SECOND SUPPLEMENT TO AGREEMENT FOR INTERRUPTIBLE TIER 3 ENERGY DATED JULY 15, 2002

THIS SUPPLEMENT is entered into as of the 1st day of January, 2004, by and between KENERGY CORP., a Kentucky corporation organized under KRS Chapter 279 ("Kenergy"), and SOUTHERN INDIANA GAS AND ELECTRIC COMPANY, an Indiana corporation ("Supplier")

RECITALS

- A. Kenergy and Supplier have entered into an Agreement for Interruptible Tier 3

 Energy dated July 15, 2002 (the "Agreement") wherein the Supplier agreed to sell to Kenergy
 and Kenergy agreed to purchase from Supplier for resale to Century Aluminum of Kentucky,

 LLC ("Century") up to ten (10) megawatts of fully interruptible energy;
- B. The Base Rates contained in the Agreement have been approved by the Kentucky Public Service Commission for resale by Kenergy to Century in 2002 (Filing No. C 63-1020) and 2003 (Filing No. C 63-1474);
- C. Section 5.04(b) of the Agreement provides that Supplier and Kenergy shall determine mutually agreeable Base Rates for 2003 and subsequent years and shall execute an appropriate amendment to the Agreement documenting their agreement;
- D. Supplier and Kenergy have agreed upon the Base Rates for 2004 and desire to document this agreement by entering into this Supplement.

NOW, THEREFORE, in consideration of the mutual covenants set forth below the KY EFFECTIVE parties agree as follows:

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PURSUANT TO 807 KAP 5 013 SECTION 9 (1)

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1. Supplier and Kenergy agree that Base Rates for 2004 shall be as follows:

On-Peak Hours - \$30.00 per megawatt hour

Off-Peak Hours - \$20.00 per megawatt hour

Shoulder Hours - \$26.00 per megawatt hour

2. All terms and conditions of the Agreement shall remain in full force and effect and shall apply to the provision of service under this Supplement.

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

KENERGY CORP.

By <u>Dean Stanley</u>, President and CEO

SOUTHERN INDIANA GAS AND ELECTRIC COMPANY

Ronald G. Jochum,

Vice President - Power Supply

⊋UBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE

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PURSUANT TO 807 KAR 5/07/1 SECTION 9 (1)

FXECUTIVE DIRECTOR