# AGREEMENT FOR ELECTRIC SERVICE

This agreement for electric service ("Agreement") is made March 6, 2020, between KENERGY CORP., 6402 Old Corydon Road, Henderson, Kentucky 42420 (hereinafter called the "Seller"), and ROUGH CREEK MINING, LLC with a service address at 7386 S.R. 593, Calhoun, KY 42327, and corporate address at 828 Lane Allen Road, Suite 219, Lexington, KY 40504 (hereinafter called the "Consumer");

The Seller shall sell and deliver to the Consumer, and the Consumer shall purchase all of the electric power and energy, which the Consumer may need at the aforementioned service address, up to 167 kilowatts (the "Maximum Demand"), with a minimum contract demand of 100 kilowatts, except as otherwise provided herein, upon the following terms:

## 1. SERVICE CHARACTERISTICS

- A. Service hereunder shall be alternating current, 3 phase, sixty cycles, nominal 69,000 volts.
- B. The Consumer shall not use the electric power and energy furnished hereunder as an auxiliary or supplement to any other source of power and shall not sell electric power and energy purchased hereunder. All electric consuming facilities of Consumer shall be connected on the load side of the metering facilities described in Addendum 1.22.

C. The Consumer acknowledges that Seller's wholesale powerus policy is transmitting electric power and energy to Seller for sales here with the consumer acknowledges that Seller's wholesale powerus policy is transmitting electric power and energy to Seller for sales here with the consumer acknowledges that Seller's wholesale powerus policy is transmitting electric power and energy to Seller for sales here.

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across the transmission system of Big Rivers Electric Corporation (the "Wholesale Transmission System" or "Big Rivers").

#### 2. **PAYMENT**

- A. The Consumer shall pay the Seller for service hereunder on and after the "Service Commencement Date" (as defined in Section 6 of this Agreement) at the rates and upon the terms and conditions set forth in Seller's Schedule 35, as it may be amended from time to time. A copy of Seller's current Schedule 35 is attached to and made a part of this Agreement as Exhibit "A." If any terms in this Agreement conflict with any terms in Seller's tariff, the terms in this Agreement shall govern to the extent of the conflict.
- B. [RESERVED]
- C. [RESERVED]
- D. Bills for service hereunder shall be paid by at the office of the Seller at Kenergy Corp., Post Office Box 18, Henderson, KY 42419, or 6402 Old Corydon Rd., Henderson, KY 42420.
- E. Such payments shall be due on the 25th day of each month for service furnished during the preceding monthly billing period.
- F. If the Consumer shall fail to make any such payment when such payment is due, the Seller may discontinue service to the Consumer upon giving fifteen (15) days' written notice to the Consumer of its

intention so to do, provided, however that psychodiscondinus mineral intention so to do, provided, however that psychodiscondinus mineral intention so to do, provided, however that psychodiscondinus mineral intention so to do, provided, however that psychodiscondinus mineral intention so to do, provided, however that psychodiscondinus mineral intention so to do, provided, however that psychodiscondinus mineral intention so to do, provided, however that psychodiscondinus mineral intention int Kent A. Chandler **Executive Director** 

service shall not relieve the Consumer of any of its obligations under this Agreement.

- G. The Consumer agrees that if, at any time, the rate under which the Seller purchases electric service at wholesale is modified, the Seller may make an equivalent modification in the rate for service hereunder.
- Consumer's payment obligations under this Section 2 shall survive termination of this Agreement.

#### 3. **MEMBERSHIP**

The Consumer shall become a member of the Seller, shall pay the membership fee and be bound by such generally applicable rules and regulations as may from time to time be adopted by the Seller.

#### 4. CONTINUITY OF SERVICE

The Seller shall use reasonable diligence to provide a constant and uninterrupted supply of electric power and energy hereunder. If the supply of electric power and energy shall fail or be interrupted, or become defective through act of God, governmental authority, action of the elements, public enemy, accident, strikes, labor trouble, required maintenance work, inability to secure right-of-way, or any other cause beyond the reasonable control of Seller, then Seller shall not be liable therefor or for damages caused thereby.

#### 5. RIGHT OF ACCESS

Duly authorized representatives of the Seller shall be permitted to enter the

Consumer's premises at all reasonable times in order to caldy Lous the long wish wission

hereof.

Kent A. Chandler

**Executive Director** 

PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

3

#### 6. TERM AND SERVICE COMMENCEMENT DATE

This Agreement shall become effective upon the approval or acceptance referred to below in Section 8, and shall remain in effect until ten (10) years following the start of the initial billing period and thereafter until and unless terminated by either party giving to the other three (3) months' notice in writing (the "Term").

#### 7. **CONSUMER OBLIGATIONS**

- Α. Within 90 days of execution of this agreement Consumer will clear vegetation near the existing transmission line to Consumer's facility to minimize outage risks on Big Rivers' system. Consumer agrees to clear and maintain the existing transmission line according to the Big Rivers vegetation management specifications. Consumer agrees that Big Rivers is an intended third-party beneficiary of Consumer's obligations under this paragraph and that Big Rivers has the right to enforce said obligations, including through orders compelling specific performance.
- B. As security for payment of its monthly billing obligations, Consumer shall further be required to provide Seller a cash deposit or provide an irrevocable bank letter of credit representing two (2) months' estimated billing, being the total amount of \$28,159,32, on the date of this Agreement, and Seller hereby acknowledges receipt of same. The amount of this security for payment shall increase if the minimum Contract Demand for billing

purposes, or Seller's rates for service increases and Grant menusional sign

provide Seller with same without demand or notification from Geller elector

**PURSUANT TO 807 KAR 5:011 SECTION 9 (1)** 

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- C. Any cash deposit will earn interest in accordance with law, and interest earned will be paid annually to Consumer. Letters of credit for the foregoing securities may be combined, and must be approved in advance by Seller as to form and issuer. Annually the Parties shall adjust the deposit or bank letter of credit required by Paragraph 7(B) reasonably to reflect changes in the amounts of the obligations of Consumer secured by the deposit or bank letter(s) of credit.
- Consumer's obligations under this Section 7 shall survive termination of this
   Agreement.

# 8. SUCCESSION AND APPROVAL

This Agreement shall be binding upon and inure to the benefit of the successors, legal representatives and assigns of the respective parties hereto and may be assigned by Consumer with the consent of Seller, which consent shall not be unreasonably withheld. Any assignment of this Agreement by Consumer shall not relieve Consumer of its obligations to Kenergy hereunder unless Consumer has been expressly relieved of those obligations by Kenergy, in writing. This Agreement shall not be effective unless (i) it is approved or accepted in writing by the Kentucky Public Service Commission ("KPSC"), and (ii) Seller's wholesale agreement with Big Rivers regarding service to Consumer has received all approvals required by its credit agreements, and is approved or accepted in writing by the KPSC.

## 9. ADDENDA

The addenda to this Agreement are attached hereto and incorp**tented in Public Service Commission** 

as a part of this agreement for electric service.

Kent A. Chandler Executive Director

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# 10. INDEMNIFICATION

Consumer agrees to indemnify and hold Seller harmless from and against any and all claims, demands, damages, judgments, losses or expenses asserted against Seller by or on behalf of Big Rivers arising out of, related to or concerning damage to the Wholesale Transmission System, or any system or electric consuming facilities connected to the Wholesale Transmission System resulting from Consumer's operations, activities or usage of electric power and energy hereunder.

# 11. NOTICE TO BIG RIVERS

Any notice from Consumer to Seller required by the terms of this Agreement shall be given concurrently to Big Rivers Electric Corporation, 201 Third Street, Henderson, KY 42420, Attn: President and CEO, using the same methodology required by this Agreement for notice to Kenergy.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement all as of the day and year first above written.

KENERGY CORP. Seller

Printed Name: Jeff Hohn

Title President and CEO

ROUGH CREEK MINING, LPGBLIC SERVICE COMMISSION

Consumer Kent A. Chandler

Executive Director

EFFECTIVE

4/12/2020

By Dill Ren

Printed Name DAVID D. ROSS

Title VICE-PRESIDENT - OPENTO-S

ROUGH CREEK MINING, LLC

**KENTUCKY**PUBLIC SERVICE COMMISSION

Kent A. Chandler Executive Director

**EFFECTIVE** 

4/12/2020



FOR	ALL TERRITORY SERVED	
	Community, Town or C	City
PSC NO.	2	
Ninth I	Revised SHEET NO.	35
CANCELI	LING PSC NO. 2	
Eight	Davised CHEET NO	25

#### CLASSIFICATION OF SERVICE

Schedule 35 - Large Industrial Customers Served Under Special Contract (Dedicated Delivery Points) - (Class C)

# **APPLICABLE**

In all territory served.

# **AVAILABILITY OF SERVICE**

This rate shall apply to existing large members where service is provided through a dedicated delivery point TT connected to the transmission system of Big Rivers or other accessible system classified as Class C member, or new members executing special contracts approved by the Kentucky Public Service Commission for load levels below 30,000 KW billing demand.

# TYPE OF SERVICE

The electric service furnished under this schedule will be three-phase sixty cycle, alternating current at available nominal voltage.

#### **RATE**

Customer Charge per Delivery Point

\$100.00 per month

Demand Charge per KW of Billing Demand in Month \$ 10.715

Plus:

Energy Charges:

Per KWH

\$ 0.041050

**Facilities Charge** 

1.15%

(times assigned dollars of Kenergy investment for facilities per month-see Sheet No.35B)

# DETERMINATION OF BILLING DEMAND

The Billing Demand in kilowatts shall be the higher of: a) The member's maximum integrated thirty-minute demand at such delivery point during each billing month, determined by meters which record at the end of each thirty-minute period the integrated kilowatt demand during the preceding thirty minutes; or b) the Contract Demand.

## POWER FACTOR ADJUSTMENT

The member agrees to maintain a power factor as nearly as practical to unity. Kenergy will permit the use of apparatus that shall result, during normal operation, in a power factor not lower than 90%. At Kenergy's option, in

lieu of the members providing the above corrective equipment when power factor is less than 90%, Kenergy may adjust the maximum measured demand for billing purposes in accordance with the following formula:

		KENTICKA
DATE OF ISSUE	November 23, 2016	PUBLIC SERVICE COMMISSION
DATE EFFECTIVE	Month / Date / Year  January 1, 2017  Month / Date / Year	Talina R. Mathews EXECUTIVE DIRECTOR  Jalina R. Mathewa
119	(Signature of Officer)	EFFECTIVE
TITLE /	President and CEO	1/1/2017 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)
BY AUTHORITY OF ORDE	R OF THE PUBLIC SERVICE COMMISSION	(1)
IN CASE NO.	DATED	

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FOR ALL TERRITORY SERVED			
	Commun	ity, Town or City	
PSC NO.		2	
Fourth	Revised	_SHEET NO	35A
CANCEL	LING PSC	NO. <u>2</u>	
Third R	evised	SHEET NO.	35A

# **CLASSIFICATION OF SERVICE**

Schedule 35 - Large Industrial Customers Served Under Special Contract (Dedicated Delivery Points) - (Class C)

## Max. Measured KW x 90%

Power Factor (%)

The power factor shall be measured at time of maximum load.

### **METERING**

Electrical usage will be metered at the transmission voltage supplied or at the customer's secondary voltage with a 1.% adder to the metered KWH to account for transformer losses, as determined by Kenergy.

## **ADJUSTMENT CLAUSES**

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Renewable Resource Energy Service Rider	Sheets No. 23 - 23D
Fuel Adjustment Rider	Sheets No. 24 - 24A
Environmental Surcharge Rider	Sheets No. 25 - 25A
Member Rate Stability Mechanism Rider	Sheets No. 28 - 28A
Price Curtailable Service Rider	Sheets No. 42 - 42C
Non-FAC Purchased Power Adjustment Rider	Sheets No. 30 - 30A

#### **AGREEMENT**

An "agreement for purchase of power" shall be signed by any new customer prior to service under the rate.

## TAXES AND FEES

School Taxes added if applicable.

Kentucky Sales Taxes added if applicable.

#### FRANCHISE CHARGE

The rate herein provided shall include, where applicable, an additional charge for local government franchise payment determined in accordance with the Franchise Billing Plan as set forth on Sheet No. 105.

#### TERMS OF PAYMENT

The above rates are net, the gross rate being five percent (5%) greater. In the event the current monthly bill is not paid within twenty (20) days from the date the bill was rendered, the gross rate will apply.

		KENTUCKY
DATE OF ISSUE	November 23, 2016	PUBLIC SERVICE COMMISSION
DATE EFFECTIVE	Month / Date / Year  May 2(), 2016  Month / Date / Year	Talina R. Mathews EXECUTIVE DIRECTOR Jalina R. Mathews
111	(Signature of Officer)	EFFECTIVE
TITLE	President and CEO	5/20/2016 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)
BY AUTHORITY OF ORDE	R OF THE PUBLIC SERVICE COMMISSION	
IN CASE NO. <u>2015-00</u>	312 DATED <u>September 15, 2016</u>	



# Henderson, Kentucky

FOR	ALL TERRITORY SERVED		
	Commun	ity, Town or City	
PSC NO.		2	
Third	Revised	_SHEET NO	35B
CANCEL	LING PSC	NO. 2	
Sanan	d Davinad	CHEET NO	25B

# **CLASSIFICATION OF SERVICE**

Schedule 35 - Large Industrial Customers Served Under Special Contract (Dedicated Delivery Points) - (Class C)

		MINATION OF FACILITIES CHARGE RATE		
	Line			
	No.	<u>ltem</u>		Rate Calculation
R	1	Distribution O & M Expense (Sub, Primary, Transf. & Sec.)		\$ 9,866,233
I	2	Distribution Plant @ Year End (Sub, Primary, Transf. &Sec.)	÷	\$ 257,203,800
R	3	Dist. Exp. Cost Factor (Line 1/Line 2)		3.84%
	4	,		
I	5	Test Year A & G Acct. Expense		\$ 3,692,271
R	6	Test Year O & M Expense Excluding A & G	÷	\$ 15,483,314
I	7	Line 5/6		23.85%
R	8	Dist. Expense Carrying Cost Factor (Ln 4)		x 3.84%
R	9	A & G Cost Factor (Ln 9 x Ln 10)		0.91%
	10			
N	11	Property Tax:		
N	12	Property Tax		\$ 1,826,623
N	13	Total Utility Plant		\$ 295,835,700
1	14	Property Tax Factor:		.62%
	15			
	16	Cost of Capital	3.96%	
	17	Distribution Plant Depreciation Rate	@3.89%	
	18	Amortization Factor	=	6.27%
	19	Replacement Cost Factor	x	1.260
	20	Capital Recovery Factor		7.90%
	21			
	22	General Plant Factor:	_	
	23	General Plant @ Year End	\$	25,704,361
	24	Net General Plant @ Year End	\$	13,629,594
	25	General Plant Less Transportation @ Year End	\$	17,220,228
	26	General Plant Depreciation Rate	3.98% \$	685,365
	27	Property Tax	0.62% \$	158,710
	28	Cost of Capital	3.96%_\$	539,732
	29 30	General Plant Fixed Charges	\$ \$	1,383,807
		Total Utility Plant  Person of TUD. Constal Plant Factor (Lp. 21 ÷ Lp. 23)	Ф	295,835,700
l	31	Percent of TUP - General Plant Factor (Ln 31 ÷ Ln 33)		0.47%

		PUBLIC SERVICE COMMISSION
DATE OF ISSUE	November 23, 2016 Month / Date / Year	Talina R. Mathews EXECUTIVE DIRECTOR
DATE EFFECTIVE	May 20, 2016 Month / Date / Year	Falina R. Matheus
ISSUED BY	(Signature of Officer)	EFFECTIVE 5/20/2016
TITLE Presi	dent and CEO	PURSUANT TO 807 KAR 5:011 SECTION 9 (1)
BY AUTHORITY OF ORDER OF THE IN CASE NO. 2015-00312	HE PUBLIC SERVICE COMMISSION  DATED Sentember 15, 2016	



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	Community, To	wn or City	У
PSC NO.		2	
Origina	SHEE!	Г NO	35C
CANCELL	ING PSC NO	2	
	SH	FFT NO	35C

# **CLASSIFICATION OF SERVICE**

Schedule 35 – Large Industrial Customers Served Under Special Contract (Dedicated Delivery Points) - (Class C)

	32	SUMMARY:		
R	33	O & M Factor		3.84%
R	34	A & G Factor		0.91%
N	35	Property Tax Factor		0.62%
R	36	Capital Recovery Factor		7.89%
R	37	General Plant Factor		0.47%
R	38	Total Annual Carrying Cost		13.74%
R	39	PSC Assessment	÷	0.998099
R	40	Adjusted Annual Carrying Cost		13.76%
	41		**	12
R	42	Monthly Fixed Charge Rate Charge		1.15%

		KENTUCKY PUBLIC SERVICE COMMISSION
DATE OF ISSUE	November 23, 2016 Month / Date / Year	Talina R. Mathews EXECUTIVE DIRECTOR
DATE EFFECTIVE	May 20, 2016 Month / Date / Yodr	Jalina R. Mathews
ISSUED BY	(Signature of Officer)	EFFECTIVE 5/20/2016
TITLE	President and CEO	PURSUANT TO 807 KAR 5:011 SECTION 9 (1)
	OR OF THE PUBLIC SERVICE COMMISSION	
IN CASE NO 2015-00	312 DATED September 15 2016	