or other ownership interest of such Party, and (b) Supplier may assign or delegate all or any portion of its rights or obligations under this Agreement to any affiliate or entity controlled by Supplier or to the Rural Utilities Services, or any successor thereto, without the prior consent of Kenergy. When consent is required, consent shall not be unreasonably withheld, conditioned or delayed. In no event shall either Party assign this Agreement to any third party that does not have adequate financial capacity or that would otherwise be unable to perform the obligations of the assigning Party pursuant to this Agreement, nor shall either Party assign this Agreement on any terms at variance from those set forth in this Agreement except as agreed to in writing by the Parties. No permitted assignment or transfer shall change the duties of the Parties, or impair the performance under this Agreement except to the extent set forth in such permitted assignment and approved in writing by the Parties. No

Party is released from its obligations under this Agreement pursuant to any assignment, unless such release is granted in writing.

ARTICLE XIV

REPRESENTATIONS AND WARRANTIES:

Section 14.01 Kenergy Representations and Warranties. Kenergy hereby represents and warrants to Supplier as follows:

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

(b) The execution, delivery and performance of this Agreement by Kenergy has been duly and effectively authorized by all requisite corporate action.

(c) Without further investigation, Supplier can rely upon any scheduling or other written notice from Kenergy.

(d) Kenergy has reserved network transmission service pursuant to Big Rivers' Open Access Transmission Tariff as reasonably required for Big Rivers to deliver to Kenergy and for Kenergy to deliver to Alcan the Tier 3 Energy purchased by Kenergy from Big Rivers pursuant to this Agreement.

Section 14.02 Supplier Representations and Warranties. Supplier hereby represents and warrants to Kenergy as follows:

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

(b) The execution, delivery and performance of this Agreement by Supplier has been duly and effectively authorized by all requisite corporate action.

(c) Without further investigation, Kenergy can rely upon any written notice from Supplier.

ARTICLE XV

AMENDMENTS

Section 15.01 Writing Required. This Agreement may be amended, revised or modified by, and only by, a written instrument duly executed by both Parties.

Section 15.02 Waiver. The rates provided for in Sections 5.01, 5.02 and 5.05 of this Agreement shall not be subject to change through application to the FERC pursuant to the provisions of Section 205 of the Federal Power Act absent the agreement of each of the Parties to this Agreement. Accordingly, neither Party shall petition FERC or any other governmental agency pursuant to the provisions of Section 205 or 206 of the Federal Power Act or any other provision of law to amend the rates contained in Sections 5.01, 5.02 and 5.05 of this Agreement absent the agreement in writing of the other Party nor shall any Party cooperate with any other person(s), or request or encourage any other person(s) to make such petition; and each Party further agrees to oppose any action to change such rates, including but not limited to pursuing appeals of any order or decision directing such change, and to bear all of its own costs of such opposition including attorneys' fees. Big Rivers' transmission rates, methodologies and formulae are subject to change, but nothing in this Agreement limits the right of any Party to

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challenge any aspect of the Transmission Provider's Open Access Transmission Tariff, including the applicable loss factor, the transmission service rates or any other transmission or ancillary service issue presented to FERC.

ARTICLE XVI

GENERAL

Section 16.01 Good Faith Efforts: The Parties agree that each shall in good faith take all reasonable actions within their reasonable control as are necessary to permit the other Party to fulfill its obligations under this Agreement; provided, that no Party shall be obligated to expend money or incur material economic loss in order to facilitate performance by the other Party. Where the consent, agreement, or approval of either Party must be obtained hereunder, such consent, agreement or approval shall not be unreasonably withheld, conditioned, or delayed. Where either Party is required or permitted to act or fail to act based upon its opinion or judgment, such opinion or judgment shall not be unreasonably exercised. Where notice to the other Party is required to be given herein, and no notice period is specified, such notice will be given as far in advance as is reasonably practical.

Section 16.02 Information Exchange: The Parties shall cooperate in the exchange of information between themselves in order to further the purposes of this Agreement, to verify compliance with the terms of this Agreement and to keep each other fully informed of facts which could constitute a material change in any of the business or financial relationships contemplated by this Agreement.

Section 16.03 Notices: Except as herein otherwise expressly provided, any notice, demand or request provided for in this Agreement, or served, given or made in connection with it, shall be in writing and shall be deemed properly served, given or made if delivered in person

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or by any qualified and recognized delivery service, or sent by United States mail postage prepaid to the persons specified below unless otherwise provided for in this Agreement.

To Supplier:
Big Rivers Electric Corporation
201 Third Street
Henderson, Ky. 42419
Attn: C. William Blackburn, Vice President, Power Supply
Facsimile No.: (270) 827-2101

To Kenergy:
Kenergy Corp.
P.O. Box 18
Henderson, KY 42419-0018
Attention: Dean Stanley, President/CEO
Facsimile: (270) 826-3999

To Alcan:
Alcan Aluminum Corporation
Highway 2096, Near Sebree, Ky.
Henderson, Kentucky 42419-0044
Attention : Pam Schneider, Controller
Facsimile: (270) 521-7305

Either Party may at any time, by written notice to the other Party, change the designation or address of the person specified to receive notices pursuant to this Agreement.

Section 16.04 Severability: If any clause, sentence, paragraph or part of this Agreement should for any reason be finally adjudged by any court of competent jurisdiction to be unenforceable or invalid, such judgment shall not affect, impair or invalidate the remainder of this Agreement but shall be confined in its operation to the clause, sentence, paragraph or any part thereof directly involved in the controversy in which the judgment is rendered, unless the loss or failure of such clause, sentence, paragraph or part of this Agreement shall materially adversely affect the benefit of the bargain to be received by either or both of the Parties, in which event the Parties shall promptly meet and use their good faith best efforts to renegotiate this Agreement in such a fashion as will restore the relative rights and benefits of both Parties or, absent such renegotiation, the Party(s) that was so materially adversely affected shall be entitled, in its discretion, to terminate this Agreement.

Section 16.05 Singular and Plural References: Unless the context plainly indicates otherwise, words importing the singular number shall be deemed to include the plural number and vice versa.

Section 16.06 Survival of remedies. Each provision of this Agreement providing for payment for Tier 3 Energy delivered or made available or related to remedies for default, damage claims, indemnification or payment of other liabilities will survive the termination of this Agreement to the full extent necessary for their enforcement and the protection of the Party in whose favor they run.

Section 16.07 Entire Agreement. This Agreement constitutes the entire agreement and understanding of the parties hereto with respect to the subject matter addressed herein.

Section 16.08 Patronage-Based Service. The Parties agree that, for purposes of this Agreement, Kenergy is doing business with Supplier on a patronage basis in accordance with the provisions of the Articles of Incorporation and Bylaws of Supplier that may be in effect from time to time.

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

KENERGY CORP.

Dean Stanley

By: Dean Stanley
Title: President and CEO

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BIG RIVERS ELECTRIC CORPORATION

By: Michael H. Core
Title: President and CEO

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