

RETAIL ELECTRIC SERVICE AGREEMENT

Dated as of July 1, 2009,

by and between

KENERGY CORP.

and

ALCAN PRIMARY PRODUCTS CORPORATION

**PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
7/17/2009
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)**


By 
Executive Director

TABLE OF CONTENTS

	Page
ARTICLE 1 DEFINITIONS AND RULES OF INTERPRETATION	2
1.1 Definitions.....	2
1.2 Rules of Interpretation	12
1.3 Calculations and Rounding	12
ARTICLE 2 ELECTRIC SERVICES AND RATES	12
2.1 Service Period Obligations	12
2.2 Characteristics of Service	13
2.3 Delivery Obligation	13
2.4 Power Factor	15
2.5 Title and Risk of Loss	15
2.6 Performance by Kenergy	15
ARTICLE 3 CHANGES IN DEMAND AND SCHEDULING.....	15
3.1 Change In Base Demand.....	15
3.2 Scheduling.....	15
ARTICLE 4 CHARGES AND CREDITS.....	16
4.1 Monthly Charge	16
4.2 Base Energy Charge.....	17
4.3 Supplemental Energy Charge	17
4.4 Back-Up Energy Charge	18
4.5 Charge for Transmission Services and Ancillary Services.....	18
4.6 Excess Reactive Demand Charge	19
4.7 TIER Adjustment Charge	19
4.8 Adjustable Charges	23
4.9 Rebate	23
4.10 Equity Development Credit	23
4.11 Surcharge	24
4.12 Retail Fee	25
4.13 Credits	25
4.14 Other Amounts.....	26
4.15 Taxes	27

PUBLIC SERVICE COMMISSION
OF KENTUCKY

EFFECTIVE
7/17/2009

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


By 
Executive Director

TABLE OF CONTENTS
(continued)

	Page
ARTICLE 5 BILLING.....	27
5.1 Monthly Invoice.....	27
5.2 Right to Discontinue Service	27
5.3 Default Interest.....	27
5.4 Payments Under Protest.....	27
5.5 Release and Indemnification.....	28
5.6 No Waiver.....	28
5.7 No Payment.....	28
ARTICLE 6 EFFECTIVE DATE AND CONDITIONS.....	28
6.1 Effective Date	28
6.2 Conditions to Occurrence of Effective Date.....	29
6.3 Efforts to Satisfy Conditions to Effective Date	30
ARTICLE 7 TERM AND TERMINATION	30
7.1 Term.....	30
7.2 Termination Prior to Effective Date	30
7.3 Termination After the Effective Date	31
ARTICLE 8 METERING	32
8.1 Metering Facilities	32
8.2 Reading	32
8.3 Testing.....	32
ARTICLE 9 OPERATIONAL MATTERS	32
9.1 Operations and Operational Responsibility	32
9.2 Facilities Provided by Kenergy.....	33
9.3 Facilities Provided by Alcan.....	33
9.4 Curtailment	33
9.5 Ownership and Removal of Equipment.....	34
9.6 Right of Access	34
ARTICLE 10 COVENANTS	34
10.1 Surplus Sales.....	34
10.2 Undeliverable Energy Sales.....	35

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
7/17/2009
PURSUANT TO 807 KAR 5:011
SECTION 9.(1)


By 
Executive Director

TABLE OF CONTENTS
(continued)

	Page
10.3 Potline Reduction Sales	37
10.4 Resale.....	38
10.5 Refund of Income Tax Estimated for Net Proceeds	38
ARTICLE 11 UNCONTROLLABLE FORCES.....	38
11.1 Occurrence of an Uncontrollable Force.....	39
11.2 Mitigation.....	39
11.3 Notice of Uncontrollable Force	39
11.4 Payment Obligations.....	39
ARTICLE 12 REPRESENTATIONS AND WARRANTIES.....	39
12.1 Representations and Warranties of Kenergy.....	39
12.2 Representations and Warranties of Alcan.....	40
ARTICLE 13 ADDITIONAL AGREEMENTS.....	40
13.1 Regulatory Proceedings	40
13.2 Audit Rights	41
13.3 Alcan Credit Support	41
13.4 Patronage Capital.....	42
13.5 Post-Termination Obligation	42
13.6 Negotiation of Replacement Agreement.....	42
13.7 Entitlement to Large Industrial Rate.....	42
ARTICLE 14 EVENTS OF DEFAULT; REMEDIES.....	43
14.1 Events of Default	43
14.2 Remedies, General	43
ARTICLE 15 DISPUTE RESOLUTION.....	44
15.1 Resolution Meetings	44
15.2 Right to Pursue Rights and Remedies.....	44
ARTICLE 16 GENERAL PROVISIONS/SUCCESSORS AND ASSIGNS.....	45
16.1 Binding Nature.....	45
16.2 Limitation on Assignment.....	45
16.3 Duties	45
16.4 Financing Lien	45

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
7/17/2009
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

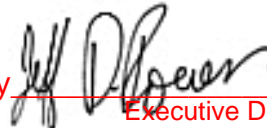

By 
Executive Director

TABLE OF CONTENTS
(continued)

	Page
16.5 Big Rivers Restructuring.....	45
ARTICLE 17 MISCELLANEOUS	46
17.1 Governing Law	46
17.2 Jurisdiction.....	46
17.3 Waiver.....	46
17.4 Amendments	46
17.5 Good Faith Efforts	46
17.6 Notices	47
17.7 Severability	48
17.8 Survival.....	49
17.9 Merger.....	49
17.10 Further Assurances.....	49
17.11 Counterparts.....	49
17.12 Third-Party Beneficiaries.....	49
17.13 Headings	49
17.14 No Agency	49

**PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
7/17/2009
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)**

By 
Executive Director

RETAIL ELECTRIC SERVICE AGREEMENT

This RETAIL ELECTRIC SERVICE AGREEMENT (this "Agreement") is dated as of July 1, 2009, and made by and between KENERGY CORP., a Kentucky rural electric cooperative corporation ("Kenergy"), and ALCAN PRIMARY PRODUCTS CORPORATION, a Texas corporation ("Alcan").

RECITALS

A. Kenergy currently supplies and delivers to Alcan, the owner and operator of an aluminum reduction plant in Sebree, Kentucky, electric energy and related services pursuant to an Agreement for Electric Service, dated July 15, 1998, between Henderson Union Electric Cooperative Corp., Kenergy's predecessor-in-interest, and Alcan Aluminum Corporation, Alcan's predecessor-in-interest (the "Existing Alcan Agreement").

B. Kenergy currently purchases electric energy and related services for resale to Alcan from Western Kentucky Energy Corp., an affiliate of E. ON U.S., LLC, formerly known as LG&E Energy Corp. (together with its affiliates and parent, collectively, "LG&E"), under an Agreement for Electric Service, dated as of July 15, 1998, with Kenergy (the "Kenergy/LG&E Contract").

C. Kenergy also currently purchases additional electric energy and related services for resale to Alcan, to serve the energy requirements of Alcan not provided by LG&E, from third-party energy suppliers, including Big Rivers Electric Corporation ("Big Rivers"), an electric generation and transmission cooperative of which Kenergy is a Member.

D. The Existing Alcan Agreement and the Kenergy/LG&E Contract were entered into in connection with the consummation of a series of transactions implementing the First Amended Plan of Reorganization of Big Rivers, as part of which, among other things (i) Big Rivers leased its generating facilities to LG&E, and (ii) Big Rivers entered into a power purchase arrangement with LG&E whereby LG&E supplied Big Rivers with electric energy and related services for resale to its Members.

E. Big Rivers, Kenergy, LG&E, Century Aluminum of Kentucky General Partnership ("Century"), and Alcan have agreed to enter into a series of transactions referred to herein as the New Transaction and the Unwind Transaction, as defined below.

F. In connection with and as a condition to the Unwind Transaction, Kenergy and Big Rivers have agreed to enter into a wholesale electric service agreement, dated as of the date hereof, for the purchase and sale of electric energy and related services for resale by Kenergy to Alcan ("Alcan Wholesale Agreement").

G. In connection with and as a condition to the Unwind Transaction and the Alcan Wholesale Agreement, Kenergy will supply and deliver, and Alcan will purchase, retail electric service on the terms and conditions set forth herein.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
7/17/2009
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

By 
Executive Director

AGREEMENT

NOW, THEREFORE, in consideration of the premises and the mutual covenants hereinafter set forth, the Parties, intending to be legally bound, hereby covenant and agree as follows:

ARTICLE 1

DEFINITIONS AND RULES OF INTERPRETATION

1.1 Definitions. Capitalized terms when used in this Agreement have the meanings specified herein, including the definitions provided in Article 1, unless stated otherwise or the context requires otherwise.

1.1.1 Accounting Principles: Generally accepted accounting principles consistently applied or, if generally accepted accounting principles in accordance with the uniform system of accounts of an applicable Governmental Authority or RUS are required, the generally accepted accounting principles consistently applied in accordance with such uniform system of accounts, each as in effect from time to time.

1.1.2 Affiliate: With respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, controls or is controlled by or is under common control with the specified Person. For avoidance of doubt, no Member is an Affiliate of Big Rivers.

1.1.3 Agreement: As defined in the Preamble.

1.1.4 Alcan: As defined in the Preamble.

1.1.5 Alcan Guarantee: As defined in Section 13.3.

1.1.6 Alcan Parent: Alcan Corporation, a Texas corporation, and parent corporation of Alcan.


1.1.7 Alcan Wholesale Agreement: As defined in the Recitals.

1.1.8 Ancillary Services: Those services that are necessary to support the transmission of Energy from resources to loads while maintaining reliable operations of Big Rivers' transmission system, as set forth and described in the OATT.

1.1.9 Applicable Law: All laws, statutes, codes, treaties, ordinances, judgments, decrees, injunctions, writs, orders, rules, regulations, interpretations, issuances, enactments, decisions, authorizations, permits or directives of any Governmental Authority having jurisdiction over the matter in question.

1.1.10 Applicable Percentage: The percentage determined in each Fiscal Year that is the quotient of the Base Demand divided by the sum of the Base Demand and the Base Demand" as defined in and as then in effect under the Century Retail Agreement of the Century

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
7/17/2009
PURSUANT TO 807 KAR 5-011
SECTION 9 (1)

By 
Executive Director

Retail Agreement is terminated or no longer in effect for any reason, Century's "Base Demand" shall be deemed to be 482 MW for purposes of calculating the Applicable Percentage.

1.1.11 Avoidable Base Charge: The amount in any Billing Month equal to the sum of:

(a) the product of (i) the sum of the Base Rate, the FAC Factor, the Environmental Surcharge Factor, and the Non-FAC Purchased Power Adjustment Factor, and (ii) the amount of Base Fixed Energy that was made available by Alcan to Big Rivers for Surplus Sales, regardless of whether Big Rivers was able to sell such Energy as Surplus Sales;

(b) *plus* the product of (i) the sum of the Base Variable Rate, the FAC Factor, the Environmental Surcharge Factor, and the Non-FAC Purchased Power Adjustment Factor, and (ii) the amount of Base Variable Energy that was made available by Alcan to Big Rivers for Surplus Sales, regardless of whether Big Rivers was able to sell such Energy as Surplus Sales; and

(c) *less* the product of (i) the sum of the Base Variable Rate, the FAC Factor, the Environmental Surcharge Factor, and the Non-FAC Purchased Power Adjustment Factor, and (ii) any Base Fixed Energy or Base Variable Energy made available by Alcan to Big Rivers for Surplus Sales that was neither metered at the Point of Delivery nor sold by Big Rivers as Surplus Sales.

Sample calculations of the Avoidable Base Charge are set forth in Exhibit A.

1.1.12 Back-Up Energy: For any Hour in a Billing Month, the amount of Energy metered at the Point of Delivery during such Hour, less the sum of (i) the Base Demand per Hour less Base Curtailed Energy in such Hour, and (ii) any Supplemental Energy metered at the Point of Delivery during such Hour; *provided*, that the amount of Back-Up Energy may not be less than zero.

1.1.13 Back-Up Energy Charge: As defined in Section 4.4.

1.1.14 Base Curtailed Energy: For any Hour in a Billing Month, the amount of Energy that is either (a) curtailed by Alcan pursuant to Section 4.13.2, or (b) sold by Big Rivers to one or more Third Parties pursuant to (i) Section 4.13.3 as Economic Sales, (ii) Section 10.1 as Surplus Sales, (iii) Section 10.2 as Undeliverable Energy Sales, or (iv) Section 10.3 as Potline Reduction Sales.

1.1.15 Base Demand: 368 MW, or such other amount of electric demand agreed in accordance with Section 3.1, integrated over an Hour.

1.1.16 Base Energy Charge: As defined in Section 4.2.

1.1.17 Base Fixed Energy: For any Billing Month, the product of (a) the Base Demand, (b) the number of Hours in the Billing Month, and (c) 0.98.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
7/17/2009
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

By 
Executive Director

1.1.18 Base Hourly Energy: For any Hour in a Billing Month, the amount of Energy equal to the sum of (a) the Energy metered at the Point of Delivery during such Hour *less* Supplemental Energy metered at the Point of Delivery, if any, and (b) Base Curtailed Energy; *provided*, that for purposes of calculating Base Hourly Energy, the sum of clauses (a) and (b) above during any Hour shall not exceed the Base Demand per Hour.

1.1.19 Base Monthly Energy: The sum of the Base Hourly Energy for all Hours of a Billing Month.

1.1.20 Base Rate: The rate, expressed in dollars per MWh, resulting from the application of the Large Industrial Rate to a load with a 98% load factor, plus \$0.25 per MWh.

1.1.21 Base Variable Energy: For any Billing Month, Base Monthly Energy less Base Fixed Energy, whether positive or negative.

1.1.22 Base Variable Rate: The rate, expressed in dollars per MWh, equal to the sum of (i) the "FAC Base" with respect to Big Rivers' Tariff, (ii) the "Environmental Surcharge Base" with respect to Big Rivers' Tariff, and (iii) the "Purchased Power Base" as defined in Appendix A.

1.1.23 Big Rivers: As defined in the Recitals.

1.1.24 Big Rivers' Tariff: Big Rivers' Rates, Rules and Administrative Regulations For Furnishing Electric Service, as filed with and approved by the KPSC.

1.1.25 Billing Month: Each calendar month during the Service Period.

1.1.26 Budget: The annual operating and capital budget approved by Big Rivers' Board of Directors that estimates all revenues and expenditures of Big Rivers for a specified Fiscal Year, as amended and in effect from time to time.

1.1.27 Business Day: Mondays through Fridays of each week except legal holidays established by federal law in the United States of America or state law in the Commonwealth of Kentucky.

1.1.28 Buy-Through Energy: As defined in Section 2.3.2(b).

1.1.29 Buy-Through Energy Charge: As defined in Section 4.3.2.

1.1.30 Century: As defined in the Recitals.

1.1.31 Century Retail Agreement: The retail electric service agreement, dated as of the date hereof, by and between Kenergy and Century.

1.1.32 Century Wholesale Agreement: The wholesale electric service agreement, dated as of the date hereof, between Big Rivers and Kenergy for the benefit of Century.

1.1.33 Cut-Off Date: As defined in Section 10.3.6.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
7/17/2009
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

By 
Executive Director

1.1.34 Economic Reserve: A reserve established by Big Rivers, which may be held by Big Rivers or another Person, in an initial principal amount equal to the sum of (a) \$157 million, and (b) such additional amount as Big Rivers may designate on or prior to the consummation of the Unwind Transaction, subject to increases or decreases resulting from earnings or losses thereon or expenditures therefrom. The amount designated by Big Rivers pursuant to clause (b) above may not exceed (i) an amount equal to Big Rivers' unrestricted cash on hand following the consummation of the Unwind Transaction less \$125 million, and (ii) zero if Big Rivers shall not have prepaid at least \$200 million of obligations owed to RUS debt as part of the Unwind Transaction. No additional principal amounts will be contributed by Big Rivers to the Economic Reserve after the Effective Date.

1.1.35 Economic Sales: As defined in Section 4.13.3.

1.1.36 Effective Date: As defined in Section 6.1.

1.1.37 Electric Services: Electric services, including capacity and associated Energy and Transmission Services, provided by Kenergy pursuant to this Agreement.

1.1.38 Energy: The flow of electricity denominated in kWh or MWh.

1.1.39 Environmental Surcharge: As defined in Section 4.8.3.

1.1.40 Environmental Surcharge Factor: With respect to any Billing Month, a monthly environmental surcharge factor, expressed in dollars per MWh, that is calculated in accordance with the "Monthly Environmental Surcharge Factor" as defined in Big Rivers' Environmental Surcharge Rider.

1.1.41 Environmental Surcharge Rider: The Environmental Surcharge Rider to Big Rivers' Tariff.

1.1.42 Equity Development Credit: As defined in Section 4.10.

1.1.43 Event of Default: As defined in Section 14.1.

1.1.44 Excess TIER Amount: The amount of the TIER Adjustment, if negative, with respect to any Fiscal Year.

1.1.45 Excess Reactive Demand Charge: As defined in Section 4.6.


1.1.46 Existing Alcan Agreement: As defined in the Recitals.

1.1.47 FAC: The Fuel Adjustment Clause Rider to Big Rivers' Tariff.

1.1.48 FAC Charge: As defined in Section 4.8.1.

1.1.49 FAC Factor: With respect to any Billing Month, the fuel adjustment factor, expressed in dollars per MWh, that is calculated in accordance with the FAC in dollars per kWh.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
7/1/2009
SECTION 9 (1)

By 
Executive Director

1.1.50 FERC: Federal Energy Regulatory Commission.

1.1.51 Firm: An obligation to supply Energy subject only to the occurrence of an Uncontrollable Force.

1.1.52 Fiscal Year: The fiscal year of Big Rivers.

1.1.53 Governmental Authority: Any international, national, federal, state, territorial, local or other government, or any political subdivision thereof, and any governmental, judicial, public or statutory instrumentality, tribunal, agency, authority, body or entity having legal jurisdiction over the matter or Person in question, including the KPSC; *provided, however* that the RUS is not a Governmental Authority for purposes of this Agreement.

1.1.54 Hour or Hourly: A clock hour or per clock hour, respectively.

1.1.55 Imputed Interest: As defined in Section 4.7.5(e).

1.1.56 Interruptible Energy: As defined in Section 2.3.2(a).

1.1.57 Interruptible Energy Charge: As defined in Section 4.3.1.

1.1.58 Interruptible Energy Terms: As defined in Schedule 2.3.2(a).

1.1.59 Kenergy/LG&E Contract: As defined in the Recitals.

1.1.60 KPSC: Kentucky Public Service Commission.

1.1.61 kW: Kilowatt.

1.1.62 kWh: Kilowatt-hour.

1.1.63 Large Industrial Rate: Big Rivers' Tariff Rate Schedule No. 7 and all applicable rate adjustments thereto but exclusive of (a) the Rebate, (b) the FAC Factor and the Environmental Surcharge Rider, and (c) any roll-in of costs from the Regulatory Account. As of the Effective Date, the Large Industrial Rate will consist of separate rate components for demand and Energy consumption. The Large Industrial Rate subsequently may be defined in terms of more than two separate rate components, including, potentially, separate rate components for transmission services. For the avoidance of doubt, the Large Industrial Rate shall be determined without regard to the effect of the Surcharge, the Rural Economic Reserve, the Economic Reserve or the Transition Reserve.

1.1.64 LG&E: As defined in the Recitals.

1.1.65 Lockbox Agreement: The Security and Lockbox Agreement to be entered into among Alcan, Kenergy, Big Rivers and a depository bank prior to the Effective Date with respect to the payment of certain amounts due by Alcan to Kenergy under this Agreement.

1.1.66 Market Energy: As defined in Section 2.3.2(c).

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
7/17/2009

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

By 
Executive Director

1.1.67 Market Energy Charge: As defined in Section 4.3.3.

1.1.68 Market Reference Rate: For any Hour, a rate equal to the all-inclusive cost, including transmission and related charges on the transmission system of any Third Party (expressed in dollars per MWh), that Big Rivers estimates, in its sole discretion exercised in good faith, that it would have paid to purchase Energy from a Third Party if there had been no curtailment pursuant to Section 4.13.2 during such Hour.

1.1.69 Members: The members of Big Rivers. As of the date hereof, the Members of Big Rivers are Jackson Purchase Energy Corporation, Kenergy, and Meade County Rural Electric Cooperative Corporation.

1.1.70 Model: As defined in Section 1.2(o).

1.1.71 Monthly Charge: As defined in Section 4.1.

1.1.72 MW: Megawatt.

1.1.73 MWh: Megawatt-hour.

1.1.74 Net Margins: Net margins as determined by Accounting Principles. For the avoidance of doubt, Net Margins will include all operating and non-operating margins.


1.1.75 Net Proceeds: The proceeds from the sale of Energy by Big Rivers to Third Parties, net of transaction costs, whenever incurred, and taxes, including Big Rivers' estimated income tax liability on such proceeds without regard to any net operating loss carry-forward of Big Rivers existing on the date of the consummation of the Unwind Transaction, unless and to the extent Big Rivers reasonably determines that such net operating loss carry-forward otherwise would have expired unused.

1.1.76 New Facilities: As defined in Section 4.7.5(e).

1.1.77 New Ratepayer: A Non-Smelter Ratepayer which is (i) interconnected directly with Big Rivers' transmission system, and (ii) first receives electric service at a location served by a meter required for service at such location which meter was installed specifically for new service at such location after the Effective Date. For the avoidance of doubt, Southwire Company is not a New Ratepayer.

1.1.78 New Transaction: The transactions by and between or among one or more of Kenergy, Alcan, Century and Big Rivers related to the supply of Electric Services to Alcan under this Agreement and "Electric Services" as defined in the Century Retail Agreement to Century including the Alcan Wholesale Agreement, the Century Wholesale Agreement, coordination agreements, lockbox agreements, and all other related agreements.

1.1.79 Non-FAC Purchased Power Adjustment Charge: As defined in Section 4.8.2.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
7/17/2009
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)
By 
Executive Director

1.1.80 Non-FAC Purchased Power Adjustment Factor: A rate (expressed in dollars per MWh and calculated in accordance with Appendix A in dollars per kWh) for the recovery of purchased power costs that are not otherwise included in the FAC.

1.1.81 Non-Smelter Member Rates: Big Rivers' tariff rates applicable to sales of electric services to Members for resale to Non-Smelter Ratepayers and all applicable rate adjustments thereto but exclusive of (a) the Rebate and (b) the FAC Factor and the Environmental Surcharge Rider. For the avoidance of doubt, the Non-Smelter Member Rates shall be determined without regard to the effect of the Surcharge, the Rural Economic Reserve, the Economic Reserve or the Transition Reserve.

1.1.82 Non-Smelter Ratepayers: Retail ratepayers of the Members other than Alcan and Century.

1.1.83 Notice of Interruption: As defined in Schedule 2.3.2(a).

1.1.84 Notice of Termination for Closure: As defined in Section 7.3.1(a).

1.1.85 OATT: Big Rivers' Open Access Transmission Tariff as filed with FERC and found by FERC to constitute a reciprocal open access transmission tariff.

1.1.86 Parties: Kenergy and Alcan.

1.1.87 Permitted Interruption: As defined in Schedule 2.3.2(a).

1.1.88 Person: Any individual, corporation, cooperative, partnership, joint venture, association, joint-stock company, limited partnership, limited liability company, limited liability partnership, trust, unincorporated organization, RUS or Governmental Authority.

1.1.89 Point of Delivery: The existing set of meters at Big Rivers' Reid substation or such other point of delivery mutually agreed by the Parties and Big Rivers.

1.1.90 Potential Tax Liability: As defined in Section 13.3.

1.1.91 Potline Reduction: As defined in Section 10.3.1.


1.1.92 Potline Reduction Sales: As defined in Section 10.3.1.

1.1.93 Potline Reduction Sales Agreement: As defined in Section 10.3.3.

1.1.94 Prime Rate: The then-effective prime commercial lending rate per annum published in the "Money Rates" section of *The Wall Street Journal*. If *The Wall Street Journal* discontinues publication of the prime commercial lending rate, the Parties and Big Rivers shall agree on a mutually acceptable alternative source for that rate.

1.1.95 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

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
7/4/2009
During the relevant time: 011
SECTION 9(1)

By 
Executive Director

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 any and all acceptable practices, methods, or acts generally accepted.

1.1.96 Rebate: As defined in Section 4.9.

1.1.97 Regulatory Account: The regulatory account containing purchased power costs to be recovered by Big Rivers from the Members with respect to sales to their Non-Smelter Ratepayers.

1.1.98 Response: As defined in Schedule 2.3.2(a).

1.1.99 Restructuring: The occurrence of any of the following:

(a) the merger, consolidation or other combination of Big Rivers or an Affiliate or a Member with any Person (including acquisition of another utility system) if following such transaction Big Rivers or its successor would have had sales of Energy to all Members or regulated customers on a *pro forma* basis in the prior Fiscal Year in excess of 105% of Big Rivers' actual sales of Energy to the Members for such Fiscal Year;

(b) the acquisition of Big Rivers; or

(c) the admission of a new Member if following such admission Big Rivers would have had sales of Energy to all Members on a *pro forma* basis in the prior Fiscal Year in excess of 105% of Big Rivers' actual sales of Energy to the Members for such Fiscal Year.

1.1.100 Restructuring Amount: As defined in Section 16.5.1.

1.1.101 Retail Fee: As defined in Section 4.12.

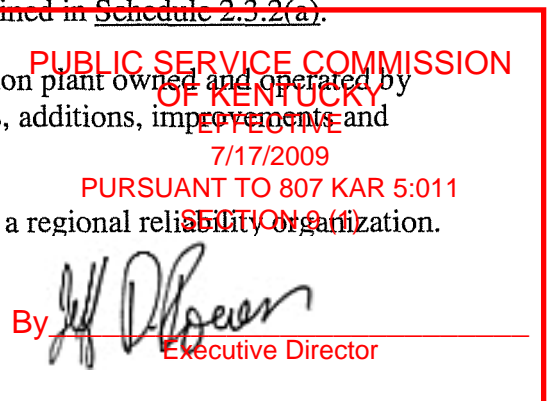
1.1.102 Rural Economic Reserve: A reserve established by Big Rivers, which may be held by Big Rivers or another Person, in an initial principal amount equal to \$60.9 million, subject to increases or decreases resulting from earnings or losses thereon or expenditures therefrom. No additional principal amounts will be contributed by Big Rivers to the Rural Economic Reserve after the Effective Date.

1.1.103 RUS: United States Department of Agriculture Rural Utilities Service.

1.1.104 Scheduled Interruptible Energy: As defined in ~~Schedule 2.3.2(a)~~.

1.1.105 Sebree Smelter: The aluminum reduction plant owned and operated by Alcan, located at Sebree, Kentucky, including any expansions, additions, improvements and replacements thereof or thereto at the existing site.

1.1.106 SERC: SERC Reliability Corporation, a regional reliability organization.



1.1.107 Service Period: As defined in Section 2.1.

1.1.108 Smelters: Alcan and Century.

1.1.109 Supplemental Energy: As defined in Section 2.3.2.

1.1.110 Supplemental Energy Charge: As defined in Section 4.3.

1.1.111 Surcharge: As defined in Section 4.11.

1.1.112 Surplus Sales: As defined in Section 10.1.1.

1.1.113 System Emergency: Any cessation of operation or reduction in the provision or delivery of Electric Services by Kenergy due in whole or in part to: (a) a disconnection of all or a portion of Big Rivers' or Kenergy's system from the transmission grid (other than as a direct result of Big Rivers' or Kenergy's gross negligence or willful misconduct), (b) a system emergency on the transmission grid of a Third Party, or (c) the occurrence of a condition or situation where the delivery of Energy to a transmission grid with which Big Rivers is directly interconnected or the making available of generation services or Transmission Services which could cause (i) harm to life or limb or imminent serious threat of harm to life or limb, (ii) material damage to Big Rivers' or Kenergy's system or any material component thereof or imminent danger of material damage to property, or (iii) other dangerous occurrences that Big Rivers or Kenergy believes, in the exercise of Prudent Utility Practice, should be prevented or curtailed.

1.1.114 System Firm: An obligation to supply Energy from:

- (a) Big Rivers' owned or leased generation facilities,
- (b) Big Rivers' contract with the Southeastern Power Authority (Contract No. 89-00-1501-637), or
- (c) Big Rivers' Firm power purchase agreements with a term of two years or more which were not entered into for purpose of serving a specific non-Smelter load,

in each case subject to the occurrence of an Uncontrollable Force or similar event of force majeure, a System Emergency or Big Rivers' prior satisfaction of the Energy requirements of the Non-Smelter Ratepayers, the Smelters and Third Parties under power sales agreements entered into prior to the making of such obligation to supply Energy.

1.1.115 Term: As defined in Section 7.1.

1.1.116 Third Party: A Person other than Kenergy, Alcan, Big Rivers or Century.

1.1.117 Third Party Supplier(s): As defined in Section 2.3.2(c).

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
7/17/2009
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

By 
Executive Director

1.1.118 TIER: The quotient for a Fiscal Year of (i) Big Rivers' interest expenses plus Net Margins, divided by (ii) Big Rivers' interest expenses; in each case, calculated in accordance with Accounting Principles.

1.1.119 TIER Adjustment: As defined in Section 4.7.5.

1.1.120 TIER Adjustment Charge: As defined in Section 4.7.1.

1.1.121 Transition Reserve: A reserve established by Big Rivers, which may be held by Big Rivers or another Person, in an initial principal amount equal to \$35 million, subject to increases or decreases resulting from earnings or losses thereon or expenditures therefrom. No additional principal amounts will be contributed by Big Rivers to the Transition Reserve after the Effective Date.

1.1.122 Transmission Charge: As defined in Section 4.5.

1.1.123 Transmission Services: Network transmission services as described in the OATT and Ancillary Services. Transmission Services are currently included in the Large Industrial Rate but may be unbundled in accordance with the terms and conditions of the Alcan Wholesale Agreement.


1.1.124 Transmission Upgrade: The transmission upgrade described in the Coordination Agreement dated the date hereof between Alcan and Big Rivers.

1.1.125 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. Examples of events that may constitute the basis of an event which constitutes an "Uncontrollable Force" include: acts of God; strikes, slowdowns or labor disputes; acts of the public enemy; wars; blockades; insurrections; riots; epidemics; landslides; lightning; earthquakes; fires; storms; floods; washouts; arrests and restraints of any Governmental Authority; civil or military disturbances; explosions, breakage of or accident to machinery, equipment or transmission lines; inability of a Party to obtain necessary materials, supplies or permits due to existing or future rules, regulations, orders, laws or proclamations of Governmental Authorities, civil or military; transmission constraints or System Emergencies; a forced outage of a generating unit or units preventing the physical delivery of Energy to Kenergy for resale to Alcan; and any other forces which are not reasonably within the control of the Party claiming suspension. "Uncontrollable Forces" do not include an insufficiency of funds or decline in credit ratings or customary, expected or routine maintenance or repair of plant or equipment. Nothing contained herein shall be construed to obligate a Party to prevent or to settle a labor dispute against its will

1.1.126 Undeliverable Energy Sales: As defined in Section 10.2.1.

1.1.127 Unwind Transaction: The consummation of the transactions contemplated on the date of the "Closing" as defined in and pursuant to the Transaction Termination Agreement among Big Rivers, LG&E Energy Marketing Inc., and Western Kentucky Energy Corp.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
7/17/2009
PURSUANT TO 807 KAR 5:011
SECTION 9(1)

By 
Executive Director

1.2 Rules of Interpretation. Unless otherwise required by the context in which any term appears: (a) capitalized terms used in this Agreement will have the meanings specified in this Article 1 unless the context requires otherwise; (b) the singular will include the plural and vice versa; (c) references to “Recitals,” “Articles,” “Sections,” “Exhibits” or “Schedules” are to the recitals, articles, sections, exhibits or schedules of this Agreement, unless otherwise specified; (d) all references to a particular Person in any capacity will be deemed to refer also to such Person’s authorized agents, permitted successors and assigns in such capacity; (e) the words “herein,” “hereof” and “hereunder” will refer to this Agreement as a whole and not to any particular section or subsection hereof; (f) the words “include,” “includes” and “including” will be deemed to be followed by the phrase “without limitation” and will not be construed to mean that the examples given are an exclusive list of the topics covered; (g) references to this Agreement will include a reference to all exhibits and schedules hereto; (h) references to any agreement, document or instrument will be construed at a particular time to refer to such agreement, document or instrument as the same may be amended, modified, supplemented or replaced as of such time; (i) the masculine will include the feminine and neuter and vice versa; (j) references to any tariff, rate, or order of any Governmental Authority will mean such tariff, rate or order, as the same may be amended, modified, supplemented or restated and be in effect from time to time; (k) if any action or obligation is required to be taken or performed on any day which is not a Business Day, such action or obligation must be performed on the next succeeding Business Day; (l) references to an Applicable Law will mean a reference to such Applicable Law as the same may be amended, modified, supplemented or restated and be in effect from time to time; (m) all accounting terms not defined in this Agreement will be construed in accordance with Accounting Principles; (n) all references to a time of day shall be a reference to the prevailing time in Henderson, Kentucky; and (o) the financial and production cost models prepared by Big Rivers, including models filed with the KPSC, in connection with the application for approval of the Unwind Transaction and the New Transaction (the “Model”) have been prepared solely by Big Rivers and shall not be used by the Parties or any Governmental Authority to construe or interpret any provision of this Agreement. The Parties collectively have prepared this Agreement, and none of the provisions hereof will be construed against one Party on the ground that it is the author of this Agreement or any part hereof.

1.3 Calculations and Rounding. In making any mathematical calculation provided for or contemplated by this Agreement, the calculation will be made to six decimal places (rounded up if the numeral in the seventh decimal place is five or higher, and rounded down if the numeral in the seventh decimal place is lower than five).

ARTICLE 2

ELECTRIC SERVICES AND RATES

2.1 Service Period Obligations. In accordance with the terms and conditions of this Agreement, Kenergy will supply, and Alcan will purchase, Electric Services for a period beginning at 12:00:01 A.M. on the day next succeeding the Effective Date and continuing until 12:00:00 midnight on December 31, 2023, unless the Parties’ respective obligations to supply and purchase Electric Services are earlier terminated pursuant to the terms of this Agreement (the “Service Period”).

PUBLIC SERVICE COMMISSION
EFFECTIVE
7/17/2008
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

By 
Executive Director

2.2 Characteristics of Service. Electric service to be supplied by Kenergy to Alcan under this Agreement shall be nominally three-phase, sixty cycle at 161,000 volts or as otherwise agreed to by the Parties and Big Rivers. The Parties and Big Rivers will mutually agree on limits of the regulation of voltage but at no time may such regulation of such limits be inconsistent with standards required by applicable Governmental Authorities or any other organizations that establish reliability and electric operation standards for the region.


2.3 Delivery Obligation. In accordance with this Agreement, during the Service Period, Kenergy will deliver, or cause to be delivered, at the Point of Delivery to Alcan Base Monthly Energy, Supplemental Energy and Back-Up Energy.

2.3.1 Base Monthly Energy. Alcan may purchase in each Hour of the Service Period an amount of Energy up to the Base Demand per Hour. For billing purposes, Base Monthly Energy consists of two components: Base Fixed Energy charged at the Base Rate and Base Variable Energy (which may be either a positive or negative amount) charged or credited at the Base Variable Rate.

2.3.2 Supplemental Energy. "Supplemental Energy" shall consist of (i) Interruptible Energy purchased by Kenergy from Big Rivers pursuant to Section 2.3.2(a) and Schedule 2.3.2(a), (ii) Buy-Through Energy purchased by Kenergy from Big Rivers and, in turn, by Big Rivers from Third Party Suppliers upon the interruption of Interruptible Energy, pursuant to Section 2.3.2(b), and (iii) Market Energy purchased by Kenergy from Big Rivers or Third Party Suppliers pursuant to Section 2.3.2(c).

(a) Interruptible Energy. As of the Effective Date, Kenergy shall make available to Alcan up to 10 MW per Hour of Energy subject to Kenergy's right to interrupt the delivery of such Energy ("Interruptible Energy") in accordance with the terms and conditions set forth in Schedule 2.3.2(a). Alcan hereby agrees to the terms and conditions of Schedule 2.3.2(a) and agrees to purchase the Scheduled Interruptible Energy made available thereunder and through its consent to quarterly confirmations from Big Rivers to Kenergy as described in Schedule 2.3.2(a).

(b) Buy-Through Energy. Upon each Notice of Interruption, Kenergy will offer to sell to Alcan any Firm Energy which Big Rivers in its sole discretion offers to Kenergy for resale to Alcan in lieu of the interrupted Scheduled Interruptible Energy ("Buy-Through Energy") and the estimated price or prices during the specified Hour or Hours of Permitted Interruption upon which Big Rivers would supply such Energy. Alcan shall have ten minutes from the time it receives verbal Notice of Interruption to notify Big Rivers and Kenergy whether Alcan agrees to purchase Buy-Through Energy offered to be supplied by Big Rivers to Kenergy for resale to Alcan. Alcan promptly shall confirm verbal acceptance of the Buy-Through Energy with a facsimile confirmation or pursuant to ~~other electronic communications~~ acceptable to Kenergy and Big Rivers. Upon Kenergy's acceptance of the Buy-Through Energy the obligation of Big Rivers to provide the Buy-Through Energy shall become a Firm service commitment. The failure of Alcan to notify Kenergy and Big Rivers of acceptance of the Buy-Through Energy during the period provided shall constitute a rejection of the Buy-Through Energy, and the Permitted Interruption shall thereafter be implemented in accordance with the

PUBLIC SERVICE COMMISSION
OF KENTUCKY
PURSUANT TO 807 KAR 5-011
SECTION 9 (1)
By 
Executive Director

applicable Notice of Interruption and neither Kenergy nor Big Rivers shall have any obligation to supply Alcan Buy-Through Energy during such Permitted Interruption.


(c) Market Energy. Kenergy shall use reasonable commercial efforts to acquire Supplemental Energy (other than Interruptible Energy or Buy-Through Energy) from either Big Rivers or one or more suppliers other than Big Rivers ("Third Party Suppliers") for resale to Alcan, upon the request of Alcan ("Market Energy") specifying (i) the requested amount and duration of such Energy, and (ii) all requested prices and material terms and conditions. Alcan shall pay to Kenergy all amounts that Kenergy is obligated to pay to either Big Rivers or any Third Party Supplier, including the purchase price paid by Kenergy for such Market Energy and the costs, if any, of transmission services or related services incurred on Third Party transmission systems to transmit such Market Energy to a point of interconnection with Big Rivers' transmission system. Nothing in this Agreement may be construed to limit the ability of Kenergy to purchase Energy or other electric services from Third Party Suppliers to serve Alcan.

(i) Kenergy's obligation to enter into any contractual arrangements with Big Rivers or a Third Party Supplier for the purchase of Market Energy shall be conditioned upon Kenergy's prior receipt of a written notification from Alcan setting forth Alcan's consent to the execution, delivery and performance of such contractual arrangements and upon Alcan's providing such financial assurances as may be reasonably required to hold Kenergy harmless for its obligations in connection therewith.

(ii) As a condition to the effectiveness of any contractual arrangements for the purchase of Market Energy for resale to Alcan, Kenergy shall make application to, and use reasonable commercial efforts to obtain approval of, the KPSC to sell such Market Energy to Alcan each Billing Month in an amount that is equal to the amount that Kenergy is required to pay each Billing Month to Big Rivers or a Third Party Supplier, as applicable, for such Market Energy.

(iii) Promptly following request by Alcan for Market Energy, Kenergy shall request that Big Rivers provide all Transmission Services necessary to transmit Market Energy requested by Alcan from a point of interconnection on Big Rivers' transmission system to the Point of Delivery. The amount of Market Energy transmitted from a point of interconnection on Big Rivers' system to the Point of Delivery shall be reduced by the applicable system loss factor as provided in the OATT. Alcan acknowledges and agrees that Kenergy shall have no liability to Alcan for Big Rivers' denial of Kenergy's duly submitted request for reservation of Transmission Services.

(iv) With respect to a purchase of Market Energy from a Third Party Supplier, Kenergy shall be obligated to deliver to Alcan ~~only those amounts of Market Energy received from such Third Party Supplier, net of applicable losses of Energy on Big Rivers' transmission system. Kenergy will not be in default under any provision of this Agreement nor will it have any liability to Alcan if the non-delivery of Market Energy is due to a failure by a Third Party Supplier to deliver the full amount of Market Energy under the terms and conditions of the agreement between Kenergy and such Third Party Supplier provided that~~

PUBLIC SERVICE COMMISSION
OF KENTUCKY
7/17/2009
SUBSTANT TO 807 KAR 5:011
SECTION 9 (1)
By 
Executive Director

Kenergy has assigned to Alcan Kenergy's rights and remedies against the Third Party Supplier under such agreement.

(v) If Alcan is unable to receive and consume Market Energy purchased by Kenergy from a Third Party Supplier because of an Uncontrollable Force, then upon the request of Alcan, Kenergy shall use reasonable commercial efforts to sell or cause to be sold such Market Energy to other Third Parties for the duration specified by Alcan's request. Kenergy shall apply all revenues derived from such resale as a credit to Alcan, net of any transmission services charges or related charges or other expenses incurred to make such resale.

2.3.3 Back-Up Energy. Kenergy shall provide Back-Up Energy to Alcan at the Point of Delivery through purchases of Energy from Big Rivers at the prices and on the terms and conditions set forth in Section 4.4.

2.4 Power Factor. Alcan shall use commercially reasonable efforts to maintain (a) a power factor at the Point of Delivery as nearly as practicable to unity, and (b) a power factor that is not below 0.90 leading or lagging with respect to maximum electric demand incurred by Alcan during any Billing Month. Alcan shall, without regard to the obligations of Big Rivers pursuant to the Alcan Wholesale Agreement, cause to be maintained a power factor at the Point of Delivery at unity with respect to Energy purchased by Kenergy or Big Rivers from Third Parties for resale to Alcan.

2.5 Title and Risk of Loss. Title to and risk of loss with respect to Energy provided by Kenergy to Alcan pursuant to this Agreement will pass from Kenergy to and rest in Alcan when the same is made available by Kenergy (or Big Rivers on behalf of Kenergy) at the Point of Delivery. After title passes to Alcan, Alcan will be deemed in exclusive control of the Energy and will be responsible for any damage or injury caused thereby.

2.6 Performance by Kenergy. Alcan acknowledges and agrees that, to the extent Big Rivers has a corresponding or related obligation to Kenergy under the Alcan Wholesale Agreement, Kenergy's performance of an obligation under this Agreement is subject to and conditioned upon Big Rivers' performance of such corresponding or related obligation to Kenergy. Alcan acknowledges and agrees that Big Rivers may enforce an obligation of Alcan under this Agreement which corresponds or relates to an obligation of Kenergy to Big Rivers under the Alcan Wholesale Agreement.


ARTICLE 3

CHANGES IN DEMAND AND SCHEDULING

3.1 Change In Base Demand. Alcan may change the Base Demand for any Fiscal Year only with the written consent of Kenergy and Big Rivers.

3.2 Scheduling.

3.2.1 Alcan shall not be required to schedule Base Monthly Energy Buy-Through Energy or Back-Up Energy but shall use reasonable commercial efforts to inform Kenergy and Big Rivers promptly of any material change in its ir

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
7/17/2009
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)
By 
Executive Director

3.2.2 In accordance with the OATT, Alcan must schedule and arrange with Kenergy and Big Rivers no later than 9:00 A.M. on the Business Day immediately preceding the day or days of delivery, or as otherwise mutually agreed by the Parties and, if applicable, Big Rivers, the delivery of Interruptible Energy and Market Energy.

ARTICLE 4

CHARGES AND CREDITS

4.1 Monthly Charge. Alcan shall pay Kenergy the following (the "Monthly Charge") for the Electric Services provided or made available under this Agreement:

- 4.1.1 the Base Energy Charge calculated pursuant to Section 4.2,
- 4.1.2 plus the Supplemental Energy Charge calculated pursuant to Section 4.3,
- 4.1.3 plus the Back-Up Energy Charge calculated pursuant to Section 4.4,
- 4.1.4 plus the Transmission Charge pursuant to Section 4.5,
- 4.1.5 plus the Excess Reactive Demand Charge calculated pursuant to Section 4.6,
- 4.1.6 plus the TIER Adjustment Charge calculated pursuant to Section 4.7,
- 4.1.7 plus the FAC Charge calculated pursuant to Section 4.8.1,
- 4.1.8 plus the Non-FAC Purchased Power Adjustment Charge calculated pursuant to Section 4.8.2,
- 4.1.9 plus the Environmental Surcharge calculated pursuant to Section 4.8.3,
- 4.1.10 plus or minus the monthly amortization of the Restructuring Amount calculated pursuant to Section 16.5,
- 4.1.11 less the Rebate calculated pursuant to Section 4.9,
- 4.1.12 less the Equity Development Credit calculated pursuant to Section 4.10,
- 4.1.13 plus the Surcharge calculated pursuant to Section 4.11,
- 4.1.14 plus the Retail Fee calculated pursuant to Section 4.12,
- 4.1.15 less the credits calculated pursuant to Section 4.13,
- 4.1.16 plus or minus other amounts calculated pursuant to Section 4.14, and
- 4.1.17 plus taxes calculated pursuant to Section 4.15.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
7/17/2009
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

By 
Executive Director

4.2 Base Energy Charge. For any Billing Month, the “Base Energy Charge” shall be the sum of:

- (a) the product of Base Fixed Energy and the Base Rate; and
- (b) the product, whether positive or negative, of the Base Variable Energy and the Base Variable Rate.

Sample calculations of the Base Energy Charge at different load factors are set forth in Exhibit A.

4.3 Supplemental Energy Charge. For any Billing Month, the “Supplemental Energy Charge” shall be the sum of the charges, whenever determined, Kenergy is obligated to pay for the Interruptible Energy Charge, the Buy-Through Energy Charge, and the Market Energy Charge, as calculated below.

4.3.1 The “Interruptible Energy Charge” shall be the product of (i) the quantity of Interruptible Energy metered at the Point of Delivery during the Billing Month and (ii) the rate or rates for Interruptible Energy with respect to such Billing Month.

4.3.2 The “Buy-Through Energy Charge” shall be the sum of:

(a) any and all of the charges for Buy-Through Energy purchased by Kenergy for delivery to Alcan pursuant to Section 2.3.2(b) during such Billing Month including any and all separate charges for transmission services and related services, whenever incurred (including financial transmission rights, transmission congestion charges and similar costs or expenses), provided by a Third Party whose transmission system is used to transmit Buy-Through Energy purchased from a Third Party to a point at which Big Rivers’ transmission system is interconnected with such system; and


(b) all other charges that Kenergy may be required to pay to Big Rivers in connection with Buy-Through Energy, including any amount payable upon termination by reason of default of the supply arrangements between Big Rivers and Third Party Suppliers, net of recoveries by Big Rivers from such suppliers with respect to the supply of Buy-Through Energy to Kenergy for resale to Alcan.

4.3.3 The “Market Energy Charge” shall be the sum of:

(a) any and all of the charges for Market Energy purchased by Kenergy for delivery to Alcan pursuant to Section 2.3.2(c) during such Billing Month including any and all separate charges for transmission services and related services, whenever incurred (including financial transmission rights, transmission congestion charges and similar costs or expenses), provided by a Third Party whose transmission system is used to transmit Market Energy purchased from a Third Party to a point at which Big Rivers’ transmission system is interconnected with such system; and

(b) all other charges that Kenergy may be required to pay to Big Rivers or any Third Party Suppliers in connection with Market Energy amount

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
7/17/2009
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

By 
Executive Director

payable upon termination by reason of default of the supply arrangements between Kenergy and Big Rivers or Kenergy and a Third Party Supplier, net of recoveries by Kenergy or Big Rivers from such suppliers with respect to the supply of Market Energy to Kenergy for resale to Alcan.

4.4 Back-Up Energy Charge. For any Billing Month, the “Back-Up Energy Charge” shall be the sum of the Hourly charges for Back-Up Energy calculated as follows:

4.4.1 The charge for Back-Up Energy supplied in any Hour shall equal the following:

(a) to the extent the Back-Up Energy was supplied by Big Rivers from generating facilities owned or controlled by Big Rivers and located within Big Rivers’ transmission control area, the charge shall be the product of (i) the amount of such Back-Up Energy, and (ii) the quotient of (A) a price equal to the greater of (1) the real time Hourly locational marginal price at Big Rivers’ interface with the Midwest Independent System Operator (or such other pricing reference point that shall be mutually agreed upon by the Parties and Big Rivers), and (2) Big Rivers’ system lambda; divided by (B) 1.00 minus the loss factor set forth in the OATT;


(b) to the extent the Back-Up Energy was not supplied pursuant to Section 4.4.1(a), the charge shall be the product of (i) the amount of such Back-Up Energy, and (ii) the quotient of (A) a price equal to 110% of the highest Hourly all inclusive cost incurred by Big Rivers to acquire any Energy, including such Back-Up Energy, and the separate cost, if any, whenever determined, of transmission services and related services provided by a Third Party whose transmission system is used to transmit Back-Up Energy purchased from a Third Party to a point at which Big Rivers’ transmission system is interconnected with such system and including any imbalance charges or other costs arising from the failure of a Third Party Supplier to deliver Energy that it is obligated to deliver; divided by (B) 1.00 minus the loss factor set forth in the OATT; and

(c) to the extent that the amount of Back-Up Energy required by Alcan during any Hour exceeds the sum of (x) ten MW per Hour, (y) the amount of Back-Up Energy resulting from deemed interruption of Scheduled Interruptible Energy pursuant to Schedule 2.3.2(a), and (z) the amount of Back-Up Energy resulting from the non-delivery of Market Energy purchased by Kenergy from a Third Party Supplier, then the charge for the excess amount of Back-Up Energy shall be the product of (i) the excess amount of Back-Up Energy, and (ii) the greater of (A) \$250 per MWh and (B) the price set forth in Section 4.4.1(b)(ii).

Sample calculations of the Back-Up Energy Charge are set forth in Exhibit A.

4.4.2 If during any Hour Kenergy provides Back-Up Energy to Alcan and “Back-Up Energy” (as defined in the Century Retail Agreement) to Century, then the provisions of Section 4.4.1 shall apply to a proportional number of MW of Back-Up Energy for each of Alcan and Century.

4.5 Charge for Transmission Services and Ancillary Services. For any Billing Month, the charge for transmission services and ancillary services (the “Transmission Charge”) shall be the sum of the charges, calculated in accordance with the OATT, for such services for

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
7/17/2009
PURSUANT TO 2007 KAR 9:04
By 
Executive Director

(a) Base Monthly Energy that are unbundled from the Large Industrial Rate in accordance with the terms of the Alcan Wholesale Agreement, if any; and (b) Supplemental Energy.

4.6 Excess Reactive Demand Charge. For any Billing Month, the “Excess Reactive Demand Charge”, if any, shall be the product of \$0.1433 and the amount, expressed in kilovars, of the difference, if positive, between:

(a) the maximum metered reactive demand of Alcan during the Billing Month, and

(b) an amount of kilovars equal to the sum of:

(i) the product of (A) 0.4843, and (B) the maximum hourly demand during a Billing Month, denominated in kilowatts, associated with Base Monthly Energy, Interruptible Energy, Market Energy, and Back-Up Energy provided by Big Rivers to Kenegy for resale to Alcan, but less the amount of such Interruptible Energy, Market Energy or Back-Up Energy that was purchased by Big Rivers from Third Parties, and

(ii) 54,114.

4.7 TIER Adjustment Charge.

4.7.1 The “TIER Adjustment Charge” shall be, for any Fiscal Year, the amount that is the product of the Applicable Percentage and the TIER Adjustment if, and only if, such TIER Adjustment is a positive amount; *provided, however*, that in no case will the TIER Adjustment Charge for any Fiscal Year exceed the amount that is the product of the Base Fixed Energy and the maximum additional charge per MWh set forth below for the applicable Fiscal Year:


<u>Fiscal Years</u>	<u>Maximum Additional Charge</u>
2008-2011	\$1.95 per MWh
2012-2014	\$2.95 per MWh
2015-2017	\$3.55 per MWh
2018-2020	\$4.15 per MWh
2021-2023	\$4.75 per MWh

If the TIER Adjustment shall be negative, there will be an Excess TIER Amount and no TIER Adjustment Charge.

4.7.2 Prior to each Fiscal Year, Big Rivers shall estimate both the TIER Adjustment and, if the TIER Adjustment is positive, the TIER Adjustment Charge based on the Budget for such Fiscal Year. Kenegy shall collect such estimated amount from Alcan in equal monthly installments as part of the Monthly Charge for each Billing Month during the applicable Fiscal Year.

4.7.3 Within 45 days following the end of the first, second and third fiscal quarters of each Fiscal Year, Big Rivers shall again estimate the TIER Adjustment and the corresponding amount of the TIER Adjustment Charge based on the Budget and

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
7/17/2009
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

By 
Executive Director

year-to-date results of operations, and shall calculate a modified amount to be collected from, or refunded as a credit to, the Monthly Charge to Kenergy with respect to service to Alcan during the remaining portion of the Fiscal Year, including any amounts necessary to address any estimated under- or over-collection of the TIER Adjustment Charge from Alcan as compared to the Budget during the remainder of the Fiscal Year. Kenergy shall collect or credit such modified amount from Alcan in equal monthly installments as part of the Monthly Charge for the remaining Billing Months of the subject Fiscal Year.

4.7.4 As soon as reasonably practicable but no later than 120 days after the end of each Fiscal Year, Big Rivers shall calculate the TIER Adjustment and TIER Adjustment Charge for such Fiscal Year. The TIER Adjustment Charge for such Fiscal Year shall be compared to the aggregate amounts paid by Alcan in respect of the estimated TIER Adjustment Charge for such Fiscal Year, and the difference between such amounts shall be included as a charge or credit, as applicable, in the Monthly Charges for the fourth Billing Month of the next Fiscal Year.

4.7.5 The “TIER Adjustment” shall be the amount of incremental revenue, whether positive or negative, calculated with respect to each Fiscal Year after determination of Net Margins for such Fiscal Year (excluding amounts payable to Kenergy with respect to or relating to the revenue that results from the TIER Adjustment Charge and the “TIER Adjustment Charge” as defined in the Century Retail Agreement), that is necessary for Big Rivers to receive in order to achieve a TIER of 1.24 for such Fiscal Year; *provided, however*, that if the Service Period commences or terminates on a date other than the first or last day of a Fiscal Year and to give effect to this Section 4.7.5, the TIER Adjustment will be calculated on an Hourly basis only with respect to the partial period of the first or final Fiscal Year of the Service Period, as applicable. The determination of the TIER Adjustment shall be subject to the following:

(a) It shall be assumed that: Big Rivers shall have generated additional revenue from service to the Members for resale to the Non-Smelter Ratepayers as if Big Rivers had increased the Non-Smelter Member Rates by a weighted average of 2.00% in 2010, another 2.50% in 2018 and another 4.00% in 2021 if and to the extent Big Rivers had not prior to or during the year of the calculation increased the Non-Smelter Member Rates by at least such amounts. The revenues from any roll-in of the costs associated with costs recovered under the FAC, the Environmental Surcharge Rider or the Regulatory Account that are incorporated into base rates comprising a portion of the Non-Smelter Member Rates will not constitute an increase in the Non-Smelter Member Rates for purposes of this clause (a), and the revenues attributable to any such roll-in will be excluded in calculating the percentage of any increases in the Non-Smelter Member Rates. The expiration or termination of Big Rivers’ Member Discount Adjustment Rider shall be deemed to be an increase in the Non-Smelter Member Rates for purposes of this clause (a), without regard to whether such expiration or termination occurs prior to, on or after the Effective Date.

(b) It shall be assumed that: If a Member provides electric service to a New Ratepayer with a Firm demand in excess of 15 MW, such Member shall have paid to Big Rivers for wholesale Energy purchased and resold to the New Ratepayer at a price equal to the greater of: (i) the amount paid for such service and (ii) an amount calculated for the same period equal to (A) a rate, expressed in dollars per MWh, resulting from the application of the Large

PUBLIC SERVICE COMMISSION

Electric Service

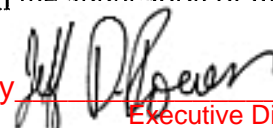
EFFECTIVE

7/17/2009

PURSUANT TO 807 KAR 5:011

SECTION 9 (1)

By



Executive Director

Industrial Rate to a load with the New Ratepayer's load factor, plus \$0.25 per MWh, *plus* (B) the sum of the FAC Factor, the Environmental Surcharge Factor, and the Non-FAC Purchased Power Adjustment Factor (each calculated on a per MWh basis), *plus* (C) the Surcharge (the Surcharge being calculated on an amount per MWh based on Base Fixed Energy for such Fiscal Year) set forth in Section 4.11; *plus* (D) amounts corresponding to the amount per MWh paid by Kenergy during the same period for the TIER Adjustment Charge. If a Member provides electric service to a New Ratepayer with a Firm demand of 15 MW or less, such Member shall have paid to Big Rivers for wholesale Energy purchased and resold to the New Ratepayer at a price equal to the sum of (i) the Large Industrial Rate and (ii) the sum of the FAC Factor, the Environmental Surcharge Factor, and the Non-FAC Purchased Power Adjustment Factor (each calculated on a per MWh basis). For purpose of this clause (b), the revenues produced by any surcharge with respect to a New Ratepayer similar to the Surcharge or the "Surcharge" under the Century Retail Agreement will be assumed to accrue solely to the benefit of the Non-Smelter Ratepayers except to the extent such surcharge is paid by or imputed to a New Ratepayer pursuant to subclause (A) of this clause (b). The assumptions contained in this clause (b) shall not apply with respect to a New Ratepayer that first interconnects with Big Rivers' transmission system during the last three Fiscal Years of the Service Period or following notice of termination of this Agreement or the Century Retail Agreement.

(c) It shall be assumed that: Big Rivers' interest expense shall have been reduced by the product of (i) Big Rivers' average effective interest rate for borrowed money for the prior Fiscal Year, and (ii) the aggregate amount of any patronage capital retired by Big Rivers to its Members during the Service Period (other than any distribution from the Rural Economic Reserve, the Economic Reserve or the Transition Reserve or relating to the Surcharge or the "Surcharge" under the Century Retail Agreement), from and after the date of such retirement.

(d) It shall be assumed that: Interest on construction work-in-progress relating to the construction of new electric generating facilities or transmission facilities shall have been capitalized by Big Rivers if it has the right to elect to do so or it is obligated to capitalize such interest under Accounting Principles unless a Governmental Authority has approved the inclusion of such interest expenses in Big Rivers' revenue requirements for rate-making purposes or otherwise approved a surcharge for collecting such interest expenses.

(e) If Big Rivers acquires or constructs non-peaking electric generating facilities alone or with others ("New Facilities"), Big Rivers' interest expenses shall not include the interest imputed on the debt relating to the New Facilities ("Imputed Interest"); *provided, however*, that if a Governmental Authority has approved the inclusion of such generating facilities in Big Rivers' revenue requirements for rate-making purposes or otherwise approved a surcharge to provide for the recovery of the costs of such New Facilities, then actual interest expense with respect to such New Facilities shall be included in the TIER calculation to the extent recovery is permitted; *provided, further*, that this clause (e) may serve as the TIER Adjustment to become negative. For purposes of determining Imputed Interest, it shall be assumed that the New Facilities were financed 80% with debt and 20% with equity. Imputed Interest shall equal the product of (i) the weighted average interest rate on Big Rivers' debt for the Fiscal Year, and (ii) the amount of debt equal to 80% of the capital invested in the New Facilities.

(f) It shall be assumed that: The Rural Economic Reserve, the Economic Reserve and the Transition Reserve shall not generate any revenue or tax liability and the application of funds from the Rural Economic Reserve, the Economic Reserve or the Transition Reserve shall not result in any change in the Net Margins of Big Rivers.

(g) It shall be assumed that: Big Rivers shall have made no payment for damages or indemnification to or for the benefit of a Smelter with respect to the provision of Electric Services or "Electric Services" as defined in the Century Retail Agreement.

(h) It shall be assumed that: Big Rivers shall have paid no criminal penalties with respect to its acts or omissions other than criminal penalties that a Governmental Authority has approved the inclusion of in Big Rivers' revenue requirements for rate-making purposes or otherwise approved a surcharge for collecting such penalties.

(i) It shall be assumed that: Big Rivers shall have received no proceeds from the sale of Energy to the wholesale market pursuant to Section 4.13.3 or the corresponding section of the Century Retail Agreement.

(j) It shall be assumed that: Big Rivers shall have incurred no expenses that are impermissible for inclusion in rates of electric generation and transmission cooperative utilities subject to the jurisdiction of the KPSC for rate-making purposes (currently including advertising expenses, branding expenses, charitable contributions and lobbying expenses) or specifically disallowed for rate making purposes by a Governmental Authority; *provided, however*, that denial by a Governmental Authority of expense recovery through the FAC or the Environmental Surcharge Rider shall not constitute an expense that is impermissible for inclusion in rates if the nature of such expense is recoverable in base rates.

(k) It shall be assumed that: There are no revenues and expenses associated with non-regulated businesses of Big Rivers.

(l) It shall be assumed that: No interest is paid pursuant either to Section 5.3 or Section 5.4 or pursuant to the corresponding sections of the Century Retail Agreement.

(m) It shall be assumed that: No amounts have been or are payable with respect to Excess Reactive Demand Charges or with respect to "Excess Reactive Demand Charges" under the Century Retail Agreement.

(n) It shall be assumed that: No administrative fee shall have been received by Big Rivers as a result of any Surplus Sales, Undeliverable Energy Sales or Potline Reduction Sales or sales of Energy pursuant to the corresponding sections of the Century Retail Agreement.

(o) Additional costs related to a change in Big Rivers' depreciation rates may not be included in the calculation of the TIER Adjustment unless such change has been approved, consented to or accepted by the KPSC or, if the KPSC no longer has jurisdiction over Big Rivers, by the RUS or any other Governmental Authority having jurisdiction over such change, if any.

PUBLIC SERVICE COMMISSION

OF KENTUCKY

EFFECTIVE

7/17/2009

PURSUANT TO 807 KAR 5:011

SECTION 9 (1)

By



Executive Director

(p) It shall be assumed that: The amortization of any Restructuring Amount is zero.

4.7.6 Any proceeds received or transaction costs paid by Big Rivers as part of or in connection with the consummation of the Unwind Transaction shall be disregarded for purposes of computing the TIER Adjustment Charge for the Fiscal Year in which the Unwind Transaction occurs.

4.8 Adjustable Charges.

4.8.1 The "FAC Charge" shall be the product of the FAC Factor (expressed in dollars per MWh) and Base Monthly Energy.

4.8.2 The "Non-FAC Purchased Power Adjustment Charge" shall be the product of the Non-FAC Purchased Power Adjustment Factor (expressed in dollars per MWh) and Base Monthly Energy.


4.8.3 The "Environmental Surcharge" shall be the product of the Monthly Environmental Surcharge Factor (expressed in dollars per MWh) and Base Monthly Energy.

4.9 Rebate. If there is an Excess TIER Amount in any Fiscal Year and Big Rivers elects to implement a rebate to its Members in respect thereof, then no later than the first day of the fifth month of the following Fiscal Year, Kenergy will credit to Alcan an amount (the "Rebate") equal to the product of:

- (i) the Excess TIER Amount, and
- (ii) a fraction:
 - (1) the numerator of which is the Base Fixed Energy for such Fiscal Year, and
 - (2) the denominator of which is the sum during the applicable Fiscal Year of (A) Big Rivers' aggregate sales of Energy to Members for resale to Non-Smelter Ratepayers, (B) the Base Fixed Energy, and (C) the aggregate amount of "Base Fixed Energy" as defined in the Century Retail Agreement (without regard to whether the Century Retail Agreement is then in effect).

4.10 Equity Development Credit. If there is an Excess TIER Amount in any Fiscal Year and Big Rivers does not elect to implement a rebate to its Members, then no later than the first day of the fifth month of the following Fiscal Year, Kenergy will credit against the next Monthly Charge an amount (the "Equity Development Credit") equal to the product of:

- (i) the Excess TIER Amount, and
- (ii) a fraction:

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
7/17/2009
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)
By 
Executive Director

(1) the numerator of which is the Base Fixed Energy for such Fiscal Year, and

(2) the denominator of which is the sum during the applicable Fiscal Year of (A) Big Rivers' aggregate sales of Energy to Members for resale to Non-Smelter Ratepayers, (B) the Base Fixed Energy, and (C) the aggregate amount of "Base Fixed Energy" as defined in the Century Retail Agreement (without regard to whether the Century Retail Agreement is then in effect).

Notwithstanding the above, the Equity Development Credit for any Fiscal Year may not exceed an amount which would cause the charge for Base Fixed Energy (including Energy curtailed pursuant to Section 4.13.2 or sold to Third Parties pursuant to Section 4.13.3 as Economic Sales, Section 10.1 as Surplus Sales, Section 10.2 as Undeliverable Energy Sales or Section 10.3 as Potline Reduction Sales) less the Equity Development Credit for such Fiscal Year on a per MWh basis to be less than (A) the Large Industrial Rate for a customer with a 98% load factor plus (B) the sum of the FAC Factor, the Environmental Surcharge Factor and the Non-FAC Purchased Power Adjustment Factor (each calculated on a per MWh basis).

4.11 Surcharge. In addition to any other amounts payable under this Agreement, and notwithstanding anything in this Agreement to the contrary, Alcan shall pay a surcharge (the "Surcharge") equal to the sum of the following:

(a) As applicable:

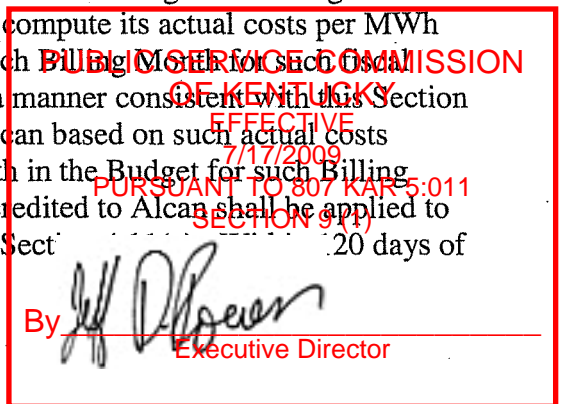
(i) \$184,361 each Billing Month from the Effective Date through and including December, 2011;

(ii) \$263,373 each Billing Month from January, 2012 through and including December, 2016;

(iii) \$367,380 each Billing Month from January, 2017 through the expiration of the stated Term of this Agreement; *plus*

(b) For any Billing Month, the product of (i) Base Fixed Energy and (ii) \$0.60 per MWh; *plus*

(c) For any Billing Month, the product of (i) Base Fixed Energy and (ii) the number of cents per MW per Hour (which number shall not exceed 60 or be less than zero) that Big Rivers' projected annual average costs per MWh for fuel consumed by Big Rivers in its coal-fired generation as set forth in its Budget are greater than the amounts set forth on Schedule 4.11(c), in each case, for that Fiscal Year relating to such Billing Month. Big Rivers shall within 45 days following the end of each fiscal quarter compute its actual costs per MWh for fuel consumed by Big Rivers' coal-fired generation in each Billing Month for such fiscal quarter and shall calculate (on a fiscal-year-to-date basis in a manner consistent with this Section 4.11(c)) an additional amount to be paid by or credited to Alcan based on such actual costs incurred for fuel consumed compared to the amounts set forth in the Budget for such Billing Months; *provided*, any additional amounts to be paid by or credited to Alcan shall be applied to amounts due for the remainder of the Fiscal Year under this Section 4.11(c) within 20 days of



the end of each Fiscal Year, an additional amount shall be credited to Alcan if necessary so that the total amounts paid pursuant to this Section 4.11(c) for such Fiscal Year shall not exceed an amount equal to the product of Base Fixed Energy for such Fiscal Year and 60 cents per MW per Hour; such amount shall be included as a credit, if applicable, in the Monthly Charges for the fourth Billing Month of the next Fiscal Year; *minus*

(d) For each of the first 96 Billing Months, \$86,588.

The obligations of Alcan to pay the Surcharge will cease to accrue upon the termination of this Agreement. Sample calculations of the Surcharge under Section 4.11(c) are set forth in Exhibit A.

4.12 Retail Fee. For any Billing Month, the "Retail Fee" shall, unless modified in accordance with Section 13.1.2, be an amount equal to the sum of:

- (a) the product of:
 - (i) \$0.000045 per kWh, and
 - (ii) the sum of the Base Monthly Energy, Supplemental Energy, and Back-Up Energy purchased by Alcan pursuant to this Agreement, and
- (b) \$2,614 per month.


4.13 Credits.

4.13.1 Surplus Sales, Undeliverable Energy Sales and Potline Reduction Sales.

For any Billing Month, Kenergy will credit Alcan (a) the Net Proceeds of any Surplus Sales pursuant to Section 10.1 to the extent of the Avoidable Base Charge; and (b) the amount of Net Proceeds of any Undeliverable Energy Sales or Potline Reduction Sales to which Alcan is entitled pursuant to Section 10.2 or Section 10.3, respectively, less \$0.25 per MWh as an administrative fee in each case. Sample calculations of the Net Proceeds from Surplus Sales, Undeliverable Energy Sales and Potline Reduction Sales that would be credited to Alcan are set forth in Exhibit A.

4.13.2 Curtailment of Purchased Power. For any Billing Month, Kenergy will credit Alcan for any Hour during such Billing Month an amount equal to the product of (a) the Market Reference Rate during such Hour, and (b) the amount of Base Demand per Hour curtailed, if any, during such Hour in an amount and for a duration mutually agreed among Alcan, Kenergy and Big Rivers pursuant to this Section 4.13.2 and the corresponding section of the Century Retail Agreement. If both Alcan and Century agree to the curtailment of the delivery of Base Demand per Hour pursuant to this Section 4.13.2 and the corresponding section of the Century Retail Agreement, Alcan and Century shall notify Kenergy and Big Rivers as to whose curtailment shall take precedence. If Kenergy and Big Rivers are not notified as to whose curtailment shall take precedence, the Smelter whose curtailment is largest shall take precedence, and if the amount of curtailment by each Smelter is the same, then the Smelter whose curtailment notice was received by Kenergy and Big Rivers first shall take precedence to time,

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
7/17/2009
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)


By 
Executive Director

Alcan shall notify Kenergy and Big Rivers of the minimum price at which it is willing to consider curtailment of the delivery of Base Demand per Hour pursuant to this Section 4.13.2. Notwithstanding the foregoing, Alcan hereby releases Kenergy and Big Rivers from any or all claims or liabilities resulting from a failure of Kenergy or Big Rivers to fulfill its obligations pursuant to this Section 4.13.2 (other than applying credits under this Section 4.13.2 to the Monthly Charge), including a failure to notify Alcan of Energy prices reaching or exceeding the minimum price at which Alcan will consider curtailment. Sample calculations of credit that would be due to Alcan for curtailment of purchased power are set forth in Exhibit A.

4.13.3 Economic Sales. For any Billing Month, Kenergy will credit Alcan 100% of the Net Proceeds Kenergy receives from Big Rivers (which is 75% of the Net Proceeds that Big Rivers receives) in respect of the curtailment of the delivery of Base Demand per Hour in an amount and for a duration mutually agreed among Alcan, Kenergy and Big Rivers if Big Rivers sells such curtailed Base Demand per Hour to the wholesale Energy market ("Economic Sales"); *provided*, that unless otherwise agreed among Kenergy, Alcan and Big Rivers, (a) the amount of Base Demand per Hour curtailed by Alcan may not exceed 100 MW per Hour, (b) the number of curtailments each year shall be limited to twelve, and (c) each curtailment may not last longer than four Hours, and *provided further*, that Big Rivers shall have no obligation to make Economic Sales until after Big Rivers first sells all of its own surplus Energy to the wholesale Energy market. If both Alcan and Century agree to the curtailment of the delivery of Base Demand per Hour pursuant to this Section 4.13.3 and the corresponding section of the Century Retail Agreement, Alcan and Century must notify Kenergy and Big Rivers as to whose curtailment shall take precedence. If Kenergy and Big Rivers are not notified as to whose curtailment shall take precedence, the Smelter whose curtailment is largest shall take precedence, and if the amount of curtailment by each Smelter is the same, then the Smelter whose curtailment notice was received by Kenergy and Big Rivers first shall take precedence. From time to time, Alcan shall notify Kenergy and Big Rivers of the minimum price at which it is willing to consider curtailment pursuant to this Section 4.13.3. Notwithstanding the foregoing, Alcan hereby releases Kenergy and Big Rivers from any or all claims or liabilities resulting from the failure of Kenergy or Big Rivers to fulfill its obligations pursuant to this Section 4.13.3 (other than applying credits under this Section 4.13.3 to the Monthly Charge), including a failure to notify Alcan of Energy prices reaching or exceeding the price of which Alcan will consider curtailment and the failure to make such sales after such notification. Sample calculations of the portion of the Net Proceeds from Economic Sales that would be credited to Alcan are set forth in Exhibit A.

4.13.4 Market Energy Sales. For any Billing Month, Kenergy will credit Alcan all revenues derived from the resale of Market Energy purchased from Third Party Suppliers, net of any transmission services charges or any other charges or other expenses in connection therewith whenever incurred, that Kenergy receives from the sale of Market Energy to Third Parties pursuant to Section 2.3.2(c)(v). Sample calculations of credit that would be due to Alcan for such sales of Market Energy are set forth in Exhibit A.

4.14 Other Amounts. For any Billing Month, any amounts payable pursuant to Section 10.1.4, 10.2.3 or 10.3.7 shall be added to or subtracted as applicable from the calculation of the Monthly Charge.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
7/17/2009
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)
By 
Executive Director

4.15 Taxes. No state or local sales, excise, gross receipts or other taxes are included in the charges and credits set forth in this Article 4. Alcan shall pay or cause to be paid any such taxes which are now or hereafter become applicable to the sale of Electric Services to Alcan under this Agreement.

ARTICLE 5

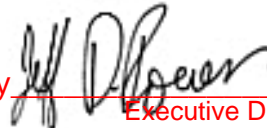
BILLING

5.1 Monthly Invoice. Kenergy shall bill Alcan on or before the tenth Business Day of each month for the Monthly Charge as calculated pursuant to Article 4 based on the sale of Electric Services during the most recently ended Billing Month plus any other amounts then due and owing pursuant to this Agreement. Alcan shall pay Kenergy (or Big Rivers on behalf of Kenergy) the Monthly Charge and any other amounts due and owing in immediately available funds to an account designated in the Lockbox Agreement on the Business Day following the 24th day of the month following the Billing Month or such earlier date of such month on which the Members' payment to Big Rivers for the provision of electric services is due. For the convenience of the Parties, and to facilitate satisfaction of Kenergy's obligation to Big Rivers, Alcan hereby acknowledges and consents to the assignment by Kenergy to Big Rivers of its right to receive such payment from Alcan under this Agreement other than with respect to the Retail Fee and Kenergy's rights to collect and enforce collection of such amounts due from Alcan. If Big Rivers owes credits or funds to Kenergy for the benefit of Alcan, Kenergy hereby assigns such credits or funds to Alcan and shall cooperate with and assist Alcan with respect to any collections of amounts due from Big Rivers to Kenergy; *provided*, that Alcan shall reimburse Kenergy for any reasonable expenses Kenergy incurs in providing such cooperation or assistance.

5.2 Right to Discontinue Service. If Alcan fails to pay any monthly invoice rendered by Kenergy (or Big Rivers on behalf of Kenergy) within the time prescribed in Section 5.1, Kenergy may discontinue delivery of any or all Electric Services hereunder upon 120 Hours prior written notice to Alcan and Big Rivers of its intention to do so. Kenergy's discontinuance of such service for non-payment will not in any way affect, diminish or limit the obligations of Alcan to make all payments required under this Agreement, as and when due.

5.3 Default Interest. If any monthly invoice rendered by Kenergy (or Big Rivers on behalf of Kenergy) is not paid on the due date, interest will accrue and become payable by Alcan to Kenergy on all unpaid amounts at a rate of four percentage points over the Prime Rate commencing on the first day after the due date.

5.4 Payments Under Protest. If any portion of any monthly statement is disputed by Alcan, the disputed amount must be paid, under protest, when due. If the disputed amount of the payment is found to be incorrect, following receipt from Big Rivers, Kenergy (or Big Rivers on behalf of Kenergy) shall promptly cause to be refunded to Alcan the amount that was not then due and payable, together with interest at the Prime Rate commencing on the first day after the date of payment and accruing on each day thereafter until the date the refund is made.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
1/17/2009
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)
By 
Executive Director

5.5 Release and Indemnification.

(a) Alcan (i) shall release Kenergy from any and all claims Alcan may have against Kenergy for the failure of Big Rivers to satisfy its obligations under the Alcan Wholesale Agreement, and (ii) agrees to indemnify, hold harmless and defend Kenergy from and against any and all claims Big Rivers may assert against Kenergy in connection with any failure by Big Rivers to perform under the Alcan Wholesale Agreement, but only if Kenergy shall have fully performed its obligations set forth in clause (b) below.

(b) If Big Rivers shall default under the Alcan Wholesale Agreement, Kenergy shall immediately deliver to Alcan (i) a power-of-attorney with full power of substitution which shall designate Alcan or its designee as Kenergy's attorney-in-fact (which shall be coupled with an interest and irrevocable) for purposes of negotiating and prosecuting any and all claims Kenergy may have against Big Rivers for a failure of Big Rivers to satisfy its obligations under the Alcan Wholesale Agreement and to file or prosecute any claim, litigation, suit or proceeding before any Governmental Authority in the name of Kenergy or in its own name, or take such other action otherwise deemed appropriate by Alcan for the purposes of obtaining legal or equitable relief as a result of the failure of Big Rivers to satisfy its obligations under the Alcan Wholesale Agreement and to compromise, settle, or adjust any suit, action or proceeding related to Big Rivers' failure to satisfy such obligations and to give such discharges or releases as Alcan may deem appropriate, and (ii) an assignment conveying to Alcan all of Kenergy's right, title and interest in and to any legal, equitable or other relief, including the recovery of damages and the grant of injunctive relief or other remedies to which Kenergy may be entitled with respect to Big Rivers' failure to satisfy its obligations under the Alcan Wholesale Agreement. The power-of-attorney and the assignment shall be in form and substance reasonably satisfactory to Alcan and shall be legally effective and enforceable under Kentucky or other Applicable Law.


5.6 No Waiver. No payment made by Alcan pursuant to this Article 5 will constitute a waiver of any right of Alcan to contest the correctness of any charge or credit.

5.7 No Payment. In no case shall Kenergy or Big Rivers be obligated to make a payment to Alcan in connection with the application of a credit to Alcan's Monthly Charges except to the extent otherwise expressly provided in Section 10.2.1(a) with respect to Undeliverable Energy Sales.

ARTICLE 6

EFFECTIVE DATE AND CONDITIONS

6.1 Effective Date. The obligations of the Parties under Article 2, Article 3, Article 4, Article 5, Section 7.3, Article 8, Article 9, Article 10, Article 11, Article 12, Article 13, Article 14 and Section 16.5 shall not commence until the Effective Date. The Effective Date will occur on the first date each of the conditions set forth in Section 6.2 has been satisfied in full or waived in writing by the Party in whose favor such condition exists (to the extent or more conditions is subject to being waived).

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)
By 
Executive Director

6.2 Conditions to Occurrence of Effective Date. The following shall be conditions to the occurrence of the Effective Date:

6.2.1 Each of the representations and warranties of the Parties contained in this Agreement and the representations and warranties of Big Rivers and Kenergy in the Alcan Wholesale Agreement will be true and correct as of the date hereof and the Effective Date (as though such representations and warranties were made at and as of the date hereof and the Effective Date), and each of the Parties shall have received a certificate to such effect from the other Party with respect to the other Party's representations and warranties in this Agreement and Alcan shall have received a certificate to such effect from Kenergy and Big Rivers in respect of their respective representations and warranties in the Alcan Wholesale Agreement.

6.2.2 The Unwind Transaction will have been consummated, including the termination of the agreements set forth on Schedule 6.2.2.

6.2.3 Each of the documents and agreements set forth in Schedule 6.2.3 will have been duly authorized, executed and delivered by the parties thereto, and all conditions precedent to the effectiveness of such agreements will have been satisfied or waived, and shall, if amended after the date hereof and prior to the Effective Date, be acceptable to Alcan.

6.2.4 The Alcan Wholesale Agreement shall be acceptable in form and substance to Alcan and shall not have been amended, or, if amended, shall be acceptable in form and substance to Alcan.


6.2.5 The Alcan Guarantee will have been duly authorized, executed and delivered by Alcan Parent and be in full force and effect.

6.2.6 Release documents releasing the liabilities and obligations under the documents listed on Schedule 6.2.2 will have been duly authorized, executed and delivered by Big Rivers, Kenergy, Century, LG&E and Alcan, as applicable.

6.2.7 No authorization or approval or other action by, and no notice to or filing or registration with, or license or permit from any Person, including any Governmental Authority, will be necessary prior to start of the Service Period, other than (i) as may be required under Applicable Law to be obtained, given, accomplished or renewed at any time or from time to time after the Effective Date and which are routine in nature or which cannot be obtained, or are not normally applied for, prior to the time they are required and which Kenergy has no reason to believe will not be timely obtained and in each case which do not prevent provision of Electric Services as described herein, and (ii) with respect to the approval of the KPSC or FERC, on the Effective Date, such approvals will have been duly given or issued, received and will be in full force and effect and unappealable, and all conditions therein will have been satisfied to the extent required to be satisfied by Kenergy or Big Rivers on or prior to the Effective Date.

6.2.8 The Alcan Wholesale Agreement, the Century Wholesale Agreement and the Century Retail Agreement will have been duly authorized, executed and delivered by the parties thereto and be in full force and effect and all conditions precedent to the effectiveness will have been satisfied or waived other than conditions within the control of Kenergy or

**PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
7/17/2009
PURSUANT TO 807 KAR 5:011
SECTION 9(1)**

By 
Executive Director

conditions that automatically will become effective simultaneously with the Effective Date or the Unwind Transaction.

6.2.9 No authorization or approval or other action by, and no notice to or filing or registration with, or license or permit from any Person, including any Governmental Authority, will be necessary for the execution, delivery or performance by Alcan of its obligations under this Agreement.

6.2.10 RUS shall have consented to the Unwind Transaction and the New Transaction and to all arrangements and agreements required to implement the Unwind Transaction and the New Transaction.

6.3 Efforts to Satisfy Conditions to Effective Date. Each of the Parties shall use commercially reasonable efforts and act in good faith to satisfy all of the conditions set forth in Section 6.2 at the earliest practicable date (other than those which the applicable Party agrees to waive). At such time as Kenergy or Alcan believes such conditions have been satisfied, such Party shall notify the other Party in writing. The obligations of the Parties under this Section 6.3 will continue until the earlier of (a) such time as this Agreement terminates pursuant to Section 7.2, and (b) the Effective Date.

ARTICLE 7

TERM AND TERMINATION


7.1 Term. Subject to Section 6.1, this Agreement will become binding on the Parties on the date of execution and delivery by the Parties and will remain in full force and effect until December 31, 2023 (the "Term"), unless earlier terminated pursuant to the terms hereof.

7.2 Termination Prior to Effective Date. This Agreement may be terminated without cost or penalty prior to the occurrence of the Effective Date in accordance with this Section 7.2.

7.2.1 Termination for Failure to Satisfy Conditions to Effective Date. Either Party may terminate this Agreement without cost or penalty by providing five Business Days' prior written notice of termination to the other Party upon the failure of the conditions in Section 6.2 to be satisfied in full or waived by the Person in whose favor the condition exists on or before July 31, 2009, or such later date as the Parties may agree, unless any such condition is satisfied or waived by the applicable Person within such five Business Day period.

7.2.2 Termination In Event Unwind Transaction Will Not Be Consummated. This Agreement may be terminated by either Party at any time prior to the Effective Date upon receipt of notice from LG&E or Big Rivers that either LG&E or Big Rivers does not intend to consummate the Unwind Transaction.

7.2.3 Termination Due to KPSC Modification. If the KPSC issues an Order on any of the filings by Big Rivers or other Persons seeking necessary approvals for the Unwind Transaction and the New Transaction that disapproves or changes the pricing or other material terms of this Agreement or the Alcan Wholesale Agreement or Big Rivers' ability to recover costs from the Smelters or the Non-Smelter Ratepayers other than in connection

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
7/17/2009
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)
By 
Executive Director

with the New Transaction, either Party may terminate this Agreement without cost or penalty by providing written notice of termination to the other Party and Big Rivers no later than three Business Days after the first to occur of the following: (i) the last date on which a petition for re-hearing may be filed if such a petition has not been filed, (ii) the date on which the KPSC issues an order denying the request for re-hearing for any petition for re-hearing that may have been filed during the allowed period and (iii) if a rehearing occurs, following the date on which an order on rehearing is issued.

7.2.4 Termination Due to Business Judgment.

(a) Either Party may terminate this Agreement without cost or penalty by providing written notice of termination to the other Party and Big Rivers if it determines in its business judgment, exercised in good faith, that based on information considered by it, including information provided by Big Rivers, Big Rivers' operations cannot produce during the first five years of the Service Period the charges projected in Big Rivers' financial model and filed with the KPSC in the application for approval of the New Transaction.

(b) Alcan may terminate this Agreement without cost or penalty by providing written notice of termination to Kenergy and Big Rivers if it determines in its business judgment, exercised in good faith, that there has been a material adverse change in the production facilities of Alcan or a material change in economic or business factors external to the terms of the New Transaction, that would have a material adverse financial effect on Alcan if the New Transaction is consummated.

7.2.5 Alcan Wholesale Agreement Termination. Kenergy may terminate this Agreement if Big Rivers terminates the Alcan Wholesale Agreement prior to the Effective Date.

7.2.6 Effect of Pre-Effective Date Termination. If this Agreement is terminated in accordance with this Section 7.2, Kenergy and Alcan acknowledge and agree that the Existing Alcan Agreement and the Kenergy/LG&E Contract and all other related documents and agreements will continue in full force and effect as if this Agreement had not been executed and delivered by the Parties.

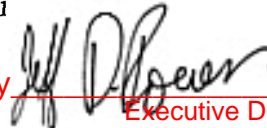
7.3 Termination After the Effective Date. This Agreement may be terminated after the occurrence of the Effective Date in accordance with this Section 7.3.

7.3.1 Termination for Closing of Sebree Smelter.

(a) Alcan may terminate this Agreement as of a date not less than one year from the date it provides written notice (a "Notice of Termination for Closure") to Kenergy and Big Rivers of the termination of this Agreement in accordance with this Section 7.3 in connection with the termination and cessation of all aluminum smelting operations at the Sebree Smelter.

(b) No termination pursuant to Section 7.3.1(a) may be effective prior to December 31, 2010. If Century has given a "Notice of Termination for Closure" under the Century Retail Agreement prior to the delivery of Notice of Termination for Closure by Alcan and if the Transmission Upgrade has not been completed at the time of the termination, Alcan

**PUBLIC SERVICE COMMISSION
OF KENTUCKY**
EFFECTIVE
7/17/2009
PURSUANT TO 807 KAR 5:011
SECTION 9(1)

By 
Executive Director

may not exercise its right to terminate this Agreement pursuant to this Section 7.3.1 with an effective date prior to December 31, 2011. To be effective, any Notice of Termination for Closure must be accompanied by a certificate of the president of Alcan Parent including a representation and warranty that it has made a business judgment in good faith to terminate and cease all aluminum smelting at the Sebree Smelter and has no current intention of re-commencing smelting operations at the Sebree Smelter.

7.3.2 Termination for Event of Default. This Agreement may be terminated following the occurrence and during the continuation of an Event of Default pursuant to Article 14.

ARTICLE 8

METERING

8.1 Metering Facilities. Kenergy will provide or cause to be provided metering facilities at the Point of Delivery which measure Hourly kW, kWh, kilovars, kilovar-hours and voltage fluctuation spectra.

8.2 Reading. Kenergy will read or cause to be read the meters at the Point of Delivery on the last date of each month (or such other date as may be agreed upon by the Parties).

8.3 Testing. Kenergy will test, or cause to be tested, the calibration of the meters at the Point of Delivery by comparison of accurate standards at least once every twelve months (or more often if so required by Applicable Law) and will give Alcan not less than five Business Days' prior notice of such testing. Alcan will have the right to observe and participate in all meter tests. Meters registering not more than plus or minus 1% inaccurate will be deemed to be accurate (unless Applicable Law establishes a standard more stringent than 1%, in which case, the more stringent standard will apply). The reading of any meter which will have been disclosed by tests to be inaccurate will be corrected for the 60 days before such tests (or for such shorter period if applicable) in accordance with the percentage of inaccuracy found by such tests. If any meter should fail to register for any period, the Parties and Big Rivers will make mutually agreed upon estimates for such period from the best information available. If Alcan requests a special meter test, Kenergy shall cause such test to be conducted; *provided, however*, that if any special meter test made at the request of Alcan discloses that the meters are not more than plus or minus 1% inaccurate, Alcan shall reimburse Kenergy for the reasonable cost of such test. In all other respects, meters through which Kenergy delivers Energy to Alcan shall be installed, operated, maintained and tested in accordance with all Applicable Law and Prudent Utility Practice.

ARTICLE 9

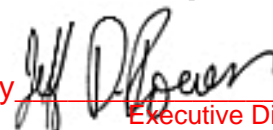
OPERATIONAL MATTERS

9.1 Operations and Operational Responsibility. In carrying out the requirements of this Agreement, each Party will comply with the reliability criteria, standards, guidelines and

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
7/17/2009

PURSUANT TO KYCA 9.011
(8.011)

By



Executive Director

operating procedures of any national electric reliability organization, SERC, Applicable Law and any regional transmission organization (if applicable), and neither Party will be required to take any action in violation of any thereof.

9.1.1 Kenergy will operate and maintain or cause to be operated and maintained any facilities owned by it on the premises of Alcan.

9.1.2 Alcan will operate and maintain, or cause to be operated and maintained, all of the facilities and equipment owned by it.

9.2 Facilities Provided by Kenergy. Kenergy has caused to be furnished and installed, or shall cause to be furnished or installed, all of the facilities required for the delivery of Energy to the Point of Delivery, as well as the 161 kilovolt transmission lines required between the Point of Delivery and Alcan's electrical substation. 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 deliver Energy to Alcan at the Point of Delivery. 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 Electric Services to be delivered by Kenergy to Alcan as provided for in this Agreement.

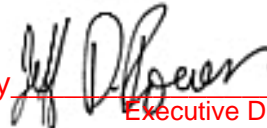
9.3 Facilities Provided by Alcan.

9.3.1 Alcan has provided or shall provide, without cost to Kenergy or Big Rivers all easements for rights-of-way upon Alcan's property at the Sebree Smelter (at such locations and of such dimensions as may be mutually agreed upon) for Big Rivers' transmission lines and for any Kenergy distribution lines.

9.3.2 Alcan has furnished and installed, shall furnish and install, or cause to be furnished or installed, such facilities and equipment as may be necessary to enable it to receive and use Energy purchased hereunder at and from Alcan's substation located adjacent to the Sebree Smelter, including such protective devices as may be reasonably necessary to protect Big Rivers' transmission system from disturbance caused by Alcan. Additional plans for equipment to be installed for such protection of the facilities of Kenergy or Big Rivers shall be submitted to Kenergy and Big Rivers for prior approval.

9.4 Curtailment. If Big Rivers determines in accordance with Prudent Utility Practice, or in compliance with any national electric reliability organization, SERC, Applicable Law and other regulation, any applicable regional transmission organization, or other applicable operating criteria or rules, that a System Emergency has occurred or is imminent, and after suspending or reducing deliveries to Persons purchasing interruptible Energy from Big Rivers, Kenergy may suspend or reduce the delivery of Energy hereunder and may cease to make available in whole or in part the Electric Services, in each case to the extent caused by, or that Kenergy or Big Rivers determines necessary or prudent under the circumstances to prevent or attempt to prevent, or counter or reduce the effects of, such System Emergency. Alcan acknowledges and agrees that any curtailment caused by a System Emergency (or for any other

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
7/17/2009
PURSUANT TO 807 KAR 5:011
SECTION 3(1)

By 
Executive Director

reason) that cannot be avoided after the suspension or reduction of deliveries to Persons purchasing interruptible Energy from Big Rivers will be effected in a non-discriminatory manner consistent with Big Rivers' then-current policies and procedures. Kenergy shall request Big Rivers notify Alcan as to the occurrence or threatened occurrence of any System Emergency or other event that may require curtailment, its cause and its impact on the delivery of Energy or the provision of Electric Services, as soon as practicable. Kenergy will not be obligated to supply Electric Services to the extent suspended or curtailed as a result of the System Emergency.

9.5 Ownership and Removal of Equipment. Any and all equipment, apparatus, devices or facilities placed or installed, or caused to be placed or installed, by either of the Parties hereto (or by Big Rivers) on or in the premises of the other Party (or Big Rivers) to receive service under this Agreement shall be and remain the property of the Party (or Big Rivers) owning and installing such equipment, apparatus, devices or facilities regardless of the mode or manner of annexation or attachment to real property of the other. Upon the termination of this Agreement or any extension thereof, the owner (including, if applicable, Big Rivers) of any equipment, apparatus, devices or facilities on the property of a Party shall have the right to enter upon the premises of that Party, and shall, within a reasonable time and at the sole expense of the owner, remove such equipment, apparatus, devices or facilities.

9.6 Right of Access. Alcan grants the duly authorized agents and employees of Kenergy and Big Rivers the right to reasonable access to the premises of Alcan to the extent reasonably required for the purposes of installing, repairing, inspecting, testing, renewing or exchanging any or all of its equipment located on the premises of Alcan, for reading or testing meters, or for performing any other work incident to the performance of this Agreement. Kenergy or Big Rivers shall make reasonable advance arrangements before entering the premises of Alcan.

9.6.1 Alcan shall use commercially reasonable efforts to properly protect the property of Kenergy or Big Rivers, located on its premises, and shall permit no Person to inspect or adjust the wiring and apparatus of Kenergy (or Big Rivers) except with Kenergy's consent. Neither Party assumes the duty or responsibility of inspecting the wiring or apparatus of the other Party.

9.6.2 Alcan grants to Kenergy and its agents and employees a license to enter Alcan's electrical substation located adjacent to the Sebree Smelter and upon Alcan's easements and rights-of-way to accomplish the purposes of this Agreement, *provided* that reasonable advance arrangements appropriate under the circumstances are made.


ARTICLE 10

COVENANTS

10.1 Surplus Sales.

10.1.1 Alcan may request that Kenergy sell Energy through Big Rivers which is surplus to Alcan's needs by delivering prior written notice to Kenergy and Big Rivers (a) identifying the portion of Base Demand per Hour Alcan requests Kenergy and Big Rivers sell

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
7/17/2009
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

By 
Executive Director

and the associated times and duration of the requested sales, and (b) agreeing to curtail its demand per Hour so Alcan's actual demand and the Energy sold pursuant to this Section 10.1 ("Surplus Sales") is not expected to exceed the Base Demand per Hour. Kenergy and Big Rivers shall have no obligation to make Surplus Sales if the portion of Base Demand per Hour Alcan requests to be sold exceeds the Base Demand per Hour or is less than ten MW or not in integral multiples of one MW. For the avoidance of doubt, Surplus Sales shall not include sales of Economic Sales, Undeliverable Energy Sales or Potline Reduction Sales. Any request by Alcan pursuant to this Section 10.1 shall be irrevocable following Big Rivers' entry into contractual obligations with a Third Party relating to such Surplus Sales.

10.1.2 Alcan acknowledges and agrees that Big Rivers and Kenergy shall have no obligation to use any efforts to make Surplus Sales if Big Rivers, in its sole discretion exercised in good faith, estimates the Net Proceeds therefrom would be less than \$1.00 per MWh in excess of the sum of the Base Variable Rate, the FAC Factor, the Non-FAC Purchased Power Adjustment Factor and the Environmental Surcharge Factor (each calculated on a per MWh basis). Alcan acknowledges that neither Kenergy nor Big Rivers will have any obligation to market or resell Energy pursuant to this Section 10.1 (a) until Big Rivers first has sold or elected not to sell all amounts of its own surplus Energy, or (b) if Big Rivers is unable to sell any or all Energy as a result of transmission constraints (whether on or off Big Rivers' transmission system) or other constraints, including constraints imposed by Applicable Law.

10.1.3 For the avoidance of doubt, nothing in this Section 10.1 shall relieve Alcan of its obligation for the Base Energy Charge or the TIER Adjustment Charge or any other portion of the Monthly Charge pursuant to Article 4.

10.1.4 For any applicable Surplus Sale, (i) Alcan shall pay to Kenergy for payment to Big Rivers any excess of Big Rivers' actual income tax liability relating to such Surplus Sale over the estimated income tax liability for such Surplus Sale that was used for purposes of calculating the Net Proceeds on such Surplus Sale, and (ii) Kenergy shall pay to Alcan, upon Kenergy's receipt of such payment from Big Rivers, any excess of Big Rivers' estimated income tax liability for such Surplus Sale that was used for purposes of calculating the Net Proceeds on such Surplus Sale over the actual income tax liability of Big Rivers relating to such Surplus Sale.

10.2 Undeliverable Energy Sales.

10.2.1 Alcan shall notify Kenergy and Big Rivers of the occurrence of (i) any event which results in damage to or destruction of plant or equipment that renders all or a portion of the Sebree Smelter unfit for normal use and limits Alcan's ability to engage in aluminum reduction operations thereat; (ii) Alcan's demand is initially reduced by at least 50 MW per Hour or more as a result thereof; (iii) such limitation is expected to continue for a period of 48 consecutive hours or longer; and (iv) the proximate cause of such casualty is not an intentional misconduct or willful misconduct of Alcan or any of its Affiliates. If and to the extent directed by Alcan, Kenergy immediately will request Big Rivers to use reasonable commercial efforts to sell an amount of Energy up to the corresponding reduction in Alcan's demand as a result of such event during the continuance of such limitation, subject to the terms, conditions and limitations as set forth for Surplus Sales in Section 10.1. The sales of Energy described in this

Section 10.2 shall be referred to as "Undeliverable Energy Sales." Alcan may provide such notice orally if followed promptly by written notice.

(a) For a period of up to six months from the date of the occurrence of such event, all of the Net Proceeds of any such sales (less the administrative fee pursuant to Section 4.13.1) shall be credited against the Monthly Charge or, if in excess of the Monthly Charge otherwise applicable, such excess shall be paid to Alcan. Upon Alcan providing a certificate representing that the event can not be remedied with reasonable diligence within six months, Alcan's rights under this Section 10.2 shall be extended for an additional period up to three months.

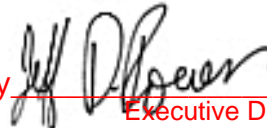
(b) Upon expiration of the period of Alcan's rights under this Section 10.2, neither Kenergy nor Big Rivers shall have any obligations to sell or cause to be sold Energy to a Third Party which otherwise would be available for purchase by Alcan hereunder except as otherwise expressly required pursuant to Section 4.13.3 as Economic Sales, Section 10.1 as Surplus Sales, or Section 10.3 as Potline Reduction Sales. Undeliverable Energy Sales may not be greater than Base Demand per Hour.

(c) If the circumstances described in clauses (i), (ii), and (iv) of this Section 10.2.1 do not continue for a period of 48 consecutive hours or longer, such sales of Energy will be treated as Surplus Sales under Section 10.1 unless Section 10.3 applies.

10.2.2 ALCAN HEREBY WAIVES ANY AND ALL FUTURE CLAIMS OR OTHER RIGHTS FOR DAMAGES FROM KENERGY OR BIG RIVERS IN CONNECTION WITH ANY EVENT GIVING RISE TO OR RELATING TO AN EVENT RESULTING IN ALCAN NOT BEING ABLE TO ACCEPT ENERGY AS CONTEMPLATED BY SECTION 10.2.1, PROVIDED THAT THIS WAIVER SHALL NOT APPLY TO CLAIMS FOR DAMAGES OR OTHER REMEDIES BROUGHT BY THIRD PARTIES WHICH ARE NOT AFFILIATES, OFFICERS, DIRECTORS OR EMPLOYEES OF ALCAN. THIS WAIVER SHALL ALSO NOT APPLY TO CLAIMS FOR DAMAGES OR OTHER REMEDIES FROM KENERGY OR BIG RIVERS BROUGHT BY ALCAN OR ITS SUBROGEE IN CONNECTION WITH A CIRCUMSTANCE WHERE (I) ALCAN IS UNABLE TO ACCEPT ENERGY AS CONTEMPLATED IN SECTION 10.2.1, (II) BIG RIVERS IS UNABLE TO DELIVER ENERGY TO THE SMELTERS, AND (III) BIG RIVERS IS UNABLE TO MAKE UNDELIVERABLE ENERGY SALES FROM ITS OWN GENERATING FACILITIES PURSUANT TO SECTION 10.2.1 ALL AS A RESULT OF INTENTIONAL MISCONDUCT OR WILLFUL MISCONDUCT OF BIG RIVERS.

10.2.3 For any applicable Undeliverable Energy Sale, (i) Alcan shall pay to Kenergy for payment to Big Rivers any excess of Big Rivers' actual income tax liability relating to such Undeliverable Energy Sale over the estimated income tax liability for such Undeliverable Energy Sale that was used for purposes of calculating the Net Proceeds on such Undeliverable Energy Sale, and (ii) Kenergy shall pay to Alcan, upon Kenergy's receipt of such payment from Big Rivers, any excess of Big Rivers' estimated income tax liability for such Undeliverable Energy Sale that was used for purposes of calculating the Net Proceeds on such Undeliverable Energy Sale over the actual income tax liability of Big Rivers relating to such Undeliverable Energy Sale.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE 7/7/2009
PURSUANT TO KRS 5:011
SECTION 9 (1)

By 
Executive Director

10.3 Potline Reduction Sales.

10.3.1 Alcan may request Kenergy cause Big Rivers to sell 115 MW (plus or minus 10 MW) per Hour to Third Parties (such sales of Energy are referred to as "Potline Reduction Sales"), such amount subject to Section 10.3.2 below, on either a Firm basis or a System Firm basis by delivering not less than 30 days' prior notice to Kenergy and Big Rivers (which notice Kenergy and Big Rivers shall keep confidential) if (i) Alcan has ceased or will cease all aluminum smelting operations on one and only one of its potlines at the Sebree Smelter (a "Potline Reduction"); (ii) Alcan is reasonably likely to be able to continue aluminum smelting operations with respect to all of its other potlines at the Sebree Smelter as a result of the cessation of aluminum smelting operations on the potline referred to in clause (i); (iii) Alcan in good faith reasonably estimates the duration of such cessation will equal or exceed 12 months; and (iv) no Potline Reduction Sales have been made for a period of twelve consecutive months prior to the date of such notice. Such notice also shall state the requested duration of the sales of Energy and must be accompanied by a certificate of an officer of Alcan Parent certifying as to the matters set forth in clauses (i), (ii), (iii), and (iv) above.

10.3.2 Alcan, Kenergy and Big Rivers shall reasonably cooperate on a schedule for the graduated reduction and, in the case of a potline restoration, the graduated increase in Alcan's demand in such amounts and over a period of time as is mutually satisfactory.

10.3.3 Alcan may not withdraw its request for Potline Reduction Sales to the extent that Big Rivers has a legally binding agreement with a Third Party for Potline Reduction Sales (a "Potline Reduction Sales Agreement"), provided that Alcan may at any time terminate the Potline Reduction and assume responsibility for acquiring Market Energy required during the remainder of the Potline Reduction Sales Agreement.

10.3.4 Alcan acknowledges that neither Kenergy nor Big Rivers will have any obligation to market or resell Energy pursuant to this Section 10.3 (i) until Big Rivers first has sold or elected not to sell all amounts of its own surplus Energy available for sale or (ii) to the extent Big Rivers is unable to make Potline Reduction Sales as a result of transmission constraints (whether on or off Big Rivers' transmission system) or other constraints, including constraints imposed by Applicable Law.

10.3.5 Kenergy and Big Rivers shall consult with Alcan and agree on the Potline Reduction Sales that will be made on a Firm basis or a System Firm basis and the terms of same. To the extent Alcan requests the Potline Reduction Sales be made on a Firm basis, Alcan agrees that if during the term of such sale or sales Big Rivers is required to purchase replacement Energy or otherwise make payments to meet such Potline Reduction Sales on a Firm basis, Alcan will reimburse Kenergy for the benefit of Big Rivers the full cost of such actions and indemnify Kenergy and Big Rivers for any costs, obligations or liabilities incurred by either of them, including liabilities to Third Parties.

10.3.6 All of the Net Proceeds of any Potline Reduction Sales (less the administrative fee pursuant to Section 4.13.1) shall be credited against the Monthly Charge from the effective date of the notice pursuant to Section 10.3.1 until the Cut Off Date of such amount is in excess of the Monthly Charge otherwise applicable, such excess shall be paid to

PUBLIC SERVICE COMMISSION

OF KENTUCKY

EFFECTIVE

7/17/2009

PURSUANT TO KRS 5:011

SECTION 5(4)

By



Executive Director

Alcan. The “Cut-Off Date” shall mean the earliest to occur of (a) the first day of the 49th Billing Month after the effective date of the notice given under Section 10.3.1, (b) a date specified in a written notice, if any, by Alcan to Kenergy and Big Rivers, and (c) the earlier of the date (i) one year after the date Alcan commences smelting operations with respect to one or more pots on the suspended potline or (ii) all Potline Reduction Sales Agreements have been terminated or expired after Alcan commences smelting operations with respect to one or more pots on the suspended potline. Sales of Energy after the Cut-Off Date shall be Surplus Sales pursuant to Section 10.1 and not Potline Reduction Sales pursuant to this Section 10.3. Alcan agrees that it shall not be permitted to extend the term of Potline Reduction Sales beyond forty-eight months, provided that nothing in this Section 10.3.6 shall preclude Alcan from providing a new notice under Section 10.3.1 after aluminum smelting operations at the suspended potline have been restored.

10.3.7 For any Potline Reduction Sale, (i) Alcan shall pay to Kenergy for payment to Big Rivers any excess of Big Rivers’ actual income tax liability relating to such Potline Reduction Sale over the estimated income tax liability for such Potline Reduction Sale that was used for purposes of calculating the Net Proceeds on such Potline Reduction Sale, and (ii) Kenergy shall pay to Alcan, upon Kenergy’s receipt of such payment from Big Rivers, any excess of Big Rivers’ estimated income tax liability for such Potline Reduction Sale that was used for purposes of calculating the Net Proceeds on such Potline Reduction Sale over the actual income tax liability of Big Rivers relating to such Potline Reduction Sale.

10.3.8 For the avoidance of doubt, (i) Potline Reduction Sales shall not include Surplus Sales, Economic Sales or Undeliverable Energy Sales; (ii) nothing in this Section 10.3 shall be construed to relieve Alcan of its obligation with respect to the Base Energy Charge, the TIER Adjustment or other components of the Monthly Charge payable pursuant to Article 4; and (iii) nothing in this Agreement precludes Undeliverable Energy Sales under Section 10.2 from becoming Potline Reduction Sales if all conditions of this Section 10.3 are met.

10.4 Resale. Alcan may not resell or cause to be resold any Electric Services purchased from Kenergy under this Agreement, except as expressly permitted in this Agreement or with the prior written consent of Kenergy and Big Rivers, which may be withheld by either of them in their sole discretion. Alcan shall consume all Energy purchased under this Agreement in connection with the operation of its Sebree Smelter except as expressly permitted pursuant to this Agreement.

10.5 Refund of Income Tax Estimated for Net Proceeds. Kenergy shall return to Alcan any income taxes deducted in calculating the Net Proceeds of a sale of Energy by Big Rivers which Big Rivers ultimately determines are not required to be paid due to the application of a net operating loss carry-forward of Big Rivers that existed on the Effective Date and that otherwise would have expired unused.

ARTICLE 11

UNCONTROLLABLE FORCES

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
7/17/2009
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

By 
Executive Director

11.1 Occurrence of an Uncontrollable Force. No Party will be considered to be in breach or default in the performance of any of its obligations under this Agreement if the failure of performance is due to an Uncontrollable Force, except as otherwise provided in this Article 11. If either Party is 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, will be suspended during the continuance of any inability so caused, but for no longer period. A Party will 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.

11.2 Mitigation. A Party rendered unable to fulfill any obligation by reason of an Uncontrollable Force shall exercise due diligence to remove or remedy such inability as promptly as reasonably possible. Nothing contained herein may be construed to require a Party to prevent or to settle a labor dispute against its will.

11.3 Notice of Uncontrollable Force. A Party shall notify the other Party 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 shall notify Alcan if it receives notice from Big Rivers that Big Rivers 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 and Alcan is not an additional addressee of such notice.

11.4 Payment Obligations. Notwithstanding anything in this Agreement to the contrary, the occurrence of an Uncontrollable Force shall not relieve Alcan of its payment obligations under Article 4, including its payment obligations with respect to the Base Energy Charge. **ALCAN ACKNOWLEDGES AND AGREES THAT THE PROVISIONS OF SECTION 10.1 (SURPLUS SALES), SECTION 10.2 (UNDELIVERABLE ENERGY SALES) AND SECTION 10.3 (POTLINE REDUCTION SALES) SHALL CONSTITUTE ALCAN'S SOLE AND EXCLUSIVE REMEDIES IN THE EVENT THAT ALCAN IS UNABLE TO RECEIVE ENERGY INCLUDING IF THAT INABILITY IS CAUSED BY AN UNCONTROLLABLE FORCE.**


ARTICLE 12

REPRESENTATIONS AND WARRANTIES

12.1 Representations and Warranties of Kenergy. Kenergy hereby represents and warrants to Alcan as follows:

12.1.1 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 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.

**PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
7/17/2009
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)**

By 
Executive Director

12.1.2 The execution, delivery and performance of this Agreement by Kenergy have been duly and effectively authorized by all requisite corporate action.

12.2 Representations and Warranties of Alcan. Alcan hereby represents and warrants to Kenergy as follows:

12.2.1 Alcan is a corporation duly organized and validly existing and in good standing under the laws of the State of Texas, 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.

12.2.2 The execution, delivery and performance of this Agreement by Alcan have been duly and effectively authorized by all requisite corporate action.

ARTICLE 13

ADDITIONAL AGREEMENTS

13.1 Regulatory Proceedings.

13.1.1 Proceedings That Affect Rates.

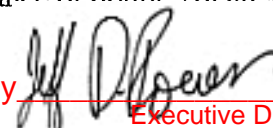
(a) The Parties acknowledge and agree that

(i) Big Rivers shall have the right to seek KPSC approval for changes to the Non-Smelter Member Rates from time to time, but Big Rivers shall not seek an increase in its base rates to take effect before January 1, 2010, excluding any roll-in to Big Rivers' base rates of costs that would otherwise be recovered by the Environmental Surcharge or the FAC; and

(ii) Big Rivers will not seek to implement a wholesale rate reduction other than the Rebate to its Members under the procedures available in KRS 278.455 without the consent of Alcan;

provided that this commitment by Big Rivers will have no effect on the availability to Kenergy of the procedures in KRS 278.455 to flow-through any wholesale rate decrease to the Non-Smelter Ratepayers.

(b) Alcan shall have the right to intervene and participate in any proceeding that may affect rates at the KPSC or FERC or before any other Governmental Authority. Neither Kenergy nor Alcan will support or seek, ~~directly or indirectly~~, from any Governmental Authority, including the KPSC, any challenge to or change in the rate formula set forth in this Agreement or other terms and conditions set forth herein, including the relationship of the Large Industrial Rate to amounts payable by Alcan pursuant hereto, ~~except that any Party may initiate or intervene in a proceeding to (i) clarify, interpret or enforce this Agreement, or (ii) challenge the applicable rate for Transmission Services should those services be unbundled for purposes of calculating the Large Industrial Rate. For the avoidance of doubt, Alcan's~~ ^{7/17/2009} ~~Alcan's~~ ^{PURSUANT TO 807 KAR 5-011 SECTION 9 (1)}



PUBLIC SERVICE COMMISSION
OF KENTUCKY
7/17/2009
PURSUANT TO 807 KAR 5-011
SECTION 9 (1)

intervention and participation in a regulatory proceeding involving cost of service issues relating to the rates of the Non-Smelter Ratepayers shall not be considered a challenge to the rate formula.

(c) If *Commonwealth of Kentucky ex rel. Gregory D. Stumbo, Attorney General v. Public Service Comm'n and Union Light, Heat and Power Co.*, Franklin Circuit Court, C.A. No. 06-CI-269, or any Applicable Law relating thereto restricts the amounts recovered under the FAC, Appendix A, or the Environmental Surcharge Rider, then Kenergy, Alcan, Big Rivers and, if the Century Retail Agreement is then in effect, Century, shall negotiate in good faith to amend this Agreement (and other agreements entered into in connection herewith) to restore the relative rights and economic benefits thereunder. If such parties are unable to reach an agreement on such amendments, then this Section 13.1.1 shall not restrict Big Rivers from seeking KPSC approval for an increase to its base rates or an amendment to the FAC, Appendix A, or the Environmental Surcharge Rider.

13.1.2 Kenergy Retail Fee. Kenergy or Alcan may seek approval of any changes to the Retail Fee not earlier than ten years after the Effective Date of this Agreement.


13.1.3 KPSC Jurisdiction. Nothing in this Agreement shall limit or expand the jurisdiction of the KPSC over Kenergy, Big Rivers or the rates, terms and conditions of Electric Service to Alcan.

13.1.4 Notice of Material Filings. Kenergy shall provide or cause to be provided to Alcan a copy of any filing with the KPSC or FERC that seeks a change in Big Rivers' tariff, or relief authorized by KRS 278.020, KRS 278.030, KRS 278.212, KRS 278.218, KRS 278.300, KRS 278.183 or 807 KAR 5:056.

13.2 Audit Rights. Kenergy will permit Alcan 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 this Agreement, including scheduled usage, meter records and billing records. Kenergy shall retain all documentation applicable to service to Alcan under this Agreement for a period of three years beyond the date of the service. Nothing in this Section 13.2 shall obligate Kenergy to disclose attorney-client privileged information.

13.3 Alcan Credit Support. Alcan shall (i) if the rating of the unenhanced, unsecured debt obligations of Alcan Parent with Standard & Poor's is not "A+" or higher (and in addition, if Alcan Parent has such a rating from Moody's, that rating with Moody's is not "A1" or higher), provide and maintain credit support in the form of a letter of credit from a bank rated "A+" or higher, or other credit support acceptable to Big Rivers and Kenergy, in an amount equal to the amounts estimated by Big Rivers to be due to Big Rivers and Kenergy with respect to Alcan's obligations under this Agreement for a period of two months and any amount which Big Rivers estimates reasonably could be due with respect to taxes relating to any sale of Energy pursuant to Section 4.13.3 as Economic Sales, Section 10.1 as Surplus Sales, Section 10.2 as Undeliverable Energy Sales or Section 10.3 as Potline Reduction Sales ("Potential Tax Liability"), and (ii) cause Alcan Parent to guarantee to Big Rivers and Kenergy the payment and performance of all obligations of Alcan under this Agreement, including Potential Tax Liability, and the other documents entered into by Alcan and its affiliates in connection with the New Transaction.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
7/17/2009
PURSUANT TO 807 KAR 5:011
SECTION 10.3

By 
Executive Director

pursuant to a Guarantee Agreement executed by Alcan Parent in favor of Big Rivers and Kenergy which shall be satisfactory in form and substance to Big Rivers and Kenergy (the "Alcan Guarantee"). At the request of Big Rivers or Kenergy, Alcan will maintain the Alcan Guarantee until closure of all applicable tax years of Big Rivers. At the request of Alcan, Kenergy shall request that Big Rivers provide Alcan with information as to the amount and calculation of the estimated Potential Tax Liability and documentation in support thereof.

13.4 Patronage Capital.

13.4.1 Kenergy is a non-profit Kentucky corporation that, during any calendar year, may realize revenues from its own operations in excess of related expenses ("margins"). For financial accounting purposes, such margins have been and shall continue to be recorded as patronage capital held for the benefit of Kenergy's customers. Such patronage capital shall be recorded by Kenergy for the benefit of Alcan as earned during the term of this Agreement.

13.4.2 Kenergy will not permit any amendments or modifications of its Bylaws that would adversely affect the rights of Alcan to distributions of patronage capital or payments on account of property rights of the Members distributed by Big Rivers to Kenergy.

13.4.3 Kenergy agrees that Alcan will share on a nondiscriminatory basis in the allocations of patronage capital and payments on account of property rights of Members distributed by Big Rivers to Kenergy and that such allocations shall be promptly distributed to Alcan.

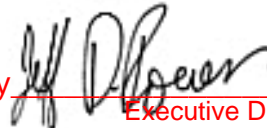
13.4.4 The expiration or earlier termination of this Agreement shall not modify or revoke the then existing entitlement of Alcan to allocations or distributions of patronage capital or the entitlement of Alcan to payments on account of property rights as set forth in this Section 13.4 when such property rights are determined.

13.4.5 Kenergy and Alcan agree that the provisions of this Section 13.4 are not the exclusive provisions for determining Alcan's entitlement to distributions by Kenergy of patronage capital or payments on account of property rights.

13.5 Post-Termination Obligation. Subject to Section 13.7, upon termination of this Agreement, neither Kenergy nor Big Rivers will have any contractual obligation under this Agreement to supply any capacity, Energy or other related services to Alcan.

13.6 Negotiation of Replacement Agreement. If this Agreement has not been terminated earlier, Kenergy shall negotiate in good faith with Alcan and Big Rivers, no later than January 1, 2023, concerning rates and terms and conditions for new power supply arrangements following the expiration of this Agreement on December 31, 2023.

13.7 Entitlement to Large Industrial Rate. If this Agreement terminates pursuant to a closure of the Sebree Smelter as set forth in Section 7.3.1 and Alcan continues operating operations, Alcan will be entitled to be served by Kenergy under the Large Industrial Rate; *provided, however*, the capacity and associated Energy served under the Large Industrial Rate shall not exceed 15 MW.

PUBLIC SERVICE COMMISSION
OFFICE OF CONTRACTING
7/17/2009
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)
By 
Executive Director

ARTICLE 14

EVENTS OF DEFAULT; REMEDIES

14.1 Events of Default. Each of the following constitutes an “Event of Default” under this Agreement:

14.1.1 Failure by a Party to make any payment in accordance with this Agreement within three Business Days following the non-performing Party’s receipt of written notice of the non-performing Party’s default in its payment obligation;

14.1.2 Failure of a Party to perform any material duty imposed on it by this Agreement (other than a failure to make a payment when due) within 30 days following the non-performing Party’s receipt of written notice of the non-performing Party’s breach of its duty hereunder;

14.1.3 Any attempt by a Party to transfer an interest in this Agreement other than as permitted pursuant to Article 16;

14.1.4 The occurrence and continuance of an “Event of Default” under the Alcan Wholesale Agreement;


14.1.5 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 and such petition has not been withdrawn or dismissed within 60 days after filing;

14.1.6 Assignment by a Party for the benefit of its creditors;

14.1.7 Allowance by a Party of the appointment of a receiver or trustee of all or a material part of its property and such receiver or trustee has not been discharged within 60 days after appointment; or

14.1.8 Failure, inability or refusal of Kenergy to cure a breach or default by Kenergy under the Alcan Wholesale Agreement which gives rise to a termination of the Alcan Wholesale Agreement, or any termination by Kenergy of the Alcan Wholesale Agreement in breach or default thereof.

14.2 Remedies, General. Except as otherwise provided in this Agreement, following the occurrence and during the continuance of an Event of 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. Unless otherwise provided herein, remedies provided in this Agreement are cumulative, unless specifically designated to be an exclusive remedy and nothing contained in this Agreement may be construed to abridge, limit, or deprive either Party of any means of enforcing any remedy at law or in equity for the breach or default of any of the provisions herein provided that.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
7/17/2009
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)
By 
Executive Director

14.2.1 UNDER NO CIRCUMSTANCE WILL EITHER PARTY OR ITS RESPECTIVE AFFILIATES, DIRECTORS, OFFICERS, MEMBERS, MANAGER, EMPLOYEES OR AGENTS BE LIABLE HEREUNDER TO THE OTHER PARTY, ITS AFFILIATES, DIRECTORS, OFFICERS, MEMBERS, MANAGERS EMPLOYEES OR AGENTS WHETHER IN TORT, CONTRACT OR OTHERWISE FOR ANY SPECIAL, INDIRECT, PUNITIVE, EXEMPLARY OR CONSEQUENTIAL DAMAGES, INCLUDING LOST PROFITS. EACH PARTY'S LIABILITY HEREUNDER WILL BE LIMITED TO DIRECT, ACTUAL DAMAGES. THE EXCLUSION OF ALL OTHER DAMAGES SPECIFIED IN THIS SECTION IS WITHOUT REGARD TO THE CAUSE OR CAUSES RELATING THERETO. THIS PROVISION WILL SURVIVE TERMINATION OF THIS AGREEMENT.

14.2.2 Neither Party may terminate this Agreement as a result of an "Event of Default" under the Alcan Wholesale Agreement if the actions or omissions of Kenergy caused such "Event of Default"; *provided*, that either Party may terminate this Agreement if the Alcan Wholesale Agreement is terminated for any reason.


14.2.3 Unless otherwise provided herein, if a Party is in breach of its obligations under this Agreement but such breach does not constitute, or would not with the passage of time or the giving of notice constitute, an Event of Default and this Agreement does not provide any other remedy therefor, if such breach has not been cured by the breaching Party within 60 days after receiving written notice from the non-breaching Party setting forth, in reasonable detail, the nature of such breach, the non-breaching Party may bring a claim for money damages with respect to such breach and exercise its rights under Section 15.2, but will not be entitled to terminate, or seek to terminate, this Agreement, or suspend performance of its obligations and duties hereunder as a result of such breach.

ARTICLE 15

DISPUTE RESOLUTION

15.1 Resolution Meetings. If a dispute arises 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 among an authorized representative of each of the Parties and Big Rivers to discuss and attempt to reach a resolution of the dispute. Such meeting will take place within ten days or such shorter or longer time as agreed upon by the Parties of the request. Nothing in this Section 15.1 shall toll or extend the cure period with respect to the failure by a Party to perform its obligations under this Agreement.

15.2 Right to Pursue Rights and Remedies. Absent resolution of a dispute pursuant to Section 15.1, the Parties may pursue at any Governmental Authority all rights and remedies that they may have at law, in equity or pursuant to this Agreement subject to the limitations set forth in this Agreement. Notwithstanding the provisions of this Article 15, each Party may at all times seek injunctive relief, where its delay in doing so could result in irreparable injury.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
JULY 2009
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)
By 
Executive Director

ARTICLE 16

GENERAL PROVISIONS/SUCCESSORS AND ASSIGNS

16.1 Binding Nature. This Agreement will 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 as provided in Section 16.4, and except that, subject to satisfaction of the conditions of Section 16.2, assignment may be made by either Party to such Person as acquires all or substantially all the assets of the assigning Party or which merges with or acquires all or substantially all of the equity of such Party. When consent is required, consent may not be unreasonably withheld, conditioned or delayed.

16.2 Limitation on Assignment. In no event may either Party assign this Agreement (including as part of a sale of all or substantially all the assets of the assigning Party or a merger with or purchase of substantially all the equity interests of such Party) (i) to any Person that does not have adequate financial capacity as demonstrated to the reasonable satisfaction of the non-assigning Party or that would otherwise be unable to perform the obligations of the assigning Party pursuant to this Agreement or (ii) on any terms at variance from those set forth in this Agreement except as agreed to in writing by the Parties.

16.3 Duties. No permitted assignment or transfer will 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.


16.4 Financing Lien. Either Party may, without the approval of the other Party, assign this Agreement as collateral security or grant one or more mortgages (including one or more deeds of trust or indentures) on or security interests in its interest under this Agreement in connection with the general financing of its assets or operations.

16.5 Big Rivers Restructuring.

16.5.1 In connection with a Restructuring, Kenergy, Alcan, Century and Big Rivers shall determine a good faith estimate of the cumulative increase or decrease in the TIER Adjustment that such Restructuring would cause in each Fiscal Year over the 24-Billing Month period following the date of the effectiveness of Restructuring (the "Restructuring Amount"). Any change in the Large Industrial Rate approved at the time of or in connection with the Restructuring shall not be considered as an effect of the Restructuring. Except for the restrictions set forth in Section 13.1, nothing in this Agreement, including this Section 16.5, shall limit the ability of Big Rivers to seek a change in or modification of the Large Industrial Rate in connection with the occurrence of a Restructuring.

16.5.2 The Monthly Charge in each month of the 48-month period following the effectiveness of the Restructuring shall be increased or decreased, as applicable, by an amount equal to 1/48th of the product of the Restructuring Amount and the Applicable Percentage;

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
7/17/2009
PURSUANT TO 807 KAR 5:011
SECTION 9 (7)

By 
Executive Director

provided, that the application of this Section 16.5 shall not result in Alcan paying less than the sum of the Large Industrial Rate, the FAC Factor, the Non-FAC Purchased Power Adjustment Factor, and the Environmental Surcharge Factor, all on a per MWh basis, for a customer with a 98% load factor with respect to Base Monthly Energy in any Fiscal Year. Sample calculations for determining a Restructuring Amount are set forth in Exhibit A.

16.5.3 This Section 16.5 shall not be applicable to any Restructuring undertaken in response to the loss of revenue caused by the termination of the Century Retail Agreement.

16.5.4 If Alcan, Century, Kenergy and Big Rivers are not able to determine a mutually agreeable estimate of the Restructuring Amount, then Kenergy, Alcan, Century or Big Rivers may petition to the KPSC to determine the Restructuring Amount.

ARTICLE 17

MISCELLANEOUS

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

17.2 Jurisdiction. 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 KPSC, or to the U.S. federal judicial system (in which event exclusive jurisdiction and venue will lie with the U.S. District Court for the Western District of Kentucky), and the Parties hereby agree to submit to the jurisdiction of Kentucky courts for such purpose. Venue in state court actions will be in the Henderson Circuit Court as the court in which venue will lie for the resolution of any disputes under this Agreement. Nothing in this paragraph prohibits a Party from referring to FERC any matter properly within FERC's jurisdiction.

17.3 Waiver. The waiver by either Party of any breach of any term, covenant or condition contained herein will not be deemed a waiver of any other term, covenant or condition, nor will it be deemed a waiver of any subsequent breach of the same or any other term, covenant or condition contained herein.


17.4 Amendments.

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

17.4.2 The Parties acknowledge and agree that nothing in this Agreement shall limit the right of Big Rivers to file changes to the OATT, or limit the right of any Party to challenge any aspect of the OATT, including the applicable loss factor, the transmission service rates or any other transmission or ancillary service issue presented to FERC.

17.5 Good Faith Efforts. The Parties agree that each will 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 will be obligated to expend

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
PURSUANT TO 807 KAR 5.011
SECTION 9 (1)

By 
Executive Director

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 may not be unreasonably withheld, conditioned, or delayed unless otherwise provided herein. Where either Party is required or permitted to act or fail to act based upon its opinion or judgment, such opinion or judgment may not be unreasonably exercised. Where notice to the other Party is required to be given herein, and no notice period is specified, reasonable notice shall be given.


17.6 Notices. A notice, consent, approval or other communication under this Agreement must be in writing, addressed to the Person to whom it is to be delivered at such Person's address shown below and (a) personally delivered (including delivery by a nationally recognized overnight courier service), or (b) transmitted by facsimile, with a duplicate notice sent by a nationally recognized overnight courier service, *provided however*, that (i) a notice given pursuant to Schedule 2.3.2(a) or Section 10.2 may be given by telephone to be followed as soon as reasonably practicable by written notice as described herein and (ii) a notice of Uncontrollable Force shall be given by whatever means is available followed by notice in writing as described herein as soon as reasonably practicable. A notice given to a Person in accordance with this Section 17.6 will be deemed to have been delivered (a) if personally delivered to a Person's address, on the day of delivery if such day is a Business Day, or otherwise on the next Business Day, or (b) if transmitted by facsimile to a Person's facsimile number and a correct and complete transmission report is received, or receipt is confirmed by telephone, on the day of transmission if a Business Day, otherwise on the next Business Day; *provided, however*, that such facsimile transmission will be followed on the same day with the sending to such Person of a duplicate notice by a nationally recognized overnight courier to that Person's address. For the purpose of this Section 17.6, the address of a Party is the address set out below or such other address which that Party may from time to time deliver by notice to the other Party, in accordance with this Section 17.6, with copies of all such notices to Big Rivers to the address set forth below, in the same manner as notice is otherwise given hereunder:

If to Kenergy: Kenergy Corp.
6402 Old Corydon Road
Henderson, Kentucky 42420
Facsimile: (270) 826-3999
Attn: President and CEO

With a copy to: Big Rivers Electric Corporation
201 Third Street
Henderson, Kentucky 42420
Facsimile: (270) 827-2558
Attn: President and CEO

If to Alcan: Sebree Smelter
Alcan Primary Products Corporation
9404 State Route 2096
Henderson, Kentucky 42452-9735
Facsimile: (270) 521-7341
Attn: Plant Manager

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
7/17/2009
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

By 
Executive Director

With a copy to: Rio Tinto Alcan
1188 Sherbrooke Street West
Montreal, Quebec H3A 3G2
Canada
Facsimile: (514) 848-1439
Attn: Director Energy

If to Big Rivers: Big Rivers Electric Corporation
201 Third Street
Henderson, Kentucky 42420
Facsimile: (270) 827-2558
Attn: President and CEO

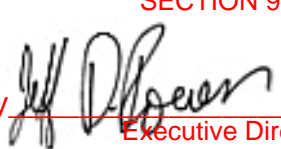
For notices pursuant to Section 14.1:

If to Kenergy: Kenergy Corp.
6402 Old Corydon Road
Henderson, Kentucky 42420
Facsimile: (270) 826-3999
Attn: President and CEO

With a copy to: Big Rivers Electric Corporation
201 Third Street
Henderson, Kentucky 42420
Facsimile: (270) 827-2558
Attn: President and CEO

If to Alcan: Sebrée Smelter
Alcan Primary Products Corporation
9404 State Route 2096
Henderson, Kentucky 42452-9735
Facsimile: (270) 521-7341
Attn: Plant Manager

17.7 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 will not affect, impair or invalidate the remainder of this Agreement but will 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 materially adversely affects 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 that was so materially adversely affected will be entitled, in its discretion, to terminate this Agreement.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
7/17/2009
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)
By 
Executive Director

17.8 Survival. Each provision of this Agreement providing for payment for Electric Services and any other amounts due hereunder, distribution of patronage capital, assignment of the right to collect and enforce collection of amounts due, or related to remedies for default, damage claims, indemnification or payment of other liabilities will survive termination of this Agreement to the full extent necessary for their enforcement and the protection of the Party in whose favor they run.

17.9 Merger. This Agreement constitutes the entire agreement and understanding of the Parties with respect to the matters addressed herein and supersedes all other prior or contemporaneous understandings or agreements, both written and oral, between the Parties relating to the subject matter of this Agreement except as otherwise expressly provided in Section 6.1 and Section 7.2.6 hereof.

17.10 Further Assurances. The Parties shall execute such additional documents including a consent to assignment, legal opinions, estoppel letters or similar documents, and shall cause such additional actions to be taken as may be required or, in the judgment of any Party, be necessary or desirable, to effect or evidence the provisions of this Agreement and the transactions contemplated hereby.

17.11 Counterparts. This Agreement may be executed in any number of counterparts, which together will constitute but one and the same instrument and each counterpart will have the same force and effect as if they were one original.


17.12 Third-Party Beneficiaries. Nothing in this Agreement may be construed to create any duty to, or standard or care with reference to, or any liability to, or any benefit for, any Person not a Party to this Agreement other than Big Rivers.

17.13 Headings. The headings contained in this Agreement are solely for convenience and do not constitute a part of the agreement between the Parties, nor should such headings be used to aid in any manner in the construction of this Agreement.

17.14 No Agency. This Agreement is not intended, and may not be construed to create any association, joint venture, agency relationship or partnership between the Parties or to impose any such obligation or liability upon either Party. Neither Party will have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or to be an agent or representative of, or otherwise bind, the other Party.

[Signatures Follow on Next Page]

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
7/17/2009
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

By 
Executive Director

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

KENERGY CORP.

By: Sanford Novick
Name: Sanford Novick
Title: President and CEO

ALCAN PRIMARY PRODUCTS
CORPORATION

By: _____
Name:
Title:

[Alcan Retail Agreement]

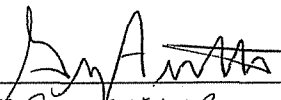
PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
7/17/2009
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)
By: Jeff Oberon
Executive Director

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

KENERGY CORP.

By: _____
Name:
Title:

ALCAN PRIMARY PRODUCTS
CORPORATION

By:  _____
Name: GUY AUTHIER
Title: VICE PRESIDENT, PRIMARY METAL-QUEBEC

[Alcan Retail Agreement]

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
7/17/2009
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

By  _____
Executive Director

APPENDIX A
Non-FAC Purchased Power Adjustment Factor

- A. Base Monthly Energy Sales to the smelters are subject to a Non-FAC Purchased Power Adjustment (PPA) to recover purchased power costs that the smelters have agreed to pay and are not otherwise included in Big Rivers' Fuel Adjustment Clause (FAC).
- B. Definitions

Definitions have the meanings given to them in the Agreement except as provided below:

“Account” is the specified numbered account as set forth in the Uniform System of Accounts – Electric, promulgated under Bulletin 1767B-1 by the Rural Utilities Service, an agency of the U.S. Department of Agriculture.

“SEPA” is the Southeastern Power Administration, an agency of the U.S. Department of Energy, or any successor agency.

“Wholesale Smelter Agreements” are the Alcan Wholesale Agreement and the Century Wholesale Agreement.

- C. Determination of the PPA


- (1) The monthly amount computed for all wholesale sales to which this PPA is applicable shall be increased or decreased at a rate per kWh in accordance with the following formula:

$$PPA = PP(m)/S(m) - PP(b)/S(b)$$

Where PPA is the PPA Factor for the month; PP(m) is the current Purchased Power Cost for the month; S(m) is the current applicable sales; PP(b) is the Purchased Power Cost for the base period; and S(b) is the sales in the base period. For the initial base period, PP(b)/S(b) (the “Purchased Power Base”) is \$0.00175.

- (2) Purchased Power Costs (PP) shall be the sum of:
 - (a) The total cost of power purchased (including purchases from SEPA) that is expensed by Big Rivers to Account 555 (excluding those costs that are recovered through Big Rivers' FAC and excluding costs expensed to Account Nos. 555.150, 555.151, and 555.152 regarding Big Rivers' cost share of HMP&L's Station Two) including transmission and related costs that are expensed to Account 565;
 - (b) The total amount of any adjustments to Purchased Power Costs attributable to prior months, whether positive or negative; and
 - (c) The total cost of amounts credited by Big Rivers to Kenergy with respect to voluntary curtailments under Section 4.13.2 of either Smelter Wholesale Agreement to allow Big Rivers to avoid market priced purchases of power.


PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
7/17/2009
PURSUANT TO 809 KAR 5:018
SECTION 9 (1)

By 
Executive Director

Less:

- (d) The total cost of power purchased directly associated with sales (including related system energy losses) by Big Rivers either to non-Member purchasers of power or to Kenergy under either Wholesale Smelter Agreement for resale to either Smelter as energy products other than Base Monthly Energy, assuming SEPA power followed by the lowest cost power, whether generated or purchased, shall be allocated to Applicable Sales.
- (3) Applicable Sales (S) shall be all kilowatt-hours sold at wholesale by Big Rivers (a) to its Members under all electric rate schedules, including the Large Industrial Rate, for resale to Kentucky ratepayers (other than the Smelters), and (b) to Kenergy as Base Monthly Energy as defined in each of the Wholesale Smelter Agreements.
- (4) The current month (m) shall be the second month preceding the month in which the PPA Factor is billed.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
7/17/2009
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

By 
Executive Director

SCHEDULE 2.3.2(a)

INTERRUPTIBLE ENERGY

(a) Interruptible Energy. Kenergy may purchase from Big Rivers on a System Firm basis up to 10 MW per Hour of Interruptible Energy for resale to Alcan, subject to availability, the scheduling requirements and Big Rivers' right to interrupt the sale and delivery of such Energy, all as set forth in this Section (a).

(i) Confirmation. Not less than seven days prior to the beginning of each fiscal quarter of the Service Period (or the Effective Date with respect to the initial fiscal quarter of the Service Period), Big Rivers shall provide to Kenergy and Alcan a confirmation setting forth the price or prices and other terms and conditions ("Interruptible Energy Terms") under which Interruptible Energy may be available during each Hour of the subject fiscal quarter. If Big Rivers fails to provide a timely confirmation with respect to any fiscal quarter, the Interruptible Energy Terms for the prior fiscal quarter shall remain in effect. Big Rivers and Kenergy shall obtain Alcan's consent to each confirmation as a condition to Big Rivers' obligation to make Interruptible Energy available to Kenergy for scheduling during each fiscal quarter.

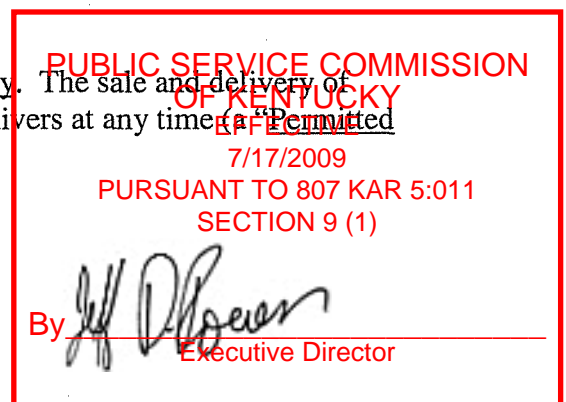
(ii) Scheduling of Interruptible Energy. The provision of Interruptible Energy shall be subject to the following requirements:

(A) At the request of Alcan, Kenergy shall submit to Big Rivers, no later than 3:00 PM on the second Business Day prior to the day of the scheduled delivery (or such shorter period agreed to by Big Rivers), a schedule for up to 10 MW of Interruptible Energy, in integral multiples of one MW per Hour, for the times and durations specified in the schedule.

(B) Big Rivers shall be under no obligation to accept the schedule submitted by Kenergy or to deliver the Interruptible Energy so scheduled, but shall, upon receipt of such schedule, notify Kenergy and Alcan by 9:00 AM of the Business Day prior to the day of scheduled delivery of the number of MW, if any, Big Rivers is willing to deliver and the hour and duration when the delivery shall take place (the "Response").

(C) Subject to Big Rivers' rights to interrupt in accordance with Section (a)(iii) below, Big Rivers shall sell and deliver the volume of Interruptible Energy at the time and for the duration specified in the Response (the "Scheduled Interruptible Energy").

(iii) Interruption of Scheduled Interruptible Energy. The sale and delivery of Scheduled Interruptible Energy may be interrupted by Big Rivers at any time (a "Permitted Interruption") upon the following terms and conditions:



(A) Upon a determination by Big Rivers in its sole discretion exercised in good faith that all or any portion of the Scheduled Interruptible Energy will not be available on a System Firm basis, Big Rivers may implement a Permitted Interruption of all or any portion of the Scheduled Interruptible Energy by providing a notice of interruption ("Notice of Interruption") to Kenergy and Alcan at least 30 minutes in advance of the estimated interruption;

(B) A Notice of Interruption may be made orally but shall be followed by facsimile or other electronic means acceptable to Kenergy and Alcan; and


(C) Upon an after-the-fact determination by Big Rivers in its sole discretion exercised in good faith that all or any portion of the Scheduled Interruptible Energy was not available on a System Firm basis during a prior Hour or Hours, and notwithstanding that no Notice of Interruption had been issued, Big Rivers may implement retroactively a Permitted Interruption of Scheduled Interruptible Energy for such prior Hour or Hours, to the extent that such Scheduled Interruptible Energy was not available on a System Firm basis.

Upon meeting the conditions required for a Permitted Interruption, Big Rivers shall have no obligation to sell and deliver the amount of Scheduled Interruptible Energy designated to be interrupted in the applicable Notice of Interruption. In connection with a Permitted Interruption, Big Rivers may provide, but shall not be required to provide, an opportunity for Kenergy to acquire Firm Energy, in lieu of the Scheduled Interruptible Energy, for resale to Alcan pursuant to the terms and conditions of Section 2.3.2(b). In the case of a Permitted Interruption that is implemented retroactively, the Energy delivered by Big Rivers shall be deemed to have been delivered as Back-Up Energy pursuant and subject to Sections 2.3.3 and 4.4. Big Rivers shall not be limited in the number of times that it may issue a Notice of Interruption or may implement a Permitted Interruption, or of the amount or duration of any Permitted Interruption.

(iv) Allocation of Permitted Interruptions. If Kenergy has arranged for Scheduled Interruptible Energy during any Hour to Kenergy under this Agreement for resale to Alcan and to Kenergy under the Century Wholesale Agreement for resale to Century and Big Rivers determines that it will be unable or was unable during any prior Hour or Hours, to supply the full amount of Scheduled Interruptible Energy to Kenergy for both Alcan and Century, then:

(A) Big Rivers may provide a Notice of Interruption and implement a Permitted Interruption to Kenergy with respect to the Scheduled Interruptible Energy for Alcan or with respect to "Scheduled Interruptible Energy" as defined in the Century Retail Agreement, or any combination thereof; and

(B) Big Rivers may retroactively implement Permitted Interruptions for any Hour to Kenergy for Alcan and Century in equal amounts, taking into consideration any Permitted Interruption to Kenergy that had previously been implemented for the same Hour under part (A) above.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
7/17/2009
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)
By 
Executive Director

(v) Termination of Interruptions. During any period of Permitted Interruption, Big Rivers may notify Kenergy and Alcan of its willingness to terminate the Permitted Interruption and resume the delivery of Scheduled Interruptible Energy at the Interruptible Energy Terms. Upon notification from Big Rivers terminating the Permitted Interruption, Kenergy shall purchase from Big Rivers and resell and deliver Scheduled Interruptible Energy to Alcan at the beginning of the next Hour that starts at least 10 minutes following such notice.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
7/17/2009
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)


By 
Executive Director

SCHEDULE 4.11(c)
REFERENCE ANNUAL FUEL COSTS PER MWH

<u>Year</u>	<u>Fuel Cost per MWH Sales*</u>
2008	15.68
2009	16.44
2010	16.74
2011	17.23
2012	17.65
2013	18.25
2014	17.82
2015	18.37
2016	18.38
2017	18.74
2018	18.43
2019	19.18
2020	19.04
2021	19.90
2022	19.23
2023	19.74

* Includes cost of Startups

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
7/17/2009
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

By 
Executive Director

SCHEDULE 6.2.2
LISTING OF OBLIGATIONS TERMINATED PURSUANT TO THE UNWIND
TRANSACTIONS


RETAIL OBLIGATIONS AND AMENDMENTS

1. Agreement for Electric Service, dated July 15, 1998, between Henderson Union Electric Cooperative Corp. and Alcan Aluminum Corporation
2. Agreement for Electric Service, dated July 15, 1998, between Green River Electric Corporation and Southwire Company
3. Amendment No. 1 to Agreement for Electric Service, dated as of July 15, 1998, between Henderson Union Electric Cooperative Corp. and Alcan Aluminum Corporation
4. Amendment No. 1 to Agreement for Electric Service, dated as of July 15, 1998, between Green River Electric Corporation and Southwire Company
5. Amendment No. 2 to Agreement for Electric Service, dated as of November 30, 2000, between Kenergy Corp. and Alcan Aluminum Corporation
6. Amendment No. 2 to Agreement for Electric Service, dated as of November 30, 2000, between Kenergy Corp. and Southwire Company

WHOLESALE OBLIGATIONS AND AMENDMENTS

7. Agreement for Electric Service, dated as of July 15, 1998, between Green River Electric Corporation and LG&E Energy Marketing Inc.
8. Agreement for Electric Service, dated as of July 15, 1998, between Henderson Union Electric Cooperative Corp. and LG&E Energy Marketing Inc.
9. Amendment to Wholesale Power Agreements Dated October 12, 1974 and June 11, 1962 Between Big Rivers Electric Corporation and Kenergy Corp., dated as of November 30, 2000, between Big Rivers Electric Corporation and Kenergy Corp.
10. Amendment to Wholesale Power Agreements Dated February 16, 1988 and June 11, 1962 Between Big Rivers Electric Corporation and Kenergy Corp., dated as of November 30, 2000, between Big Rivers Electric Corporation and Kenergy Corp.
11. Agreement of Big Rivers Electric Corporation with Respect to Future Policies and Procedures Regarding Big Rivers' Transmission System (sometimes referred to as the "Wholesale ISO Agreement"), dated as of July 15, 1998, between Big Rivers Electric Corporation, Green River Electric Corporation, Henderson Union Electric Cooperative Corp., Jackson Purchase Electric Cooperative Corporation, and Meade County Rural Electric Cooperative

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
7/17/2009
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

By 
Executive Director

CERTAIN REORGANIZATION DOCUMENTS

12. Letter Regarding Schedule 5.4(a)(1) Provisions Regarding Restitution Amounts, dated July 2, 1998, from Geo. F. Hobday, Jr. on behalf of Big Rivers, sent to Frank N. King, W. David Denton, David C. Brown, Michael Kurtz, Allison Wade, and Charles Ritz
13. Letter Regarding Restitution Payments, dated July 13, 1998, from Michael Kurtz sent to James M. Miller and Geoff Hobday
14. Letter Regarding Restitution Payments, dated July 14, 1998, from Michael Core, on behalf of Big Rivers, sent to Allan Eyre and John Henderson
15. Letter Regarding Restitution Payments, dated July 15, 1998, from Allan B. Eyre, on behalf of Alcan, and John Henderson, on behalf of NSA and Southwire, sent to Michael Core

SECURITY AND LOCKBOX AGREEMENTS

16. Security and Lockbox Agreement, dated as of July 15, 1998, among PNC Bank, N.A., LG&E Energy Marketing Inc., Kenergy (as successor to Henderson Union), Alcan Corporation (as successor to Alcan Aluminum Corporation) and Alcan Primary Products Corporation (as successor to Alcan Corporation)
17. Security and Lockbox Agreement, dated as of July 15, 1998, by and among LG&E Marketing Inc., Green River Electric Corporation, and Southwire Company

LOAD MANAGEMENT AGREEMENTS

18. Load Management Agreement for Electric Power Supply, dated as of July 15, 1998, among LG&E Energy Marketing Inc., Alcan Corporation (as successor to Alcan Aluminum Corporation) and Alcan Primary Products Corporation (as successor to Alcan Corporation)
19. Load Management Agreement for Electric Power Supply, dated as of July 15, 1998, among LG&E Energy Marketing Inc., Southwire Company, Century Aluminum Company (as successor to Southwire Company), Century Aluminum of Kentucky LLC (as successor to Century Aluminum Company), Hancock Aluminum LLC (as successor to Century Aluminum of Kentucky LLC), and Century Aluminum of Kentucky General Partnership (as successor to Hancock Aluminum LLC and NSA, Ltd.)

ASSURANCES AND GUARANTIES

20. Assurances Agreement, dated July 15, 1998, between LG&E Energy Marketing Inc. and Alcan Aluminum Corporation, with Related Guaranties dated July 15, 1998, executed by LG&E Energy Corp. in favor of Alcan Aluminum Corporation

PUBLIC SERVICE COMMISSION
OF KENTUCKY

EFFECTIVE

7/17/2009

RESOLVED JULY 15, 2009

SECTION 5.011

By



Executive Director

21. Assurances Agreement, dated July 15, 1998, between LG&E Energy Marketing Inc. and Southwire Company, with Related Guaranty, dated July 15, 1998, executed by LG&E Energy Corp. in favor of Southwire Company
22. Assurances Agreement, dated as of November 30, 2006, between Century Aluminum of Kentucky General Partnership and Big Rivers Electric Corporation
23. First Amendment to Assurances Agreement Dated as of November, 30, 2006, dated as of November __, 2007, by and between Century Aluminum of Kentucky General Partnership and Big Rivers Electric Corporation
24. Guaranty, dated August 1, 2003, from Alcan Corporation to and in favor of the E.ON Parties
25. Guaranty, dated July 15, 1998, of E.ON (as successor to LG&E Energy Corp.) to and in favor of Kenegy (as successor to Henderson Union)
26. Guaranty, dated July 15, 1998, by E.ON (as successor to LG&E Energy Corp.) to and in favor of Kenegy (as successor to Green River Electric Corporation)


INDEMNIFICATION AGREEMENTS

27. Indemnification and Assignment Agreement, dated July 15, 1998, between Henderson Union Electric Cooperative Corp. and Alcan Aluminum Corporation
28. Indemnification and Assignment Agreement, dated July 15, 1998, between Green River Electric Corporation and Southwire Company

TIER 3 CONTRACTS AND RELATED DOCUMENTS

29. Agreement for Tier 3 Electric Service (2001-2002), dated as of July 15, 1998, between Green River Electric Company and LG&E Energy Marketing, Inc., with Southwire Company as a third-party beneficiary
30. Agreement for Tier 3 Electric Service (2001-2005), dated as of July 15, 1998, between Green River Electric Company and LG&E Energy Marketing, Inc., with Southwire Company as a third-party beneficiary
31. Agreement for Interruptible Tier 3 Energy, dated as of July 25, 2002, between Kenegy Corp. and Big Rivers Electric Corporation
32. Agreement for Interruptible Tier 3 Energy, dated as of November 5, 2002, between Kenegy Corp. and Big Rivers Electric Corporation
33. Agreement for Interruptible Tier 3 Energy, dated as of September 15, 2003, between Kenegy Corp. and Big Rivers Electric Corporation

**PUBLIC SERVICE COMMISSION
 OF KENTUCKY**
 EFFECTIVE
 7/17/2009
 PURSUANT TO 807 KAR 5:011
 SECTION 9 (1)

By 
 Executive Director

34. Agreement for Interruptible Tier 3 Energy, dated as of November 30, 2006, between Kenergy Corp. and Big Rivers Electric Corporation
35. Agreement for Tier 3 Energy (Century), dated as of November 29, 2007, between Kenergy Corp. and Big Rivers Electric Corporation
36. Agreement for Tier 3 Energy (Alcan), dated as of November 29, 2007, between Kenergy Corp. and Big Rivers Electric Corporation
37. Consent to the Agreement for Tier 3 Energy (Alcan), dated November 29, 2007, by Alcan Primary Products Corporation
38. Consent to the Agreement for Tier 3 Energy (Century), dated November 29, 2007, by Century Aluminum of Kentucky General Partnership
39. All other agreements related to the provision of Tier 3 service by or among Big Rivers, Kenergy, the Smelters or any LG&E parties

OTHER AGREEMENTS

40. Assumption and Consent Agreement, dated as of August 1, 2003, among Alcan Primary Products Corporation, WKE Station Two Inc., LG&E Energy Marketing Inc., Western Kentucky Energy Corp. and Kenergy
41. Undertaking of Alcan Corporation, dated August 1, 2003, from Alcan to and in favor of LG&E Energy Marketing Inc., and the Undertaking of Alcan Aluminum Corporation, dated July 15, 1998, in favor of Henderson Union Electric Cooperative Corporation and LG&E Energy Marketing Inc.
42. Special Assignment Agreement, dated as of March 26, 2001, among LG&E Marketing Inc., Southwire Company, Century Aluminum of Kentucky LLC and Century Aluminum Company
43. Consent and Agreement, dated December 23, 2005, among Century Aluminum of Kentucky LLC, Century Aluminum Company, Hancock Aluminum LLC, NSA, Ltd., Century Aluminum of Kentucky General Partnership, Metalsco, Ltd., Skyliner, Inc., Century Kentucky, Inc. and LG&E Energy Marketing Inc.
44. Agreement with Respect to Procedures Regarding Big Rivers' Transmission System, dated as of July 15, 1998, between Green River Electric Corporation and Southwire Company
45. Agreement with Respect to Procedures Regarding Big Rivers' Transmission System, dated as of July 15, 1998, between Henderson Union Electric Cooperative Corp. and Alcan Aluminum Corporation
46. Joint Use Agreement, dated as of February 8, 2000, between Western Kentucky Energy Corp. and Big Rivers Electric Corporation

PUBLIC SERVICE COMMISSION
OF KENTUCKY
 EFFECTIVE
 7/17/2009
 PURSUANT TO 2007 MAR 5:011
 SECTION 9 (1)

By 
 Executive Director

SCHEDULE 6.2.3
LISTING OF CERTAIN DULY AUTHORIZED AND EXECUTED AGREEMENTS

RETAIL AGREEMENTS

1. Retail Electric Service Agreement by and between Kenergy Corp. and Alcan Primary Products Corporation
2. Retail Electric Service Agreement by and between Kenergy Corp. and Century Aluminum General Partnership

WHOLESALE AGREEMENTS

3. Wholesale Electric Service Agreement (Alcan) by and between Big Rivers Electric Corporation and Kenergy Corp.
4. Wholesale Electric Service Agreement (Century) by and between Big Rivers Electric Corporation and Kenergy Corp.

COORDINATION AGREEMENTS

5. Coordination Agreement by and between Big Rivers Electric Corporation and Alcan Primary Products Corporation
6. Coordination Agreement by and between Big Rivers Electric Corporation and Century Aluminum of Kentucky General Partnership

LOCKBOX AGREEMENTS

7. Security and Lockbox Agreement (Alcan) by and among Old National Bank, Big Rivers Electric Corporation, Kenergy Corp., and Alcan Primary Products Corporation
8. Security and Lockbox Agreement (Century) by and among Old National Bank, Big Rivers Electric Corporation, Kenergy Corp., and Century Aluminum of Kentucky General Partnership

GUARANTEES

9. Parent Guarantee by Alcan Corporation in favor of Kenergy Corp., and Big Rivers Electric Corporation
10. Parent Guarantee by Century Aluminum Company in favor of Kenergy Corp. and Big Rivers Electric Corporation

**PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
7/17/2009
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)**


By 
Executive Director

Exhibit A - Retail and Wholesale Service Agreement Examples - Combines Alcan and Century Smelter Charges and Credits - (for purposes of examples, Retail Fee set at zero)
 Year Modeled: 2009

Annualized Basis

Case	Derivation	Base Case	Low Load Factor	High Load Factor	Supplemental Energy (4.3)	Backup Energy (4.4)	Surplus Sales (10.1)	Undeliverable Energy Sales (10.2)	Poliline Reduction Sales (10.3)	Curtailment for Purchased Power (4.13.2)	Economic Sales (4.13.3)
1.1.16 - Base Demand (MW) (a)	Contract	850.0	850.0	850.0			850.0	850.0	850.0	850.0	850.0
1.1.18 - Base Fixed Energy (Twh) (b)	Contract	7,297	7,297	7,297			7,297	7,297	7,297	7,297	7,297
Energy Balance (Annual TWh)											
Assumed Load Factor											
Metered Energy											
2.3.2 - Supplemental Energy											
2.3.2(a) Interruptible Energy											
2.3.2(b) Buy-Through Energy											
2.3.2(c) Market Energy											
Consumed											
Sold											
1.1.13 - Backup Energy											
4.4.1(a) and (b) (within 10MW per Smelter)											
4.4.1(c) - Excess											
1.1.15 - Base Curtailed Energy											
4.13.2 - Curtailment of Purchased Power											
4.13.3 - Economic Sales											
10.1 - Surplus Sales											
10.2 - Undeliverable Energy Sales											
10.3 - Poliline Reduction Sales											
1.1.16 / 19 - Base Hourly / Monthly Energy											
1.1.22 - Base Variable Energy											
Energy Price											
Supplemental Energy **											
Interruptible Energy Rate											
Buy-Through Energy Rate											
Market Energy Rate											
Buy-Through Energy Rate											
Market Energy Rate (within 10MW per Smelter)											
Base Rate											
1.1.23 - Base Variable Rate											
1.1.52 - EAC Factor											
1.1.43 - Environmental Switchage Factor											
1.1.84 - Non-FAC Purchased Power Adjustment Factor											
4.11.4 - Surcharges:											
4.11 (a)											
4.11 (b)											
4.11 (c)											
* Placeholder value intended to represent costs of energy plus appropriate inclusion or exclusion of transmission services charges or other expenses, per the Retail Service Agreement (see also Net Proceeds, below).											
** Assumed priced at cost, for illustration											

PUBLIC ENERGY COMMISSION
 STATE OF CALIFORNIA
 Executive Director

Exhibit A - Retail and Wholesale Service Agreement Examples - Combines Alcan and Century Smelter Charges and Credits - (for purposes of examples, Retail Fee set at zero)
 2009
 Year Modeled:

Annualized Basis

Case	Derivation	Base Case	Low Load Factor	High Load Factor	Supplemental Energy (4.3)	Backup Energy (4.4)	Surplus Sales (10.1)	Undeliverable Energy Sales (10.2)	Rollback Reduction Sales (10.3)	Curtailment for Purchased Power (4.13.2)	Economic Sales (4.13.3)
46	Charges (\$M)										
47	4.2 Base Energy Charge	(2 x 35) + (23 x 36)	205.4	207.3	205.4	205.4	205.4	205.4	205.4	205.4	205.4
48	4.3 Supplemental Energy Charge	8 x 28	-	-	-	-	-	-	-	-	-
49	4.3.1 Interruptible Energy	9 x 29	-	-	8.0	-	-	-	-	-	-
50	4.3.2 Buy-Through Energy	10 x 30	-	-	-	16.0	-	-	-	-	-
51	4.3.3 Market Energy Charge	14 x 32	-	-	-	-	8.0	-	-	-	-
52	4.4 Back-up Energy Charge	15 x 33	-	-	-	-	32.9	-	-	-	-
53	4.4.1(a) and (b) (within 10MW per Smelter)	Contract	-	-	-	-	-	-	-	-	-
54	4.4.1(c) - Excess	Contract	-	-	-	-	-	-	-	-	-
55	4.5 Transmission Services Charge	See Supporting Sched.	-	-	-	-	-	-	-	-	-
56	4.6 Excess Reactive Demand Charge	See Supporting Sched.	-	-	-	-	-	-	-	-	-
57	4.7 TIER Adjustment Charge	22 x 37	81.9	80.2	81.9	81.9	81.9	81.9	81.9	81.9	81.9
58	4.8 Adjustable Charges	22 x 39	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
59	4.8.1 FAC Charge	22 x 38	15.96	15.63	15.96	15.96	15.96	15.96	15.96	15.96	15.96
60	4.8.2 Non-FAC Purchased Power Adjustment Charge	See Supporting Schedules	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)
61	4.8.3 Environmental Surcharge	Contract	-	-	-	-	-	-	-	-	-
62	4.9 Rebate	Contract	-	-	-	-	-	-	-	-	-
63	4.10 Equity Development Credit	Contract	-	-	-	-	-	-	-	-	-
64	4.11 Surcharge	2 x 42	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4
65	4.11 (b)	2 x 43	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4
66	4.11 (c)	-\$200,000 x 12	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)
67	4.11 (d)	Contract	-	-	-	-	-	-	-	-	-
68	Retail Fee		314.6	310.7	322.6	330.6	322.6	308.2	314.6	314.6	314.6
69	Charges										
70	Undeliverable Energy Sales	(12+18+19+20)x25 - (tax + admin. cost) * 7 Resale of Market Energy	-	-	-	-	-	-	-	-	-
71	Rollback Reduction Sales	See Supporting Schedules	-	-	-	-	-	-	-	-	-
72	Surplus Sales	Min. of 73 and 74 line 73	-	-	-	-	-	-	-	-	-
73	Undeliverable Energy, and Potline Reduction Sales	17 x 34 line 73 x 75% line 73	-	-	-	-	-	-	-	-	-
74	Surplus Sales	78 + 79 + 80 + 81 + 82 line 70 - line 84	314.6	310.7	322.6	326.6	322.6	304	314.6	314.6	314.6
75	Undeliverable Energy, and Potline Reduction Sales										
76	Surplus Sales										
77	Undeliverable Energy, and Potline Reduction Sales										
78	Surplus Sales										
79	Undeliverable Energy, and Potline Reduction Sales										
80	Surplus Sales										
81	Undeliverable Energy, and Potline Reduction Sales										
82	Surplus Sales										
83	Undeliverable Energy, and Potline Reduction Sales										
84	Total Credits										
85	Net Charges										
86	Net Charges per MWh Metered										
87	Net Charges per MWh Metered										

PUBLIC SERVICE COMMISSION OF KENTUCKY
 EFFECTIVE 7/17/2009
 PURSUANT TO §§ 10.3.7, 10.3.8, and 10.3.9
 SECTION 3.3.1
 By *[Signature]*
 Executive Director

Exhibit A - Retail and Wholesale Service Agreement Examples - Combines Alean and Century Smelter Charges and Credits - (for purposes of examples, Retail Fee set at zero) 2009
Year Modeled:

Case	Derivation	Annualized Basis						Surplus Sales (10.1)	Undeliverable Energy Sales (10.2)	Polling Reduction Sales (10.3)	Curtailment for Purchased Power (4.13.2)	Economic Sales (4.13.3)
		Base Case	Low Load Factor	High Load Factor	Supplemental Energy (4.3)	Backup Energy (4.4)	4.4.1 (a)					
89												
90												
91												
92												
93												
94												
95												
96												
97												
98												
99												
100												
101												
102												
103												
104												
105												
106												
107												
108												
109												
110												
123												
124												
125												
126												
127												
128												
129												
130												

By *[Signature]*
 Executive Director

4.11 (c) Surcharge
 Reference Fuel Expense (\$/MWh)
 Actual Fuel Expense (\$/MWh)
 (in. of i) Actual Less Reference and ii) \$0.60 (not less than zero)

2. Available Base Charge
 1.11 (a) Base Rate plus Adjustable Charge Rates
 (i) Base Rate plus Adjustable Charge Rates available whether or not sold
 (ii) Base Variable Rate plus Adjustable Charge Rates available whether or not sold
 (iii) Base Fixed Energy made available whether or not sold
 (iv) Base Variable Rate plus Adjustable Charge Rates available whether or not sold
 (v) Base Fixed Energy made available whether or not sold

35 + 37 + 38 + 39
 line 19
 line 116 x line 117
 36 + 37 + 38 + 39
 line 23
 line 121 x line 122
 36 + 37 + 38 + 39
 line 126 x line 127
 line 118 + line 123 - line 128

7/17/2009
 PUBLIC SERVICE COMMISSION
 OFFICE OF THE EXECUTIVE DIRECTOR
 100 EAST MAIN STREET
 CINCINNATI, OHIO 45202-1001

Exhibit A - Retail and Wholesale Service Agreement Examples - Combines Alcan and Century Smelter Charges and Credits - (for purposes of examples, Retail Fee set at zero) 2009
Year Modeled:

Annualized Basis

Case	Derivation	Base Case	Low Load Factor	High Load Factor	Supplemental Energy (4.3)	Backup Energy (4.4)	Surplus Sales (10.1)	Undeliverable Energy Sales (10.2)	Rolling Reduction Sales (10.3)	Economic Curtailment for Purchased Power (4.13.2)	Economic Sales (4.13.3)
131	4.7 TIER Adjustment Charge										
132	4.7.5 TIER Adjustment	579.409	579.409	579.409	579.409	579.409	579.409	579.409	579.409	579.409	579.409
133	System Revenues Before TIER Adjustment										
134	Base Case										
135	Increment from Base Case (Accounts for Both Smelters):		(1.9)								
136	Base Energy Charge		(2.0)								
137	FAC/ES/PPA Charges										
138	Supplemental Energy										
139	Backup Energy										
140	Net Proceeds										
141	Less: Credits										
142	Total Increment from Base Case										
143	Total Revenues	579.4	575.5	583.3	587.4	587.4	588.9	579.4	579.4	562.0	579.7
144	System Expenses Before TIER Adjustment										
145	Base Case - Gross	564.4	564.4	564.4	564.4	564.4	564.4	564.4	564.4	564.4	564.4
146	Net Debt to Power Purchases reflected in Regulatory Account	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)
147	Base Case - Net	564.1	564.1	564.1	564.1	564.1	564.1	564.1	564.1	564.1	564.1
148	Increment from Base Case										
149	Variable Costs *										
150	Power Purchases										
151	Interest (net of capitalization)										
152	Other										
153	Total Increment from Base Case										
154	Net Expenses	564.1	560.3	568.0	572.1	572.1	572.1	572.1	572.1	564.1	564.1
155	Margin Before TIER Adjustment	15.3	15.3	15.3	15.3	15.3	15.3	15.3	15.3	15.3	15.3
156	Net Charges Plus Net Margin	68.8	68.8	68.8	68.8	68.8	68.8	68.8	68.8	68.8	68.8
157	Net Charges:										
158	Interest Charges:										
159	Net Charges from Base Case	53.6	53.6	53.6	53.6	53.6	53.6	53.6	53.6	53.6	53.6
160	Net Charges from Economic/Transition Reserves										
161	Net Charges from Economic/Transition Reserves										
162	Net Charges from Economic/Transition Reserves										
163	Net Charges from Economic/Transition Reserves										
164	Net Charges from Economic/Transition Reserves										
165	Net Charges from Economic/Transition Reserves										
166	Total	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4
167	TIER Adjustment										
168	TIER Adjustment Charge										
169	4.9 Rebate	(1.0)	(1.0)	(1.0)	(1.0)	(1.0)	(1.0)	(1.0)	(1.0)	(1.0)	(1.0)
170	Excess TIER Amount										
171	Rebate:	68%	68%	68%	68%	68%	68%	68%	68%	68%	68%
172	Smelter MWh	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)
173	Rebate										
174											
175											

PUBLIC SERVICE COMMISSION
OF KENTUCKY
OFFICE OF THE EXECUTIVE DIRECTOR
1000 BANKERS BUILDING
FRANKFURT, KY 40319
502.625.5000
www.psc.ky.gov

[Signature]
Executive Director

* Example assumes variable costs incurred at rate stipulated in 1.1.21, plus FAC, Environmental Surcharge, and PPA

Exhibit A - Retail and Wholesale Service Agreement Examples - Combines Alcan and Century Smelter Charges and Credits - (for purposes of examples, Retail Fee set at zero) 2009

Case	Derivation	Annualized Basis				Supplemental Energy (4.3)	Backup Energy (4.4)		Surplus Sales (10.1)	Undeliverable Energy Sales (10.2)	Polling Reduction Sales (10.3)	Curtailment for Purchased Power (4.13.2)	Economic Sales (4.13.3)
		Base Case	Low Load Factor	High Load Factor	Interruptible Energy		Buy-Through Energy	Market Energy					
178	Quarterly TIER Adjustment Charge	Base Case											
179													
180	Revenues				579.4								
181	Expenses				564.1								
182	Net Margin Before TIER				15.3								
183	Interest + Margin				68.8								
184	Interest Charges				53.6								
185	Pre-Adjustment TIER				1.29								
186	Increment Needed for 1.24x				(2.4)								
187	Adjustments				1.4								
188	TIER Adjustment				(1.0)								
189	TIER Adjustment Charge				-								
190	1st Q				-								
191	2nd Q				-								
192	3rd Q				-								
193	4th Q				-								
194													
195													
196													
197													
198													
199													
200													
201													
202													
203													
204													
205													
206													
207													
208													
209													
210													
211													
212													
213													
214													
215													
216													
217													
218													
219													
220													
221													

PUBLIC SERVICE COMMISSION
OF KENTUCKY
PURSUANT TO KRS 5
7.177, 7.178, 7.179, 7.240
AND 7.241
AS AMENDED
JULY 1, 2009
KRS 5
7.177, 7.178, 7.179, 7.240
AND 7.241
AS AMENDED
JULY 1, 2009

Executive Director

Exhibit A - Retail and Wholesale Service Agreement Examples - Combines Alcan and Century Smelter Charges and Credits - (for purposes of examples, Retail Fee set at zero)
 Year Modeled: 2009

Illustrative Quarterly Basis - Base Case

Case	Derivation	Base Case	Q1	Q2	Q3	Q4	Pre-Adjusted Year	Adjust. TIER Adjustment	Rebate	Adjusted Year
1	1.1.16 - Base Demand (MW) (a)	850.0	850.0	850.0	850.0	850.0	850.0			850.0
2	1.1.18 - Base Fixed Energy (TWh) (b)	7.297	1.824	1.824	1.824	1.824	1.824		4.74	7.297
3	Energy Balances (Annual TWh)									
4	Assumed Load Factor	98%	96%	100%	98%	98%	98%			
5	Metered Energy	7.297	1.787	1.862	1.824	1.824	1.824			7.297
6	2.3.2 - Supplemental Energy									
7	2.3.2(a) Interruptible Energy									
8	2.3.2(b) Buy-Through Energy									
9	2.3.2(c) Market Energy									
10	Consumed									
11	Sold									
12	1.1.13 - Backup Energy									
13	4.4.1(a) and (b) (within 10MW per Smelter)									
14	4.4.1(c) - Excess									
15	1.1.15 - Base Curtailed Energy									
16	4.13.2 - Curtailment of Purchased Power									
17	4.13.3 - Economic Sales									
18	10.1 - Surplus Sales									
19	10.2 - Undeliverable Energy Sales									
20	10.3 - Pipeline Reduction Sales									
21	1.1.18 / 19 - Base Hourly / Monthly Energy	7.297	1.787	1.862	1.824	1.824	1.824			7.297
22	1.1.22 - Base Variable Energy		(0.037)	0.037			(0.000)			
23										
24	Rates									
25	Market Energy Price	60.94	60.94	60.94	60.94	60.94	60.94			60.94
26	1 - Supplemental Energy									
27	3.1 - Interruptible Energy Rate									
28	3.2 - Buy-Through Energy Rate									
29	3.3 - Market Energy Rate									
30	3.4 - Backup Energy Rate									
31	4.1(a) and (b) (within 10MW per Smelter)									
32	4.1(c) - Excess									
33	2.2 - Market Reference Rate									
34	1.1.23 - Base Rate	28.15	28.15	28.15	28.15	28.15	28.15			28.15
35	1.1.23 - Base Variable Rates	12.47	12.47	12.47	12.47	12.47	12.47			12.47
36	1.1.23 - PAC Factor	11.22	11.22	11.22	11.22	11.22	11.22			11.22
37	1.1.23 - PAC Factor	2.19	2.19	2.19	2.19	2.19	2.19			2.19
38	1.1.43 - Environmental Surcharge Factor	0.08	0.08	0.08	0.08	0.08	0.08			0.08
39	1.1.84 - Non-PAC Purchased Power Adjustment Factor									
40	4.11.4 - Surcharges:									
41	4.11 (a)	0.60	0.60	0.60	0.60	0.60	0.60			0.60
42	4.11 (b)	0.60	0.60	0.60	0.60	0.60	0.60			0.60
43	4.11 (c)									
44	* Placeholder value intended to represent costs of energy plus appropriate inclusion or exclusion of transmission services ch									
45	** Assumed price at cost for illustration									

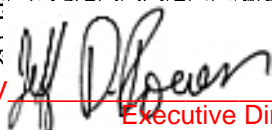
By  Executive Director

Exhibit A - Retail and Wholesale Service Agreement Examples - Combines Alcan and Century Smaller Charges and Credits - (for purposes of examples. Retail Fee set at zero) 2009

Illustrative Quarterly Basis - Base Case

Case	Derivation	Base Case				Q4	Pre-Adjusted Year	Adjust. TIER Adjustment	Rebate	Adjusted Year
		Q1	Q2	Q3	Q4					
46	Charges (\$M)									
47	4.2 Base Energy Charge	(2 x 35) + (23 x 36)	205.4	50.9	51.8	51.4	205.4	4.7.4	4.9	205.4
48	4.3 Supplemental Energy Charge	8 x 28	-	-	-	-	-	-	-	-
49	4.3.1 Interruptible Energy	9 x 29	-	-	-	-	-	-	-	-
50	4.3.2 Buy-Through Energy	10 x 30	-	-	-	-	-	-	-	-
51	4.3.3 Market Energy	-	-	-	-	-	-	-	-	-
52	4.4 Back-up Energy Charge	14 x 32	-	-	-	-	-	-	-	-
53	4.4.1(a) and (b) (within 10MW per Smelter)	15 x 33	-	-	-	-	-	-	-	-
54	4.4.1(c) - Excess	Contract	-	-	-	-	-	-	-	-
55	4.5 Transmission Services Charge	Contract	-	-	-	-	-	-	-	-
56	4.6 Excess Reactive Demand Charge	Contract	-	-	-	-	-	-	-	-
57	4.7 TIER Adjustment Charge	See Supporting Sched.	-	-	-	-	-	-	-	-
58	4.8 Adjustable Charges	22 x 37	81.9	20.0	20.9	20.5	81.9	-	-	81.9
59	4.8.1 FAC Charge	22 x 39	0.5	0.1	0.1	0.1	0.5	-	-	0.5
60	4.8.2 Non-FAC Purchased Power Adjustment Charge	22 x 38	15.96	3.91	4.07	3.99	15.96	-	-	15.96
61	4.8.3 Environmental Surcharge	See Supporting Schedules	(0.7)	-	-	-	-	-	(0.7)	(0.7)
62	4.9 Rebate	Contract	-	-	-	-	-	-	-	-
63	4.10 Equity Development Credit	Contract	-	-	-	-	-	-	-	-
64	4.11 Surcharge	Contract	5.1	1.3	1.3	1.3	5.1	-	-	5.1
65	4.11 (e)	2 x 42	4.4	1.1	1.1	1.1	4.4	-	-	4.4
66	4.11 (b)	2 x 43	4.4	1.1	1.1	1.1	4.4	-	-	4.4
67	4.11 (c)	- \$200,000 x 12	(2.4)	(0.6)	(0.6)	(0.6)	(2.4)	-	-	(2.4)
67A	4.11 (d)	Contract	-	-	-	-	-	-	-	-
68	2 Retail Fee	Contract	314.6	77.8	81.8	84.3	328.3	(13.1)	(0.7)	314.6
69	Charges									
70	12+16+19+20x25 - (tax + admn. cost) / Resale of Market Energy	See Supporting Schedules								
71	Surplus Sales	Min. of 73 and 74								
72	Undevelopable Energy and Pollution Reduction Sales	line 73								
73	Surplus Sales	17 x 34								
74	Undevelopable Energy and Pollution Reduction Sales	line 73 x 75%								
75	4.13.3 Economic Surcharges	line 70 - line 84								
76	4.13.4 Market Energy Sales	78 + 79 + 80 + 81 + 82								
77	Total Credits	line 70 - line 84	314.6	77.8	81.8	84.3	328.3	(13.1)	(0.7)	314.6
78	Net Charges									
79	Net Charges per MWh Method									
80	Net Charges per MWh Method									
81	Net Charges per MWh Method									
82	Net Charges per MWh Method									
83	Net Charges per MWh Method									
84	Net Charges per MWh Method									
85	Net Charges per MWh Method									
86	Net Charges per MWh Method									
87	Net Charges per MWh Method									
88	Net Charges per MWh Method									

**PUBLIC SERVICE COMMISSION
OF NEW JERSEY
REGULATORY DIVISION**

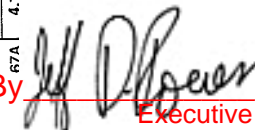
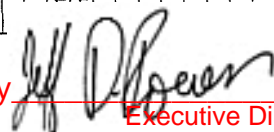
By  Executive Director

Exhibit A - Retail and Wholesale Service Agreement Examples - Combines Alcan and Century Smelter Charges and Credits - (for purposes of examples, Retail Fee set at zero) Year Modeled: 2009

Illustrative Quarterly Basis - Base Case

Case	Derivation	Base Case				Q4	Pre-Adjusted Year	Adjust. TIER Adjustment	Rebate	Adjusted Year
		Q1	Q2	Q3	Q3					
89										
90										
91										
92										
93										
94										
95										
96										
97										
98										
99										
100										
101										
102										
103										
104										
105										
106										
107										
108										
109										
110										
111										
112										
113										
114										
115										
116										
117										
118										
119										
120										
121										
122										
123										
124										
125										
126										
127										
128										
129										
130										

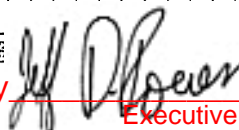
By  Executive Director

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFICIENT ENERGY
7/1/2009

Exhibit A - Retail and Wholesale Service Agreement Examples - Combines Alcan and Century Smelter Charges and Credits - (for purposes of examples, Retail Fee set at zero)
 Year Modeled: 2009

Illustrative Quarterly Basis - Base Case

Case	Derivation	Base Case				Q4	Q3	Q2	Q1	Pre-Adjusted Year	Adjust. TIER Adjustment	Rebate	Adjusted Year
		Q4	Q3	Q2	Q1								
131	4.7 TIER Adjustment Charge												
132	4.7.5 TIER Adjustment									4.7.4	4.9		
133	System Revenues Before TIER Adjustment	Financial Model	579,409	144,852	144,852	144,852	144,852	144,852	579,409			579,409	
134	Base Case												
135	Increment from Base Case (Accounts for Both Smelters):												
136	Base Energy Charge	22 x 36	(0.5)	(0.5)									
137	FAC/ES/PPA Charges	29 x (37 + 38 + 39)	(0.5)	(0.5)									
138	Supplemental Energy	53 + 54											
139	Backup Energy	line 73											
140	Net Proceeds	line 84											
141	Less: Credits	136 + 137 + 138 + 139 + 140 + 141	(1.0)	(1.0)									
142	Total Increment from Base Case	line 134 - line 142	143.9	143.9									
143	Total Revenues		579.4	143.9					579.4			579.4	
144	System Expenses Before TIER Adjustment	Financial Model	564.4	141.1					564.4			564.4	
145	Base Case - Gross	Financial Model	(0.3)	(0.1)					(0.1)			(0.3)	
146	Net Debit to Power Purchases reflected in Regulatory Account	Financial Model	564.1	141.0					564.1			564.1	
147	Base Case - Net												
148	Increment from Base Case	23 x (36 + 37 + 38 + 39)	(1.0)	(1.0)									
149	Variable Costs *	138 + 139											
150	Power Purchases												
151	Interest (net of capitalization)												
152	Other		7.1	7.1					(14.1)				
153	Total Increment from Base Case	149 + 150 + 151 + 152	6.1	6.1					(14.1)				
154	Total Expenses	line 147 + line 153	564.1	147.1					564.1			564.1	
155	Net Margin Before TIER Adjustment	line 149 - line 154	15.3	(3.2)					17.9			15.3	
156	Interest Charges Plus Net Margin	line 155 + line 158	68.8	10.2					31.3			68.8	
157	Other Charges:												
158	Base Case	Financial Model	53.6	13.4					53.6			53.6	
159	Increment from Base Case	line 158 - line 159	53.6	13.4					53.6			53.6	
160	Total	line 156 + line 160	1.285	0.759					2.339			1.285	
161	Net Margin Before TIER Adjustment	line 156 + line 160	(2.4)	6.4					(14.7)			(2.4)	
162	Incremental Financing Needed to Achieve TIER = 1.24x	(1.24 - line 161) x line 160											
163	Other Charges:												
164	Base Case	Financial Model	1.4	0.4					0.4			1.4	
165	Increment from Base Case	line 164 - line 165	1.4	0.4					0.4			1.4	
166	Total	line 162 + line 166	(1.0)	6.8					(14.4)			(1.0)	
167	TIER Adjustment Charge	Max. of line 167 and zero											
168	System Revenues Before TIER Adjustment												
169	Base Case												
170	4.9 Rebate		(1.0)									(1.0)	
171	Excess TIER Amount												
172	Rebate:		68%	68%					68%			68%	
173	Smelter MWh		(0.7)									(0.7)	
174	Rebate												
175	Total												

By  Executive Director

PUBLIC UTILITIES COMMISSION
STAFF REPORT
NO. 09-09-001
DATE: 09/15/09
FILE: 09-09-001

* Example assumes variable costs incurred at rate stipulated in 1.1.21, plus FAC, Environmental Surcharges, and PPA

Exhibit A - Retail and Wholesale Service Agreement Examples - Combines Alcan and Century Smelter Charges and Credits - (for purposes of examples, Retail Fee set at zero) Year Modeled: 2009

Illustrative Quarterly Basis - Base Case

Case	Derivation	Base Case				Intermediate Annual Forecasts *				Rebate	Adjusted Year		
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4				
178	Quarterly TIER Adjustment Charge												
179													
180	Revenues	579.4	579.4	579.4	579.4	579.4	579.4	579.4	579.4				
181	Expenses	564.1	570.2	570.2	578.2	578.2	578.2	578.2	578.2				
182	Net Margin Before TIER	15.3	8.2	8.2	1.2	1.2	1.2	1.2	1.2				
183	Interest + Margin	68.8	61.8	61.8	54.7	54.7	54.7	54.7	54.7				
184	Interest Charges	53.6	53.6	53.6	53.6	53.6	53.6	53.6	53.6				
185	Pre-Adjustment TIER	1.29	1.2	1.2	1.0	1.0	1.0	1.0	1.0				
186	Increment Needed for 1.24x	(2.4)	4.6	4.6	11.7	11.7	11.7	11.7	11.7				
187	Adjustments	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4				
188	TIER Adjustment	(1.0)	6.0	6.0	13.1	13.1	13.1	13.1	13.1				
189	TIER Adjustment												
190	TIER Adjustment Charge												
191	1st Q												
192	2nd Q												
193	3rd Q												
194	Q												
195	Illustrative Forecast Weights (actual forecast methodologies to be determined)												
196	Final Budget												
197	Revenues	143.9	289.7	289.7	289.7	289.7	289.7	289.7	289.7				
198	Expenses	147.1	296.2	296.2	296.2	296.2	296.2	296.2	296.2				
199	Net Margin Before TIER	(3.2)	(6.5)	(6.5)	(6.5)	(6.5)	(6.5)	(6.5)	(6.5)				
200	Interest + Margin	10.2	20.3	20.3	20.3	20.3	20.3	20.3	20.3				
201	Interest Charges	13.4	0.76	0.76	0.76	0.76	0.76	0.76	0.76				
202	Pre-Adjustment TIER	6.4	12.9	12.9	12.9	12.9	12.9	12.9	12.9				
203	Increment Needed for 1.24x	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4				
204	Adjustments	6.8	13.6	13.6	13.6	13.6	13.6	13.6	13.6				
205	TIER Adjustment												
206	Revised Full-Year Forecast												
207	Revenues	578.4	578.4	578.4	578.4	578.4	578.4	578.4	578.4				
208	Expenses	8.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2				
209	Net Margin Before TIER	61.8	54.7	54.7	54.7	54.7	54.7	54.7	54.7				
210	Interest + Margin	53.6	53.6	53.6	53.6	53.6	53.6	53.6	53.6				
211	Interest Charges	1.15	1.02	1.02	1.02	1.02	1.02	1.02	1.02				
212	Pre-Adjustment TIER	4.6	11.7	11.7	11.7	11.7	11.7	11.7	11.7				
213	Increment Needed for 1.24x	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4				
214	Adjustments	6.0	13.1	13.1	13.1	13.1	13.1	13.1	13.1				
215	TIER Adjustment												
216	TIER Adjustment												
217	TIER Adjustment												
218	TIER Adjustment												
219	TIER Adjustment												
220	TIER Adjustment												
221	TIER Adjustment												

PUBLIC SERVICE COMMISSION
OF ILLINOIS
JULIAN T. HICKS, Director
By *[Signature]*
Executive Director