

**AGREEMENT FOR ELECTRIC SERVICE (2006)  
BETWEEN  
KENERGY CORP.  
AND  
LG&E ENERGY MARKETING INC.**

Article I. PARTIES:

The Parties to this Agreement, dated as of the 21st day of December, 2005, are KENERGY CORP., a Kentucky corporation organized under KRS Chapter 279 ("KENERGY"), and LG&E ENERGY MARKETING INC., an Oklahoma corporation ("LEM"). KENERGY and LEM are each referred to individually as a "Party" and collectively as the "Parties." It is recognized by the Parties that Century Aluminum of Kentucky, LLC ("Century"), and any successor, is a third-party beneficiary under this Agreement. Pursuant to the attached Form of Consent, Century consents to this Agreement and agrees that its (and its successor's) rights as a third party beneficiary are limited to the same extent as those of KENERGY hereunder.

Article II. RECITALS:

Section 2.01 LEM is an energy marketer, engaged *inter alia* in the business of selling electric power at wholesale.

Section 2.02 KENERGY is a rural electric cooperative, which *inter alia* provides electric energy at retail to Century pursuant to an agreement entitled "Agreement for Electric Service" between Kenergy (successor to Green River Electric

Corporation) and Century (successor to Southwire Company), effective as of July 15, 1998 ("Century Power Agreement"). Under the Century Power Agreement,

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upon the request of Century, Kenergy is obligated to purchase, from LEM or others, quantities of Energy for resale to Century.

Section 2.03 Century operates and controls an aluminum reduction plant in Hancock County, Kentucky (the "Century Smelter").

Section 2.04 KENERGY desires to enter into an agreement with LEM to purchase Energy for resale to Century, and LEM desires to enter into an agreement with KENERGY to sell, system firm Energy in 2006 in addition to that available pursuant to the Century/Kenergy/LEM Agreement, hereafter defined.

NOW THEREFORE, in consideration of the mutual covenants set forth below and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, 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 in this

Article III:

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 A.M.: Means A.M., Central Prevailing Time

Section 3.03 Ancillary Services: Those services that FERC designates from time-to-time as necessary to support the transmission of Energy while maintaining the reliability

of the applicable transmission system, and which include, as of the Effective Date:

(1) Scheduling, System Control and Transmission Dispatch Services, (2) Reactive

Supply and Voltage Control from Generation Sources Services, (3) Regulation

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and Frequency Response Service, (4) Energy Imbalance Service, (5) Operating Reserve - Spinning Reserve Service, and (6) Operating Reserve - Supplemental Reserve Service.

- Section 3.04 Big Rivers: Big Rivers Electric Corporation, its successors or assigns.
- Section 3.05 Billing Month: Each calendar month during the term of this Agreement in which electric service is rendered to Kenergy by LEM for resale to Century.
- Section 3.06 Block A Energy: As defined in Section 5.03.
- Section 3.07 Block B Energy: As defined in Section 5.04.
- Section 3.08 Century: Century Aluminum of Kentucky, LLC, its successors or assigns.
- Section 3.09 Century/Kenergy/LEM Agreement: Agreement for Electric Service dated July 15, 1998 between Kenergy (as successor to Green River Electric Corporation) and LG&E Energy Marketing Inc. pursuant to which LEM supplies KENERGY with certain quantities of Energy, including 339 MW denominated as Tier 1 Energy and Tier 2 Energy, for resale to Century.
- Section 3.10 Energy: The flow of electricity denominated in kilowatt-hours.
- Section 3.11 Energy Delivery Period: Energy Delivery Period shall have the meaning ascribed in Section 5.01 below.
- Section 3.12 Energy Charge: The amount as determined pursuant to Sections 5.05.
- Section 3.13 Execution Date: The date that this Agreement becomes effective to the limited extent defined in Section 4.02 below.
- Section 3.14 FERC: The Federal Energy Regulatory Commission or any successor agency.
- Section 3.15 HMP&L: The City of Henderson, Kentucky, and the City of Henderson Utility Commission doing business as Henderson Municipal Power & Light.

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

Section 3.17 Kenergy/Big Rivers Agreement: The existing contractual relationship between Kenergy and Big Rivers pursuant to which, inter alia, Big Rivers provides network transmission services and ancillary services to Kenergy in order to facilitate the acceptance by Kenergy of Energy from third party suppliers and the delivery of Energy from Kenergy to Century.

Section 3.18 KPSC: The Kentucky Public Service Commission or any successor agency.


Section 3.19 LEM: LG&E Energy Marketing Inc., its successors or assigns.

Section 3.20 LEM Century Obligation: The obligation of LEM to sell and deliver Block A Energy and Block B Energy to Kenergy for resale to Century, subject to Permitted Curtailments, as set forth in this Agreement.

Section 3.21 LEM Firm Obligation: 1295 MWh in each hour, which volume is not subject to change hereunder except as described in the remainder of this definition. The LEM Firm Obligation is a total of several components and includes a component representing 95 MWh with respect to certain existing agreements among HMP&L, Big Rivers, and an affiliate of LEM (the "HMP&L Agreements"). Such 95 MWh component may, upon notice to KENERGY, be adjusted by LEM in accordance with the HMP&L Agreements, in which event the LEM Firm Obligation will be increased or decreased by a corresponding amount effective as of the date of the change under the HMP&L Agreements.

Section 3.22 LEM Resources: Net Energy produced and delivered to LEM in each hour of the Energy Delivery Period from the following generating units owned or controlled by Big Rivers and operated by affiliates of LEM (the "LEM Generation"); (a) the

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three (3) Coleman units, the Wilson unit, the two (2) Green units, and the Reid coal fired unit, but excluding the Reid combustion turbine; and (b) the two (2) Station Two units; provided, however, that the LEM Resources in each hour shall be subject to change from time to time based on the operational, maintenance, and business decisions of LEM and/or LEM's affiliates on the dispatch of the LEM Generation, including without limitation decisions by LEM not to dispatch any unit based on the economics of operating such unit

Section 3.23 NERC Holidays: January 2, 2006, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

Section 3.24 Net Generation Deficiency: The circumstance whereby, in any hour of the Energy Delivery Period, the amount of the LEM Resources less the LEM Firm Obligation is insufficient, in whole or in part, to satisfy the LEM Century Obligation.

Section 3.25 Off-Peak Hours: All hours that are neither On-Peak Hours nor Weekend Hours, specifically the six hour period beginning at midnight and ending at 6:00 AM and the two hour period beginning at 10:00 PM and ending at midnight on every day of the Energy Delivery Period.

Section 3.26 On-Peak Hours: The sixteen hour period beginning at 6:00 A.M. and ending at 10:00 P.M., on Mondays through Fridays of each week, but excluding NERC Holidays, during the Energy Delivery Period.

Section 3.27 Open Access Transmission Tariff: Any transmission tariff approved by FERC following filing by a public utility pursuant to 8 C.F.R. § 35.28(c) or approved

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by FERC as constituting reciprocal transmission service following a submittal by a non-public utility pursuant to 18 C.F.R. § 35.28(e) or approval by the KPSC.

Section 3.28 P.M.: Means P.M., Central Prevailing Time

Section 3.29 Permitted Curtailment: The right of LEM, within the maximum hour limitations set forth in Section 5.06, to curtail, or deem after the fact as curtailed, delivery of Block A Energy and/or Block B Energy in any hour when a Net Generation Deficiency exists but only to the extent of that Net Generation Deficiency; provided, however, that LEM may in its sole discretion elect not to implement a Permitted Curtailment during a Net Generation Deficiency.

Section 3.30 Point of Delivery: The point(s) at which the LEM Generation is interconnected with the Transmission Provider or any other point of connection between the Big Rivers transmission system and an interconnected transmission system.

Section 3.31 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.

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Section 3.32 Station Two: the two (2) unit generating plant owned by HMP&L and operated by an affiliate of LEM under agreements among HMP&L, Big Rivers, and affiliates of LEM.


Section 3.33 System Firm Energy: Energy that LEM is required to sell and deliver to KENERGY pursuant to this Agreement in every hour to the extent that LEM does not implement a Permitted Curtailment. System Firm Energy shall be firm Energy, subject to the limitations and conditions of this Agreement, provided, however, that LEM shall be relieved of its obligation to deliver System Firm Energy hereunder during (a) a Permitted Curtailment (but only to the extent of the Net Generation Deficiency) or (b) any redispatch of LEM's generation by the Transmission Provider and/or any relevant reliability coordinator or similar authority.

Section 3.34 Transmission Provider: Big Rivers, its successors or assigns or any other owner or lessee of transmission facilities directly interconnected with KENERGY over which LEM or KENERGY may contract for the delivery of electric power to KENERGY for resale to Century.

Section 3.35 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, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts,

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arrests and restraints of the Government, whether Federal, State or local, civil or military, civil 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 the LEM Generation is not an Uncontrollable Force unless it prevents the physical delivery of Energy to KENERGY for resale to Century. By way of example and not of limitation, an Uncontrollable Force excusing performance by KENERGY hereunder shall not include KENERGY's inability to obtain or utilize transmission service to deliver the Energy to Century, Century's inability economically to use the Energy to be supplied under this Agreement, market conditions relating to Century's business or the products produced at the Century Smelter, or Century's failure or refusal to accept Energy in breach of the Century Power Agreement.

Section 3.36 Weekend Hours: The sixteen hour period beginning at 6:00 A.M. and ending at 10:00 P.M. on Saturdays and Sundays of each week and on the NERC Holidays during the Energy Delivery Period.

Article IV. TERM AND TERMINATION:

Section 4.01 Term. This Article IV of this Agreement shall become effective on the Execution Date and all other Articles of this Agreement shall become effective on the Effective Date (as defined below). This Agreement will remain in full force

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and effect from the Effective Date or Execution Date, as appropriate, through December 31, 2006 unless earlier terminated: (i) by either Party pursuant to Sections 5.10, 11.01, 14.03, or 19.01, (ii) by mutual agreement of the Parties, (iii) by LEM pursuant to Section 5.10; or (iv) by operation of Section 4.02.

Section 4.02 FERC Filing and Acceptance; Effective Date. No later than fifteen (15) days after the date on which this Agreement has been executed by both Parties (the “Execution Date”), LEM shall submit a filing to FERC requesting that FERC accept this Agreement for filing pursuant to Section 205 of the Federal Power Act as a stand-alone power sales agreement at negotiated rates. Such request shall seek an acceptance by FERC that is effective as of the later of January 1, 2006 or the effective date of acceptance of the terms and conditions of this Agreement by the KPSC as described in Section 4.03 of this Agreement. In the event that FERC fails to accept this Agreement for filing without suspension, modification, or potential for refund (other than a modification by FERC solely of the requested effectiveness of this Agreement to a date no later than February 28, 2006) within sixty-five (65) days of the date of such filing by LEM, this Agreement shall become null and void *ab initio* without further obligation under this Agreement by either Party. If this Agreement is accepted by FERC for filing, without suspension, modification, or potential for refund (or FERC accepts this Agreement for filing with the sole modification being to change the effectiveness of this Agreement to a date no later than February 28, 2006), this Agreement shall become effective, or be deemed to have become effective retroactively (in

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the event FERC provides for an effectiveness earlier than the date FERC issues an order accepting the Agreement), on the Effective Date as defined below.


Section 4.03 Filing with Kentucky Public Service Commission. No later than fifteen (15) days after the Execution Date, KENERGY shall submit a filing to the Kentucky Public Service Commission (the "KPSC") requesting that the KPSC accept the terms and conditions of this Agreement as they apply to the resale of the Energy by KENERGY to Century. If the KPSC has not accepted the terms and conditions of this Agreement as they apply to the resale of the Energy hereunder by KENERGY to Century by February 28, 2006, then, notwithstanding any other provision of this Agreement, this Agreement shall be null and void, *ab initio*, without further obligation by either Party under this Agreement.

Section 4.04 Notice of Condition Satisfaction. As soon as each of the conditions set forth in Sections 4.02 and 4.03 has been satisfied, the Party responsible for seeking the approval shall promptly provide written notice to Century and the other Party that the condition has been satisfied. Unless waived by the other Party in writing, the conditions contained in Sections 4.02 and 4.03 shall not be deemed satisfied until the other Party has received such notice.

Article V. SALE OF SYSTEM FIRM ENERGY:

Section 5.01 Delivery Obligation. Unless terminated earlier in accordance with this Agreement, LEM's obligation under this Agreement to sell and deliver System Firm Energy and KENERGY's obligation under this Agreement to accept and pay for such System Firm Energy will commence at 12:01 A.M. on the Effective Date ("Effective Date" shall mean the later of January 1, 2006, the date of acceptance

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of this Agreement by FERC pursuant to Section 4.02 or the date of acceptance of this Agreement by the KPSC pursuant to Section 4.03), and will terminate as of 12:00 midnight on December 31, 2006 (“Energy Delivery Period”).

Section 5.02 Payment Obligation. KENERGY shall pay LEM the Energy Charges each month in accordance with the terms of this Agreement for the System Firm Energy delivered by LEM and accepted by KENERGY.

Section 5.03 Block A Energy. During the Energy Delivery Period and subject to the provisions of Section 5.06, LEM shall sell and deliver to KENERGY, and KENERGY shall accept and pay for, 60 MWh per hour of System Firm Energy at the Point of Delivery, provided that LEM’s obligation to sell and deliver, and KENERGY’s corresponding obligation to accept and pay, shall not apply to the extent of a Permitted Curtailment by LEM as described in Section 5.06. Block A Energy shall consist of the following strips:

- (a) Block A-1 Energy: 60 MWh per hour of System Firm Energy to be delivered during On Peak Hours of the Energy Delivery Period. KENERGY will pay LEM the price of \$77.00 for each MWh of Block A-1 Energy delivered during the Energy Delivery Period.
- (b) Block A-2 Energy: 60 MWh per hour of System Firm Energy to be delivered during Off-Peak Hours of the Energy Delivery Period. KENERGY will pay LEM the price of \$40.00 for each MWh of Block A-2 Energy delivered during the Energy Delivery Period.
- (c) Block A-3 Energy: 60 MWh per hour of System Firm Energy to be delivered during Weekend Hours of the Energy Delivery Period. KENERGY will pay

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LEM the price of \$48.00 for each MWh of Block A-3 Energy delivered during the Energy Delivery Period.

Section 5.04 Block B Energy. During the Energy Delivery Period and subject to the provisions of Section 5.06, during all On-Peak Hours, LEM shall sell and deliver to KENERGY, and KENERGY shall accept and pay for, 25 MWh per hour of System Firm Energy at the Point of Delivery, provided that LEM's obligation to sell and deliver, and KENERGY's corresponding obligation to accept and pay, shall not apply to the extent of a Permitted Curtailment by LEM as described in Section 5.06. KENERGY will pay LEM the price of \$77.00 for each MWh of Block B Energy delivered during the Energy Delivery Period.

Section 5.05 Energy Charge. The Energy Charge shall be equal to the sum of the amounts due for Block A-1 Energy, Block A-2 Energy, Block A-3 and Block B Energy. In each case, the Energy Charge shall be calculated using the Energy schedule deemed to be supplied by KENERGY pursuant to Section 6.01. Such scheduled volume shall be multiplied times the applicable rate set forth in Sections 5.03 and 5.04 above to determine the amount due for each referenced Block of Energy. These prices for Block A-1 Energy, Block A-2 Energy, Block A-3 Energy and Block B Energy are not subject to change over the term of this Agreement. The Energy Charge is not a bundled price; without limiting the foregoing, the Energy Charge does not include charges for Ancillary Services or system energy losses, each of which shall remain the responsibility of KENERGY to supply and/or procure.


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Section 5.06 Conditions of Delivery. The LEM Century Obligation shall be subject to the following conditions:

- (a) Except with respect to hours when the LEM Generation has been redispached by the Transmission Provider and/or the applicable reliability coordinator or similar authority (in which case LEM shall have no obligation to sell and deliver Energy hereunder for those hours), LEM shall be obligated to sell and deliver Block A Energy and Block B Energy on a firm basis in every hour during the Energy Delivery Period except to the extent that LEM has implemented a Permitted Curtailment.
- (b) With respect to any hour when a Net Generation Deficiency exists or existed, LEM may in its sole discretion (i) implement a full or partial Permitted Curtailment of either Block A Energy or Block B Energy, or both, or (ii) decline to implement a Permitted Curtailment.
- (c) LEM may after the fact determine that a Net Generation Deficiency existed in a prior hour or hours, and upon such determination, LEM may, in its sole discretion, after the fact implement a Permitted Curtailment of Block A Energy or Block B Energy, or both. However, in the event that a Permitted Curtailment is implemented after the fact with respect to any hour or hours, LEM may implement the Permitted Curtailment of Block A Energy or Block B Energy, or both, only to the extent of the number of MWh of the Net Generation Deficiency.
- (d) LEM's right to implement a Permitted Curtailment is subject to a maximum of 1,488 hours and 704 hours during the Energy Delivery Period with respect

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to Block A Energy and Block B Energy, respectively; provided that such total hours shall be reduced by the number of hours of such Permitted Curtailments of each of Block A Energy and Block B Energy under that separate Transaction Agreement dated December 7, 2006 between the Parties. In its sole discretion, in any hour in which there is a Net Generation Deficiency LEM may implement a Permitted Curtailment of only Block A Energy, only Block B Energy, or both Block A Energy and Block B Energy. The hours of Permitted Curtailment for each of Block A Energy and Block B Energy shall be separately tracked. Every hour in which LEM has implemented either a full or partial curtailment of either Block A Energy or Block B Energy shall be deemed an hour of Permitted Curtailment for purposes of calculating the maximum number of hours that a Permitted Curtailment of the applicable Block may be implemented.

(e) KENERGY will separately arrange and pay the Transmission Provider for transmission services in transporting the Block A Energy and Block B Energy from the Point of Delivery to the point at which KENERGY delivers such Energy to Century. KENERGY shall be responsible for all losses from the Point of Delivery.

(f) For purposes of determining the LEM Sale Amount (as defined under the Century/Kenergy/LEM Agreement) for purposes of billing under the Century/Kenergy/LEM Agreement, the amount of Block A Energy and Block B Energy delivered by LEM hereunder shall be deemed reduced by the

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applicable amount of system energy losses as determined under the Open Access Transmission Tariff of the Transmission Provider.

(g) LEM may, in its sole discretion but without any requirement to do so, notify KENERGY in advance that a full or partial Permitted Curtailment will occur in a subsequent hour or hours specified in the notice. Unless otherwise mutually agreed between the Parties, such notification shall be irrevocable with respect to the hour or hours specified. Within a reasonable period of time KENERGY will notify LEM whether or not it has secured an alternative source of power for resale to CENTURY during the hour or hours specified or whether Century's manufacturing operations will be modified during the hour or hours specified. The Parties will establish a mutually agreeable protocol to implement the provisions of this Section 5.06(g).

Section 5.07 Ancillary Services. LEM is not supplying KENERGY any Ancillary Services under this Agreement. Accordingly, KENERGY shall separately supply and/or procure such Ancillary Services.

Section 5.08 Remedies for Failure to Deliver or Accept Delivery. Unless otherwise excused pursuant to a Permitted Curtailment, by a redispach of the LEM Generation by the Transmission Provider and/or the relevant reliability coordinator or similar authority, or pursuant to Article XIV (Uncontrollable Forces), in the event that LEM fails to sell and deliver Block A Energy or Block B Energy to the Point of Delivery in accordance with the terms of this Agreement, then as KENERGY's sole and exclusive remedy for such failure (except in the limited circumstance covered by Section 10.01(d)), LEM will be liable for 100% of the positive amount

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by which the costs incurred by KENERGY, using reasonable commercial efforts to replace and deliver like-kind Energy to Century, exceed what KENERGY would have paid for System Firm Energy under this Agreement had LEM fulfilled its obligations hereunder. Unless otherwise excused pursuant to Article XIV (Uncontrollable Forces), in the event that KENERGY fails to purchase and receive Block A Energy or Block B Energy at the Point of Delivery in accordance with the terms of this Agreement, then, as LEM's sole and exclusive remedy for such failure (except in the limited circumstance covered by Section 10.01(d)), KENERGY will be liable for 100% of the positive amount by which the amount that KENERGY would have paid under this Agreement had KENERGY fulfilled its obligations hereunder exceeds the revenue recovered, net of any incremental costs, by LEM in reselling the Energy using reasonable commercial efforts. In calculating LEM's revenue from reselling the Energy, LEM shall allocate the lowest priced sales made by LEM with respect to the relevant hour (except that if no resale is made following reasonable efforts by LEM to do so, then LEM's revenue from reselling the Energy shall be deemed to be zero).

Section 5.09 Termination of Agreement Due to Curtailment of Century Operations. In the event that Century permanently ceases operation of a pot line and therefore does not desire to receive the Energy sold to KENERGY hereunder, KENERGY may give written notice to LEM at least fifteen (15) days in advance of a specified termination date that as of such specified termination date KENERGY will be unable to accept delivery of Block A Energy and Block B Energy effective Century's permanent cessation of such operations, this Agreement shall terminate

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at midnight on such specified termination date. In the event of termination pursuant to this Section 5.09, LEM, using commercially reasonable market to market practices, shall establish a settlement value of the Agreement (“Settlement Value”). Such Settlement Value shall reflect a present value summation of the net difference between the current forward market prices, as of the date of termination and as estimated by LEM in the ordinary course of business, to the prices under this Agreement for each hour of future deliveries that would have been made absent termination. If the Settlement Value is less than KENERGY would have paid to LEM had the Agreement not been terminated, KENERGY within thirty (30) days of invoice shall pay to LEM the negative difference. If the Settlement Value is more than KENERGY would have paid to LEM had the Agreement not been terminated, KENERGY shall have no further liability to LEM except for Energy previously purchased and delivered and any damages for prior breaches of this Agreement, and LEM shall have no further liability to KENERGY as a result of such termination. The establishment of the Settlement Value by LEM shall be subject to Section 8.03.

Section 5.10 Major Outage of LEM Resource. In the event of an unplanned outage or deration of more than 150 MW of capacity of the LEM Generation (for these purposes, “unplanned” shall mean that the outage is not for maintenance as scheduled prior to the commencement of this Agreement) and that outage or deration is reasonably anticipated by LEM to last for more than fifteen (15) calendar days, LEM may, effective upon ten (10) days prior notice to Kenergy, terminate this Agreement. An early termination of this Agreement pursuant to this Section 5.10

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shall not trigger a breach or any other liability between the Parties, other than liabilities that existed under this Agreement for deliveries and/or breaches prior to the date of early termination.

Section 5.11 Termination Due to Termination of Transaction Agreement. The Parties acknowledge that they separately have entered into that Transaction Agreement dated as of December 7, 2005 (the "Transaction Agreement") and that pursuant to Sections 6(a) and 6(c) of the Transaction Agreement each Party has the right upon requisite notice to elect an early termination of the Transaction Agreement. The Parties agree that in the event of early termination of the Transaction Agreement, this Agreement shall also terminate automatically without any further action of the Parties. An early termination of this Agreement pursuant to this Section 5.11 shall not trigger a breach or any other liability between the Parties, other than liabilities that existed under this Agreement for deliveries and/or breaches prior to the date of early termination.

Section 5.12 Restructuring Transaction. In the event transactions substantially in the form contemplated in that certain letter of intent, dated as of November 28, 2005, between Big Rivers Electric Corporation and E.ON U.S. LLC (f/k/a LG&E Energy LLC) (for itself and on behalf of LG&E Energy Marketing Inc., Western Kentucky Energy Corp., WKE Station Two Inc and WKE Corp.) are completed prior to the expiration or earlier termination of this Agreement, then at the option of LEM in its sole discretion, LEM shall be entitled to terminate this Agreement at any time following the completion of those transactions upon the delivery of 3 days prior written notice of termination to Kenergy. Upon any termination of this

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Agreement pursuant to the preceding sentence, the parties' respective rights and obligations under this Agreement shall thereafter become null and void and of no further force or effect, except that (a) Kenergy shall continue to be obligated thereafter for the payment to LEM of any amounts attributable to services provided by LEM under this Agreement through the date of such termination, and (b) each party shall continue to be obligated thereafter to the other party for its breach or default under this Agreement occurring at any time prior to the effectiveness of such termination.

Article VI. SCHEDULING AND DELIVERY OF ENERGY:

Section 6.01 All Block A Energy and Block B Energy to be sold and delivered by LEM under this Agreement shall deemed to be subject to a standing schedule requesting the delivery of such Energy in all hours, subject to Permitted Curtailments. Neither KENERGY nor LEM shall have any right to change such standing schedule.

Section 6.02 LEM shall deliver Block A Energy and Block B Energy pursuant to this Agreement at the Point of Delivery. Title to the Energy sold under this Agreement shall transfer from LEM to KENERGY at the Point of Delivery.

Article VII. METERING:

Section 7.01 KENERGY has caused to be provided, or in conjunction with the Transmission Provider will cause to be provided, appropriate metering facilities at the Point of Delivery and at the load location(s) of Century.

Article VIII. BILLING:

Section 8.01 LEM shall bill KENERGY pursuant to this Agreement on a monthly basis for (a) the Energy Charge based on the amount of Block A Energy and Block B Energy

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sold and delivered to Kenergy at the Point of Delivery during the most recently ended Billing Month and (b) any other net charges hereunder. Any amounts due by LEM to KENERGY hereunder shall be treated as a credit on the next monthly bill following the incurrence of such amount by LEM. KENERGY shall pay LEM the Energy Charge in immediately available funds on or before the first Working Day after the 24th of the month in which the bill is issued. For the convenience of the Parties, and to facilitate satisfaction of KENERGY's obligation to LEM, KENERGY hereby assigns to LEM all of its right to receive payment from Century under the Century Power Agreement for the Block A Energy and Block B Energy sold and delivered under this Agreement. KENERGY also hereby assigns to LEM all of its rights to collect and enforce collection of such amounts due from Century. Upon completion of appropriate documentation assuring LEM an unencumbered right to KENERGY's account receivable (as described above), and to exercise all of KENERGY's rights thereto, and upon receipt by LEM of appropriate assurances of payment from Century, LEM will release KENERGY from further liability under this Agreement for amounts subject to such assignment to LEM, provided that such release does not relieve KENERGY of its other liabilities under this Agreement. KENERGY agrees to cooperate with and assist LEM with respect to any collections of amounts due from Century to KENERGY which are assigned to LEM pursuant to this Section, provided that LEM will reimburse KENERGY for any reasonable expenses KENERGY incurs in providing such cooperation and assistance. If KENERGY (or Century on behalf of KENERGY) shall fail to pay any bill

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rendered by LEM within the time prescribed in Section 8.01, LEM may discontinue delivery of Energy hereunder upon three (3) days' written notice to KENERGY and Century of its intention to do so. Such discontinuance for non-payment shall not in any way affect the obligation of KENERGY to pay the amounts due for Block A Energy and Block B Energy and shall not be deemed to be an election of remedies by LEM.

Section 8.02 In the event any bill rendered by LEM pursuant to this Agreement is not paid on the due date, interest will accrue and become payable by KENERGY to LEM 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* commencing on the 1st day after the due date; provided, however, (a) should *The Wall Street Journal* discontinue publication of the prime commercial lending rate, the Parties shall agree on a mutually acceptable alternative source for that rate and (b) should *The Wall Street Journal* publish more than one prime commercial lending rate per annum in the Money Rates section, the average of published prices shall be used to calculate interest hereunder. In the event that the foregoing rate is in excess of the maximum rate allowed by applicable law, then the foregoing rate shall automatically be deemed to be reduced to the maximum amount allowed by law from time to time.

Section 8.03 In the event any portion of any bill issued by LEM under this Agreement is disputed by KENERGY (or Century), the undisputed amount, and the disputed amount, shall be paid, under protest, when due. If the protested portion of the payment is found to be incorrect, LEM shall promptly cause to be refunded to

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KENERGY (or to Century 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 8.02 shall be applied to the determination of interest due to KENERGY on the refund.

Section 8.04 No payment made by KENERGY (or Century) pursuant to this Article VIII shall constitute a waiver of any right of KENERGY (or Century) to contest the correctness of any charge or credit.

Article IX. OPERATIONAL RESPONSIBILITY:

Section 9.01 KENERGY shall install and maintain, or shall cause to be installed and maintained, any and all interconnection equipment, metering, or substation equipment, and other equipment, including switching and protective equipment, necessary to enable LEM to deliver Energy at the Point of Delivery and for such Energy to be delivered to KENERGY for resale and delivery to Century. KENERGY will keep or cause to be kept, all such equipment in good working order, condition and repair (ordinary wear and tear excepted) such that all such equipment is capable of operating, consistent with Prudent Utility Practice, to the extent necessary to assure sufficient capability to take and use the Energy to be delivered by LEM to KENERGY as provided for in this Agreement.

Section 9.02 KENERGY shall cause to exist and pay for (or cause to have paid for) all final connections between the systems of the Transmission Provider and KENERGY.

Article X. BREACH AND DEFAULT:


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Section 10.01 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 under this Agreement:

- (a) Failure by a Party to make any payment as and when due hereunder, provided that such failure has not been cured within three (3) days following notice of default from the non-defaulting Party to the defaulting Party and Century;
- (b) Failure of a Party to perform any material duty imposed on it by this Agreement (excluding any failure to deliver Energy or accept delivery of Energy, the sole and exclusive remedies for which shall be as set forth in Section 5.08), provided that such failure has not been cured within 30 days following notice of default from the non-defaulting Party to the defaulting Party and Century;
- (c) Any attempt by a Party to transfer an interest in this Agreement other than as permitted pursuant to Article XV of this Agreement;
- (d) Failure of either Party to deliver, or accept delivery, of any amount of Energy that is to be delivered, or accepted, in accordance with this Agreement for a period of more than 30 days, whether or not consecutive, during the Energy Delivery Period;
- (e) Any filing of a petition in bankruptcy or insolvency, or for reorganization or arrangement under any bankruptcy or insolvency laws, 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,

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- (f) Assignment by a Party for the benefit of creditors;
- (g) Allowance by a Party of the appointment of a receiver or trustee of all or a material part of its property.
- (h) Failure, inability or refusal of KENERGY to cure a breach or default by KENERGY under the Century Power Agreement that gives rise to a termination of that agreement, or any termination by KENERGY of the Century Power Agreement in breach or default thereof.

Article XI. REMEDIES OF THE PARTIES:

Section 11.01 Remedies, General: In event of a default under this Agreement 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. In no event shall an event of default under this Agreement create an event of default under the Century/Kenergy/LEM Agreement.

Section 11.02 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;
- (b) unless LEM has defaulted pursuant to Section 10.01(d), KENERGY's sole and exclusive right to damages or other relief for a failure by LEM to deliver

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Energy as required by this Agreement shall be as set forth in Section 5.08;  
and

- (c) unless KENERGY has defaulted pursuant to Section 10.01(d), LEM's sole and exclusive right to damages or other relief for a failure by KENERGY to accept the delivery of Energy as required by this Agreement shall be as set forth in Section 5.08.


Section 11.03 Uncontrollable Force: If, because of an Uncontrollable Force (without regard to whether the Uncontrollable Force affects KENERGY, Century, the Transmission Provider or some other necessary party), KENERGY is unable to accept or receive Energy made available by LEM at the Point of Delivery, KENERGY shall nonetheless be liable for the Energy Charge, without adjustment but shall be entitled to resell the Energy pursuant to Section 26.6 of the Century Power Agreement.

Article XII. ADDITIONAL KENERGY COVENANTS:

Section 12.01 KENERGY covenants that:

- (a) it will not intentionally take any action that would diminish the expected volumes of Energy to be purchased under this Agreement, shorten its Term or otherwise adversely affect the economic value of this Agreement to LEM or Century.
- (b) it will not resell any Energy purchased from LEM under this Agreement to any user other than Century and will require that any Energy that KENERGY purchases from LEM under this Agreement and resells to Century must be consumed by Century for its Century Smelter except as expressly permitted

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with the written authorization of LEM; provided, that in the event of an Uncontrollable Force that renders Century unable to receive and utilize power purchased by KENERGY from LEM hereunder, KENERGY may resell that power to the extent contemplated in Section 26.6 of the Century 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 LEM under this Agreement;
- (d) it will not waive compliance by Century with any of its obligations under the Century Power Agreement or fail to fully enforce the Century Power Agreement against Century 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 Century Power Agreement to any party without causing the transferee of the Century Power Agreement to assume and agree to perform all of KENERGY's obligations under this Agreement which arise following that assignment or transfer.

Section 12.02 KENERGY agrees that it will fully enforce all of Big Rivers' obligations pursuant to the KENERGY/Big Rivers Agreement pursuant to which Big Rivers provides transmission services to KENERGY which are necessary for Kenergy's performance under this Agreement, or which would adversely affect LEM's or Century's economic interest under this Agreement, unless KENERGY has first

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established an alternative means by which to receive such services (without reliance on LEM, other than the extent to which LEM agrees in writing).

Section 12.03 KENERGY will permit LEM and Century 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 Century under the Century Power Agreement, including (for example, but not by way of limitation) scheduled usage, meter records and billing records and records related to power supplied during the Energy Delivery Period as they relate to determination of the amount of Energy supplied by LEM and delivered to or used by Century and the appropriate rate classification of such Energy. KENERGY shall retain all documentation applicable to service to Century under the Century Power Agreement for a period of three years and consistent with the requirements of Section 25 of the Century Power Agreement.

Section 12.04 LEM will permit KENERGY or Century to audit, upon reasonable notice, at its own expense, at a mutually agreeable time, all information in the possession of LEM reasonably supporting LEM's billings for its service to KENERGY under this Agreement, including (for example, but not by way of limitation) hourly power generation by sources, meter records and billing records and records related to payments made by Century to LEM pursuant to the assignment described in Section 8.01 of this Agreement and such other documents related to payment for and determination of the amount of Energy supplied by LEM and delivered to KENERGY for resale and delivery to Century and the appropriate rate classification of such Energy; provided, however, in no event shall LEM be

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obligated to share information that LEM has otherwise agreed with some third party to maintain as confidential without the execution by KENERGY of a confidentiality agreement to the reasonable satisfaction of LEM and the third party. LEM shall retain all documentation applicable to service to KENERGY under this Agreement for a period of three years.

Section 12.05 LEM covenants that it will not take any action or support any action by others that in any manner would impede LEM's ability to fulfill its obligations to KENERGY or Century under this Agreement.

Article XIII. DISPUTE RESOLUTION AND CHOICE OF LAW:

Section 13.01 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 13.02 The Parties hereby agree that the Courts of the Commonwealth of Kentucky will have exclusive jurisdiction over each and every judicial action brought under or in relationship to this Agreement, provided that the subject matter of such dispute is not a matter reserved by law to the U.S. federal judicial system (in which event exclusive jurisdiction and venue shall lie with the U.S. District Court for the Western District of Kentucky), and the Parties hereby agree to submit to the jurisdiction of the Kentucky courts for such purpose. Nothing in this paragraph prohibits a Party from referring to FERC any matter properly within FERC's jurisdiction.

Article XIV. UNCONTROLLABLE FORCES:

Section 14.01 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

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Uncontrollable Force, except as enumerated in this Article XIV. The Party claiming failure or inability to perform shall promptly contact the other Party and Century 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, 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. For purposes of clarity, the exercise by LEM of its rights under this Agreement with respect to a Permitted Curtailment shall not be deemed to be or warrant a suspension of LEM's or KENERGY's performance under this Agreement by reason of an Uncontrollable Force.

Section 14.02 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 14.03 Each of KENERGY and LEM agrees to notify the other Party and Century 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 LEM in the event that KENERGY

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receives notice from Century or the Transmission Provider that such entity anticipates that it will be unable to perform its obligations to KENERGY (under any contract or agreement that affects KENERGY's performance under this Agreement) due to an Uncontrollable Force. In the event that an Uncontrollable Force prevents a Party from performing for more than thirty (30) consecutive days, then the Party not claiming the Uncontrollable Force may, at its sole option, elect to terminate this Agreement effective upon five (5) days' prior notice to the other Party.

Section 14.04 Nothing contained herein shall be construed to require a Party to prevent or to settle a labor dispute against its will.

Article XV. 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) LEM may assign or delegate all or any portion of its rights or obligations under this Agreement to E.ON U.S. LLC ("EEC") or any other entity controlled by EEC without the consent of KENERGY. When consent is required, consent shall not be unreasonably withheld, conditioned or delayed. In no event shall either Party

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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 XVI. 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.

Article XVII. REPRESENTATIONS AND WARRANTIES:

Section 17.01 KENERGY hereby represents and warrants to LEM as follows:

- (a) KENERGY is a 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 obligation 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.

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- (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, LEM can rely upon any written notice from an authorized agent of KENERGY who is known to LEM to be authorized from a list of authorized agents provided by KENERGY.

Section 17.02 LEM hereby represents and warrants to KENERGY as follows:


- (a) LEM is a corporation duly organized and validly existing and in good standing under the laws of the State of Oklahoma, is authorized to do business in the Commonwealth of Kentucky, and has the power and authority to execute and deliver this Agreement, to perform its obligations hereunder, and to carry on its business as it is now being conducted and as it is contemplated hereunder to be conducted during the term hereof.
- (b) The execution, delivery and performance of this Agreement by LEM has been duly and effectively authorized by all requisite corporate action.
- (c) Without further investigation, KENERGY can rely upon any written notice from an authorized representative of LEM who is known to KENERGY to be authorized from a list of authorized agents provided by LEM.

Article XVIII. AMENDMENTS:

Section 18.01 This Agreement may be amended, revised or modified by, and only by, a written instrument duly executed by both Parties.

Section 18.02 The rates for service specified in this Agreement shall remain in effect for the term of this Agreement, and shall not be subject to change through application to the FERC pursuant to the provisions of Section 205 of the Federal Power Act

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By  \_\_\_\_\_  
 Executive Director




absent the agreement of Century and 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 any rate, methodology, or formula contained in 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 rate, methodology or formula, 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. Nothing in this Agreement limits the right of any Party to 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 XIX. GENERAL:

Section 19.01 Third Party Beneficiary: Century (including its successors) is an intended third party beneficiary of this Agreement. Century's rights in no event, however, be greater than the rights hereunder of KENERGY. Without limiting the foregoing, all limitations of liability and exclusions of damages in this Agreement shall apply to Century.

Section 19.02 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

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delivered in person or by any qualified and recognized delivery service, or sent by United States certified mail postage prepaid (notices by U.S. certified mail shall be deemed made 3 business days following mailing) to the persons specified below unless otherwise provided for in this Agreement.

TO LEM: John R. McCall  
Executive Vice President, General Counsel  
and Corporate Secretary  
LG&E Energy Marketing Inc.  
220 West Main Street  
Louisville, Kentucky 40202  
Fax: 502/627-4622

TO KENERGY: Mark A. Bailey  
President and CEO  
Kenergy Corp.  
P.O. Box 18  
Henderson, Kentucky  
Fax: (270) 826-3999

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 19.03 Severability: Except with respect to suspensions, modifications, or rejections by FERC associated with the initial filing of this Agreement (the effects of which are fully described in Section 4.02 of this Agreement), 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

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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 success in such renegotiation, the Party(s) that was so materially adversely affected shall be entitled, in its discretion, to terminate this Agreement.

Section 19.04 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 19.05 Survival: Each provision of this Agreement providing for payment for Energy, 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 19.06 Merger: This Agreement constitutes the entire agreement and understanding of the parties hereto with respect to the subject matter addressed herein.

Article XX. CREDIT ASSURANCES:

Section 20.01 If requested by LEM, KENERGY shall cause the delivery (i) within 120 days following the end of each fiscal year, a copy of Century's (or its successor's) annual report containing audited consolidated financial statements for such fiscal year and (ii) within 60 days after the end of each of its first three fiscal quarters of each fiscal year, a copy of Century's quarterly report containing unaudited consolidated financial statements for such fiscal quarter. In all cases the

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statements shall be for the most recent accounting period and prepared in accordance with generally accepted accounting principles; provided, however, that should any such statements not be available on a timely basis due to a delay in preparation or certification, such delay shall not be an event of default so long as Century diligently pursues the preparation, certification and delivery of the statements.


Section 20.02 Century shall provide a total of \$4,000,000 to KENERGY, which KENERGY shall in turn provide to LEM, as security for performance hereunder (the "Independent Amount"). For purposes of the following, the "Unpaid Receivables" shall mean all accrued amounts owed to LEM under this Agreement, whether or not billed. If at any time and from time to time during the term of this Agreement (and notwithstanding whether an event of default has occurred), the Unpaid Receivables exceed the Independent Amount, then LEM, on any business day, may request that KENERGY provide additional security in an amount equal to the amount by which the Unpaid Receivables exceed the Independent Amount. Such security shall be delivered to LEM by KENERGY within three (3) business days of the date of such request. In the event that KENERGY fails to provide security pursuant to the terms of this Section within three (3) business days, then it shall constitute a breach and default under this Agreement (notwithstanding any other provision of this Agreement calling for notice and right to cure). Accordingly, LEM will thereafter be entitled to the remedies set forth in this Agreement and at common law.

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Section 20.03 To secure its obligations under this Agreement and to the extent KENERGY delivers security hereunder, KENERGY hereby grants to LEM a present and continuing security interest in, and lien on (and right of setoff against), and assignment of such security including all cash collateral and cash equivalent collateral and any and all proceeds resulting therefrom or the liquidation thereof, whether now or hereafter held by, on behalf of, or for the benefit of, LEM, and KENERGY agrees to take such action as LEM reasonably requires in order to perfect LEM's first-priority security interest in, and lien on (and right of setoff against), such collateral and any and all proceeds resulting therefrom or from the liquidation thereof. Upon or any time after the occurrence or deemed occurrence and during the continuation of a default, LEM may do any one or more of the following: (i) exercise any of the rights and remedies of a secured party with respect to all security, including any such rights and remedies under law then in effect; (ii) exercise its rights of setoff against any and all property of KENERGY in the possession of LEM; (iii) draw on any outstanding letter of credit issued for its benefit; and (iv) liquidate all security then held by or for the benefit of LEM free from any claim or right of any nature whatsoever of KENERGY (or Century), including any equity or right of purchase or redemption by KENERGY (or Century). LEM shall apply the proceeds of the collateral realized upon the exercise of any such rights or remedies to reduce KENERGY's obligations under this Agreement (KENERGY remaining liable for any amounts owing to LEM after such application), subject to LEM's obligation to return any surplus proceeds remaining after such obligations are satisfied in full.

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Executive Director

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

KENERGY CORP.

By: Mark A. Barber  
Title: President and CEO

LG&E ENERGY MARKETING INC.

By: M. Ball  
Title: President

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By: [Signature]  
Executive Director

CONSENT

Century Aluminum of Kentucky, LLC ("Century") hereby agrees with Kenergy Corp. ("Kenergy") and LG&E Energy Marketing Inc ("LEM") that Century has reviewed the Agreement for Electric Service (2006) dated December 21, 2005 (the "Agreement") and hereby consents to the execution, delivery and performance of the Agreement by Kenergy and LEM for all purposes. Century further agrees that any rights that it may have as a third party beneficiary under that Agreement shall be limited to those rights available to KENERGY under that Agreement, including without limitation all limitations of liability and exclusions of consequential damages.

Dated: December 21, 2005

CENTURY ALUMINUM OF KENTUCKY, LLC

By:   
Peter C. McGuire

Secretary

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By:   
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PUBLIC SERVICE  
COMMISSION

**REQUEST FOR POWER**

Century Aluminum of Kentucky, LLC ("Century") hereby requests Kenergy Corp. ("Kenergy") to purchase the following volumes of Tier 3 Energy from LG&E Energy Marketing Inc. ("LEM") in accordance with the rates, terms and conditions set forth in the Agreement for Electric Service (2006) dated December 21, 2005 between Kenergy and LEM (the "Tier 3 Agreement"):

60 MW of System Firm Tier 3 Energy around-the-clock for 2006 (Block A Energy) to become effective on the Effective Date stated therein.


25 MW of System Firm Tier 3 Energy during on-peak hours of 2006 (Block B Energy) to become effective on the Effective Date stated therein.

In consideration thereof, Century agrees to purchase from Kenergy at retail the delivered amounts of such Tier 3 Energy on the same terms and conditions and at the same rates contained in the Tier 3 Agreement plus the applicable distribution fee included in Kenergy's smelter tariff plus charges for transmission and ancillary services, if any, with respect to such Tier 3 Energy.

The terms and conditions of the Agreement for Electric Service between Kenergy and Century dated July 15, 1998 (the "Century Power Agreement") are, to the extent applicable, incorporated herein by reference.


This the 21st day of December, 2005.

CENTURY ALUMINUM OF KENTUCKY, LLC

By:   
Peter C. McGuire

Secretary

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