

Big Rivers

EFLECTRIC CORPORATION

201 Third Street
P.O. Box 24
Henderson, KY 42419-0024
270-827-2561
www.bigrivers.com

March 11, 2013

Mr. Gregory J. Starheim
Kenergy Corp.
6402 Corydon Road
P.O. Box 18
Henderson, KY 42419-0018

Re: Retail Electric Service Agreement
Pennyrile Energy, LLC – Riveredge Mine

Dear Greg:

This letter agreement ("*Letter Agreement*") will evidence Big Rivers' concurrence with the terms of Kenergy's electric service agreement with Pennyrile Energy, LLC – Riveredge Mine (the "*Retail Customer*") dated February 25, 2013, a copy of which is attached hereto as Exhibit 1 (the "*Retail Agreement*"), and the agreement between Big Rivers and Kenergy with respect thereto.

- (1) **Existing Agreement and Tariffs.** The terms and conditions of the June 11, 1962, wholesale power agreement, as amended, and Big Rivers' filed tariffs shall continue in full force and effect except as expressly modified by this Letter Agreement.
- (2) **Additional Rights and Obligations of Big Rivers.** Big Rivers shall make available to Kenergy the electric power required during the term of the Retail Agreement to perform the power supply obligations assumed by Kenergy in the Retail Agreement, and Big Rivers shall have the benefit of Retail Customer's covenants in such agreement. Big Rivers will supply the facilities required to deliver power to the delivery point, as defined in the Retail Agreement, and to meter electrical usage by Retail Customer.
- (3) **Obligations of Kenergy.** Kenergy shall take and pay for (i) electric power and energy delivered by Big Rivers in accordance with Big Rivers' Rate Schedule LIC or Rate Schedule LICX, as applicable, with demand and energy being measured in accordance with the Retail Agreement, and (ii) facilities charges incurred by Big Rivers in connection with extending service to the Retail Customer's delivery point. Kenergy will promptly forward to Big Rivers a copy of any notices received by Kenergy from the Retail Customer under the terms of the Retail Agreement.
- (4) **Obligation of Kenergy for Minimum Billing Demand Charge.** Kenergy agrees to bill Retail Customer for any minimum billing demand charges in excess of measured demand. Kenergy agrees to pay over to Big Rivers all funds actually collected under such billings, including any termination charges respecting the Big Rivers Facilities (as that term is defined in the Retail Agreement) ~~in accordance with the terms of this paragraph do not affect the obligation of Kenergy to pay Big Rivers in accordance with Big Rivers' tariff as and when billed for the wholesale charges for electric power and energy actually consumed by Retail Customer.~~

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COMMISSION

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COMMISSION

KENTUCKY
PUBLIC SERVICE COMMISSION
JEFF R. DEROUEN
EXECUTIVE DIRECTOR

TARIFF BRANCH

Burt Kirtley

EFFECTIVE
4/5/2013

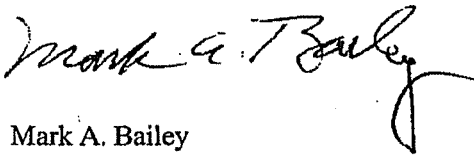
PURSUANT TO 807 KAR 5:011, SECTION 9 (1)
Your Touchstone Energy Cooperative

Mr. Gregory J. Starheim
March 11, 2013
Page Two

- (5) **Division of Any Partial Payments.** Kenergy will pay to Big Rivers a pro rata share of any partial payment made to Kenergy by or on behalf of Retail Customer.
- (6) **Effective Date.** This Letter Agreement will become effective upon approval or acceptance by the Public Service Commission of Kentucky, and upon receipt of any consents or approvals required under Big Rivers' agreements with its creditors.
- (7) **Entire Agreement and Amendment.** This Letter Agreement represents the entire agreement of the parties on the subject matter herein, and cannot be amended except in writing, duly authorized and signed by Big Rivers and Kenergy. The Retail Agreement cannot be amended without the written approval of Big Rivers. Big Rivers shall have the right to approve the terms and issuer(s) of the letter(s) of credit contemplated by the Retail Agreement to secure the obligations of the Retail Customer for termination charges.

If this Letter Agreement is acceptable to Kenergy, please indicate that acceptance by signing in the space provided and returning six signed counterparts to us.

Sincerely yours,

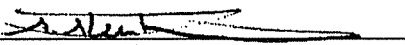


Mark A. Bailey
President and CEO
Big Rivers Electric Corporation

Attachment

ACCEPTED:

KENERGY CORP.



Gregory J. Starheim
President/CEO

Date: March 11, 2013

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| KENTUCKY PUBLIC SERVICE COMMISSION |
| JEFF R. DEROUEN EXECUTIVE DIRECTOR |
| TARIFF BRANCH  |
| EFFECTIVE 4/5/2013 PURSUANT TO 807 KAR 5:011 SECTION 9 (1) |