

RETAIL ELECTRIC SERVICE AGREEMENT

Dated as of July 1, 2009,


by and between

KENERGY CORP.

and

CENTURY ALUMINUM OF KENTUCKY GENERAL PARTNERSHIP

PUBLIC SERVICE COMMISSION
OF KENTUCKY
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By 
Executive Director

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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 CENTURY ALUMINUM OF KENTUCKY GENERAL PARTNERSHIP, a Kentucky general partnership ("Century").

RECITALS

A. Kenergy currently supplies and delivers to Century, the owner and operator of an aluminum reduction plant in Hawesville, Kentucky, electric energy and related services pursuant to an Agreement for Electric Service, dated July 15, 1998, between Green River Electric Corporation, Kenergy's predecessor-in-interest, and Southwire Company, Century's predecessor-in-interest (the "Existing Century Agreement").

B. Kenergy currently purchases electric energy and related services for resale to Century 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 Century, to serve the energy requirements of Century 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 Century 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, Alcan Primary Products Corporation ("Alcan"), and Century 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 Century ("Century Wholesale Agreement").

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

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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 Recitals.

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


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

1.1.7 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.

1.1.8 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.

1.1.9 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 Alcan Retail Agreement. If the Alcan

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Retail Agreement is terminated or no longer in effect for any reason, Alcan's "Base Demand" shall be deemed to be 368 MW for purposes of calculating the Applicable Percentage.

1.1.10 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 Century 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 Century 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 Century 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.

1.1.11 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.


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

1.1.13 Base Curtailed Energy: For any Hour in a Billing Month, the amount of Energy that is either (a) curtailed by Century 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.

1.1.14 Base Demand: 482 MW, or such other amount of electric demand agreed in accordance with Section 3.1, integrated over an Hour.

1.1.15 Base Energy Charge: As defined in Section 4.2.

1.1.16 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

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1.1.17 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.

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

1.1.19 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.

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

1.1.21 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.

1.1.22 Big Rivers: As defined in the Recitals.

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

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

1.1.25 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.

1.1.26 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.

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

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

1.1.29 Century: As defined in the Preamble.

1.1.30 Century Guarantee: As defined in Section 13.3.

1.1.31 Century Parent: Century Aluminum Company, a Delaware corporation, and a parent corporation of Century.

1.1.32 Century Wholesale Agreement: As defined in the Recitals.

1.1.33 Cut-Off Date: As defined in Section 10.3.6

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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 Century 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.

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

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

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

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

1.1.58 Interruptible Energy Charge: As defined in Section 4.3.1.

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

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

1.1.61 KPSC: Kentucky Public Service Commission.


1.1.62 kW: Kilowatt.

1.1.63 kWh: Kilowatt-hour.

1.1.64 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 Transition Reserve or the Transition Reserve.

1.1.65 LG&E: As defined in the Recitals.

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

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

1.1.68 Market Energy Charge: As defined in Section 4.3.3.

1.1.69 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 Section 4.13.2 during such Hour.

1.1.70 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.

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

1.1.72 Monthly Charge: As defined in Section 4.1.

1.1.73 MW: Megawatt.

1.1.74 MWh: Megawatt-hour.

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

1.1.76 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.

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

1.1.78 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.

1.1.79 New Transaction: The transactions by and between or among one or more of Kenergy, Century, Alcan and Big Rivers related to the supply of Electric Services to Century under this Agreement and "Electric Services" as defined in the Alcan Retail Agreement to Alcan

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including the Century Wholesale Agreement, the Alcan Wholesale Agreement, coordination agreements, lockbox agreements, and all other related agreements.

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

1.1.81 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.

1.1.82 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.

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

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

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

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

1.1.87 Parties: Kenergy and Century.

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

1.1.89 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.

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


1.1.91 Potential Tax Liability: As defined in Section 13.3.

1.1.92 Potline Reduction: As defined in Section 10.3.1.

1.1.93 Potline Reduction Sales: As defined in Section 10.3.1.

1.1.94 Potline Reduction Sales Agreement: As defined in Section 10.3.1.

1.1.95 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*

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discontinues publication of the prime commercial lending rate, the Parties and Big Rivers shall agree on a mutually acceptable alternative source for that rate.

1.1.96 Prudent Utility Practice: Any of the practices, methods, and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period; or any of the practices, methods, and acts which, in the exercise of reasonable judgment in light of the facts known at the time a decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Prudent Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be any and all acceptable practices, methods, or acts generally accepted.

1.1.97 Rebate: As defined in Section 4.9.

1.1.98 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.

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

1.1.100 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.

1.1.101 Restructuring Amount: As defined in Section 16.5.1.

1.1.102 Retail Fee: As defined in Section 4.12.

1.1.103 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.

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

1.1.105 Scheduled Interruptible Energy: As defined

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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: Century and Alcan.

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, Century, Big Rivers or Alcan.

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

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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 Century Wholesale Agreement.

1.1.124 Transmission Upgrade: The transmission upgrade described in the Coordination Agreement dated the date hereof between Century 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 Century; 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 10.2.11

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.

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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 Century 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”).

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2.2 Characteristics of Service. Electric service to be supplied by Kenergy to Century 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 Century Base Monthly Energy, Supplemental Energy and Back-Up Energy.


2.3.1 Base Monthly Energy. Century 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 Century 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). Century 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 Century any Firm Energy which Big Rivers in its sole discretion offers to Kenergy for resale to Century 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. Century shall have ten minutes from the time it receives verbal Notice of Interruption to notify Big Rivers and Kenergy whether Century agrees to purchase Buy-Through Energy offered to be supplied by Big Rivers to Kenergy for resale to Century. Century 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 Century 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

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accordance with the applicable Notice of Interruption and neither Kenergy nor Big Rivers shall have any obligation to supply Century 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 Century, upon the request of Century ("Market Energy") specifying (i) the requested amount and duration of such Energy, and (ii) all requested prices and material terms and conditions. Century 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 Century.


(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 Century setting forth Century's consent to the execution, delivery and performance of such contractual arrangements and upon Century'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 Century, Kenergy shall make application to, and use reasonable commercial efforts to obtain approval of, the KPSC to sell such Market Energy to Century 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 Century for Market Energy, Kenergy shall request that Big Rivers provide all Transmission Services necessary to transmit Market Energy requested by Century 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. Century acknowledges and agrees that Kenergy shall have no liability to Century 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 Century 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 Century 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

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

(v) If Century 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 Century, 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 Century's request. Kenergy shall apply all revenues derived from such resale as a credit to Century, 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 Century 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. Century 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 Century during any Billing Month. Century shall, without regard to the obligations of Big Rivers pursuant to the Century 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 Century.


2.5 Title and Risk of Loss. Title to and risk of loss with respect to Energy provided by Kenergy to Century pursuant to this Agreement will pass from Kenergy to and rest in Century when the same is made available by Kenergy (or Big Rivers on behalf of Kenergy) at the Point of Delivery. After title passes to Century, Century 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. Century acknowledges and agrees that, to the extent Big Rivers has a corresponding or related obligation to Kenergy under the Century 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. Century acknowledges and agrees that Big Rivers may enforce an obligation of Century under this Agreement which corresponds or relates to an obligation of Kenergy to Big Rivers under the Century Wholesale Agreement.

ARTICLE 3

CHANGES IN DEMAND AND SCHEDULING

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

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3.2 Scheduling.

3.2.1 Century 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 intended usage.

3.2.2 In accordance with the OATT, Century 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. Century 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.

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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.

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 Century 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 Century.

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 Century 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 co similar

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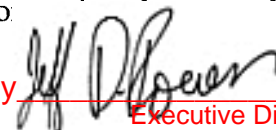
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costs or expenses), provided by a Third Party whose transmission system is used to transmit Market Energy purchased from a Third Party to a point at which Big Rivers' transmission system is interconnected with such system; and

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

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 Century 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)(i).

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

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

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 Transmission Services for (a) Base Monthly Energy that are unbundled from the Large Industrial Rate in accordance with the terms of the Century 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 Century 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 Kenergy for resale to Century, 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) 74,005.

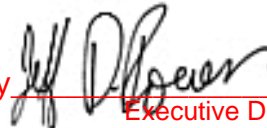
4.7 TIER Adjustment Charge.

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.

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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. Kenergy shall collect such estimated amount from Century 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 a comparison of the Budget and 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 Century 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 Century as compared to the Budget during the remainder of the Fiscal Year. Kenergy shall collect or credit such modified amount from Century 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 Century 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 Alcan 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 _____ Discount

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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 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 Alcan 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 Alcan 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 Alcan 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

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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 not cause 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 Alcan 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 Alcan 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 Alcan 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 Alcan Retail Agreement.

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(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 Alcan 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.

(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 Century 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 Alcan Retail Agreement (without regard to whether the Alcan Retail Agreement is then in eff

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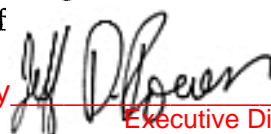
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4.10 Equity Development Credit. If there is an Excess TIER Amount in any Fiscal Year and Big Rivers does not elect to implement a rebate to its Members, then no later than the first day of the fifth month of the following Fiscal Year, Kenergy will 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:
 - (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 Alcan Retail Agreement (without regard to whether the Alcan 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).

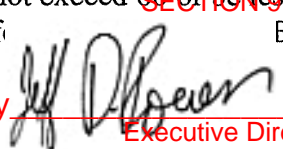
4.11 Surcharge. In addition to any other amounts payable under this Agreement, and notwithstanding anything in this Agreement to the contrary, Century shall pay a surcharge (the "Surcharge") equal to the sum of the following:

- (a) As applicable:
 - (i) \$241,472 each Billing Month from the Effective Date through and including December, 2011;
 - (ii) \$344,960 each Billing Month from January, 2012 through and including December, 2016;
 - (iii) \$481,188 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 Big Rivers

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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 Century 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 Century shall be applied to amounts due for the remainder of the Fiscal Year under this Section 4.11(c). Within 120 days of the end of each Fiscal Year, an additional amount shall be credited to Century 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, \$113,412.

The obligations of Century 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 Century 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 Century (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 Century 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 Century are set forth in Exhibit A.


4.13.2 Curtailment of Purchased Power. For any Billing Month, Kenergy will credit Century 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 B

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curtailed, if any, during such Hour in an amount and for a duration mutually agreed among Century, Kenergy and Big Rivers pursuant to this Section 4.13.2 and the corresponding section of the Alcan Retail Agreement. If both Century and Alcan 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 Alcan Retail Agreement, Century and Alcan 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. From time to time, Century 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, Century 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 Century of Energy prices reaching or exceeding the minimum price at which Century will consider curtailment. Sample calculations of credit that would be due to Century for curtailment of purchased power are set forth in Exhibit A.

4.13.3 Economic Sales. For any Billing Month, Kenergy will credit Century 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 Century, 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, Century and Big Rivers, (a) the amount of Base Demand per Hour curtailed by Century 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 Century and Alcan 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 Alcan Retail Agreement, Century and Alcan 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, Century 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, Century 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 Century of Energy prices reaching or exceeding the price of which Century 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 Century are set forth in Exhibit A.

4.13.4 Market Energy Sales. For any Billing Month, Kenergy will credit Century all revenues derived from the resale of Market Energy purchased from suppliers, net

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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 Century 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.

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. Century shall pay or cause to be paid any such taxes which are now or hereafter become applicable to the sale of Electric Services to Century under this Agreement.


ARTICLE 5

BILLING

5.1 Monthly Invoice. Kenergy shall bill Century 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. Century 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, Century hereby acknowledges and consents to the assignment by Kenergy to Big Rivers of its right to receive such payment from Century 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 Century. If Big Rivers owes credits or funds to Kenergy for the benefit of Century, Kenergy hereby assigns such credits or funds to Century and shall cooperate with and assist Century with respect to any collections of amounts due from Big Rivers to Kenergy; *provided*, that Century shall reimburse Kenergy for any reasonable expenses Kenergy incurs in providing such cooperation or assistance.

5.2 Right to Discontinue Service. If Century 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 Century 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 Century 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 Century 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.

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5.4 Payments Under Protest. If any portion of any monthly statement is disputed by Century, 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 Century 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.

5.5 Release and Indemnification.

(a) Century (i) shall release Kenergy from any and all claims Century may have against Kenergy for the failure of Big Rivers to satisfy its obligations under the Century 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 Century 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 Century Wholesale Agreement, Kenergy shall immediately deliver to Century (i) a power-of-attorney with full power of substitution which shall designate Century 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 Century 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 Century for the purposes of obtaining legal or equitable relief as a result of the failure of Big Rivers to satisfy its obligations under the Century 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 Century may deem appropriate, and (ii) an assignment conveying to Century 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 Century Wholesale Agreement. The power-of-attorney and the assignment shall be in form and substance reasonably satisfactory to Century and shall be legally effective and enforceable under Kentucky or other Applicable Law.

5.6 No Waiver. No payment made by Century pursuant to this Article 5 will constitute a waiver of any right of Century 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 Century in connection with the application of a credit to Century'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

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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 one or more conditions is subject to being waived).

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 Century 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 Century shall have received a certificate to such effect from Kenergy and Big Rivers in respect of their respective representations and warranties in the Century 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 Century.


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

6.2.5 The Century Guarantee will have been duly authorized, executed and delivered by Century 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, Alcan, LG&E and Century, 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 KPSO or PERC, on the Effective Date, such approvals will have been duly given or issued, received and will be in full

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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 Century Wholesale Agreement, the Alcan Wholesale Agreement and the Alcan 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 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 Century 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 Century 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

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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 Century Wholesale Agreement or Big Rivers' ability to recover costs from the Smelters or the Non-Smelter Ratepayers other than as contemplated in connection 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) Century 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 Century 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 Century if the New Transaction is consummated.

7.2.5 Century Wholesale Agreement Termination. Kenergy may terminate this Agreement if Big Rivers terminates the Century 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 Century acknowledge and agree that the Existing Century 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.

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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 Hawesville Smelter.

(a) Century 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 Hawesville Smelter.

(b) No termination pursuant to Section 7.3.1(a) may be effective prior to December 31, 2010. If Alcan has given a "Notice of Termination for Closure" under the Alcan Retail Agreement prior to the delivery of Notice of Termination for Closure by Century and if the Transmission Upgrade has not been completed at the time of such termination, Century 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 Century 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 Hawesville Smelter and has no current intention of re-commencing smelting operations at the Hawesville 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 Century not less than five Business Days' prior notice of such testing. Century 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 of such tests. If any meter should fail to register for any period, the Parties and mutually

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agreed upon estimates for such period from the best information available. If Century 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 Century discloses that the meters are not more than plus or minus 1% inaccurate, Century shall reimburse Kenergy for the reasonable cost of such test. In all other respects, meters through which Kenergy delivers Energy to Century 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 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 Century.

9.1.2 Century 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 Century'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 Century 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 Century as provided for in this Agreement.

9.3 Facilities Provided by Century.

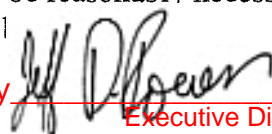
9.3.1 Century has provided or shall provide, without cost to Kenergy or Big Rivers all easements for rights-of-way upon Century's property at the Hawesville Smelter (at such locations and of such dimensions as may be mutually agreed upon) for Big Rivers' transmission lines and for any Kenergy distribution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

9.3.2 Century 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 Century's substation located adjacent to the Hawesville Smelter, including such protective devices as may be reasonably necessary to protect Big Rivers' transmission system from disturbance caused by such facilities and equipment. Century shall also submit to Big Rivers' all plans

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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. Century acknowledges and agrees that any curtailment caused by a System Emergency (or for any other 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 Century 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. Century grants the duly authorized agents and employees of Kenergy and Big Rivers the right to reasonable access to the premises of Century 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 Century, 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 Century.

9.6.1 Century shall use commercially reasonable efforts to properly protect the property of Kenergy or Big Rivers, located on its premises, and shall permit the 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.

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9.6.2 Century grants to Kenergy and its agents and employees a license to enter Century's electrical substation located adjacent to the Hawesville Smelter and upon Century'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 Century may request that Kenergy sell Energy through Big Rivers which is surplus to Century's needs by delivering prior written notice to Kenergy and Big Rivers (a) identifying the portion of Base Demand per Hour Century requests Kenergy and Big Rivers sell and the associated times and duration of the requested sales, and (b) agreeing to curtail its demand per Hour so Century'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 Century 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 Century 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 Century 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). Century 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 Century 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) Century 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 Century, 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.

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10.2 Undeliverable Energy Sales.

10.2.1 Century 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 Hawesville Smelter unfit for normal use and limits Century's ability to engage in aluminum reduction operations thereat; (ii) Century'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 Century or any of its Affiliates. If and to the extent directed by Century, Kenergy immediately will request Big Rivers to use reasonable commercial efforts to sell an amount of Energy up to the corresponding reduction in Century's demand as a result of such event during the continuance of such limitation, subject to the same 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." Century 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 Century. Upon Century providing a certificate representing that the event can not be remedied with reasonable diligence within six months, Century'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 Century'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 Century 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 CENTURY 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 CENTURY 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 CENTURY. THIS WAIVER SHALL ALSO NOT APPLY TO CLAIMS FOR DAMAGES OR OTHER REMEDIES FROM KENERGY OR BIG RIVERS BROUGHT BY CENTURY OR ITS SUBROGEE IN CONNECTION WITH A CIRCUMSTANCE WHERE (I) CENTURY IS UNABLE TO ACCEPT ENERGY AS CONTEMPLATED IN SECTION 10.2.1 (II) BIG RIVERS IS UNABLE TO DELIVER ENERGY TO THE SMELT

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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) Century 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 Century, 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.

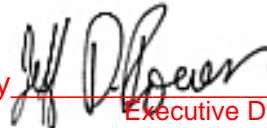
10.3 Potline Reduction Sales.

10.3.1 Century 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) Century has ceased or will cease all aluminum smelting operations on one and only one of its potlines at the Hawesville Smelter (a "Potline Reduction"); (ii) Century is reasonably likely to be able to continue aluminum smelting operations with respect to all of its other potlines at the Hawesville Smelter as a result of the cessation of aluminum smelting operations on the potline referred to in clause (i); (iii) Century 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 Century Parent certifying as to the matters set forth in clauses (i), (ii), (iii), and (iv) above.

10.3.2 Century, 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 Century's demand in such amounts and over a period of time as is mutually satisfactory.

10.3.3 Century 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 Century 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 Century 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.

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10.3.5 Kenergy and Big Rivers shall consult with Century 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 Century requests the Potline Reduction Sales be made on a Firm basis, Century 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, Century 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 or, if such amount is in excess of the Monthly Charge otherwise applicable, such excess shall be paid to Century. 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 Century to Kenergy and Big Rivers, and (c) the earlier of the date (i) one year after the date Century 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 Century 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. Century 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 Century 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) Century 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 Century, 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 Century 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. Century 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. Century shall consume all Energy purchased under this Agreement

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in connection with the operation of its Hawesville Smelter except as expressly permitted pursuant to this Agreement.

10.5 Refund of Income Tax Estimated for Net Proceeds. Kenergy shall return to Century 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

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 Century 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 Century 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 Century of its payment obligations under Article 4, including its payment obligations with respect to the Base Energy Charge. CENTURY 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 BE THE SOLE AND EXCLUSIVE REMEDIES IN THE EVENT THAT CENTURY IS UNABLE TO RECEIVE ENERGY INCLUDING IF THAT INABILITY IS CAUSED BY AN UNCONTROLLABLE FORCE.

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ARTICLE 12

REPRESENTATIONS AND WARRANTIES

12.1 Representations and Warranties of Kenergy. Kenergy hereby represents and warrants to Century 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.

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 Century. Century hereby represents and warrants to Kenergy as follows:

12.2.1 Century is a general partnership duly organized and validly existing and in good standing under the laws of the Commonwealth of Kentucky and 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 Century have been duly and effectively authorized by all requisite partner 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 Century;

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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) Century 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 Century 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 Century 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, Century's 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, Century, Big Rivers and, if the Alcan Retail Agreement is then in effect, Alcan, 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 Century 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 Century.

13.1.4 *Notice of Material Filings.* Kenergy shall provide or cause to be provided to Century 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 Century to audit, upon reasonable notice, at its own expense, at a mutually agreeable time, all information in the possession of Kenergy relating to its service to Century under this Agreement, including scheduled usage, meter records and billing records. Kenergy shall retain all documentation applicable to service to Century 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.

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13.3 Century Credit Support. Century shall (i) if the rating of the unenhanced, unsecured debt obligations of Century Parent with Standard & Poor's is not "A+" or higher (and in addition, if Century 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 Century'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 Century Parent to guarantee to Big Rivers and Kenergy the payment and performance of all obligations of Century under this Agreement, including Potential Tax Liability, and the other documents entered into by Century and its affiliates in connection with the New Transaction pursuant to a Guarantee Agreement executed by Century Parent in favor of Big Rivers and Kenergy which shall be satisfactory in form and substance to Big Rivers and Kenergy (the "Century Guarantee"). At the request of Big Rivers or Kenergy, Century will maintain the Century Guarantee until closure of all applicable tax years of Big Rivers. At the request of Century, Kenergy shall request that Big Rivers provide Century 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 Century 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 Century 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 Century 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 Century.

13.4.4 The expiration or earlier termination of this Agreement shall not modify or revoke the then existing entitlement of Century to allocations or distributions of patronage capital or the entitlement of Century 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 Century agree that the provisions of this Section 13.4 are not the exclusive provisions for determining Century's entitlement to distributions of patronage capital or payments on account of property rights.

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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 Century.

13.6 Negotiation of Replacement Agreement. If this Agreement has not been terminated earlier, Kenergy shall negotiate in good faith with Century 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 Hawesville Smelter as set forth in Section 7.3.1 and Century continues non-smelting operations, Century 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.

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 Century 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

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14.1.8 Failure, inability or refusal of Kenergy to cure a breach or default by Kenergy under the Century Wholesale Agreement which gives rise to a termination of the Century Wholesale Agreement, or any termination by Kenergy of the Century 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 either at law or in equity for the breach or default of any of the provisions herein provided that:

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 Century Wholesale Agreement if the actions or omissions of Kenergy caused such "Event of Default"; *provided*, that either Party may terminate this Agreement if the Century 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

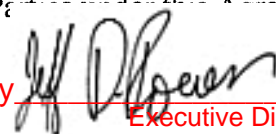
DISPUTE RESOLUTION

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

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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.

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.

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16.5 Big Rivers Restructuring.

16.5.1 In connection with a Restructuring, Kenergy, Century, Alcan 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; *provided*, that the application of this Section 16.5 shall not result in Century 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 Alcan Retail Agreement.

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

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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 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:

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By 
Executive Director

If to Kenergy: Kenergy Corp.
6402 Old Corydon Road
Henderson, Kentucky 42420
Facsimile: (270) 286-3999
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 Century: Century Aluminum Company
P.O. Box 500
State Route 271 North
Hawesville, Kentucky 42348
Attn: Plant Manager
Facsimile: (270) 852-2882

With a copy to: Century Aluminum Company
2511 Garden Road
Building A, Suite 200
Monterey, CA 93940
Attn: General Counsel
Facsimile: (831) 642-9328

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) 286-3999
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

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Executive Director

If to Century:

Century Aluminum Company
P.O. Box 500
State Route 271 North
Hawesville, Kentucky 42348
Attn: Plant Manager
Facsimile: (270) 852-2882

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.

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.

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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]

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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

CENTURY ALUMINUM OF KENTUCKY
GENERAL PARTNERSHIP

By: _____
Name:
Title:

[Century Retail Agreement]

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By: J. D. Brown
Executive Director

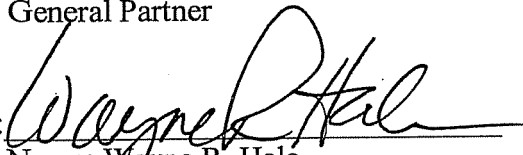
IN WITNESS WHEREOF, this Agreement is hereby executed as of the day and year first above written.

KENERGY CORP.

By: _____
Name:
Title:

CENTURY ALUMINUM OF KENTUCKY
GENERAL PARTNERSHIP

By: Century Kentucky, Inc.,
General Partner

By: 
Name: Wayne R. Hale
Title: President

[Century Retail Agreement]

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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 Century, 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 Century 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 Century'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 Century, 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 Century 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:

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(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 Century 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 Century; 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 Century 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 Century and to Kenergy under the Alcan Wholesale Agreement for resale to Alcan 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 Century and Alcan, 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 Century or with respect to "Scheduled Interruptible Energy" as defined in the Alcan Retail Agreement, or any combination thereof; and

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

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(v) Termination of Interruptions. During any period of Permitted Interruption, Big Rivers may notify Kenergy and Century 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 Century at the beginning of the next Hour that starts at least 10 minutes following such notice.

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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

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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

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OF KENTUCKY
7/17/00
Pursuant to 897 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 Guaranty, dated July 15, 1998, executed by LG&E Energy Corp. in favor of Alcan Aluminum Corporation

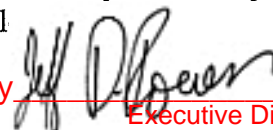
**PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE**

7/17/2009

FOR SUPPLY TO MARKET 5:011

DATE: JULY 15, 1998

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 Kenergy (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 Kenergy (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 Kenergy Corp. and Big Rivers Electric Corporation
32. Agreement for Interruptible Tier 3 Energy, dated as of November 5, 2002, between Kenergy Corp. and Big Rivers Electric Corporation
33. Agreement for Interruptible Tier 3 Energy, dated as of September 15, 2003, between Kenergy Corp. and Big Rivers Electric Corporation

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


By 
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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

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 PURSUANT TO 807 KAR 5:011
 SECTION 8(4)

By 
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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

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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

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(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.

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.

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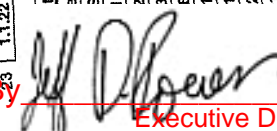


Executive Director

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

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)	Polling Reduction Sales (10.3)	Curtailment for Purchased Power (4.13.2)	Economic Sales (4.13.3)
1	1.1.16 - Base Demand (MW) (a)	850.0	850.0	850.0	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	7,297	7,297	7,297	7,297	7,297	7,297	7,297	7,297	7,297
3	Energy Balance (Annual TWh)	98%	96%	100%	100%	100%	88%	49%	85%	94%	98%
4	Assumed Load Factor	7,297	7,148	7,446	7,428	7,560	6,567	3,649	6,310	7,012	7,287
5	Metered Energy										
6	2.3.2 - Supplemental Energy				0.131						
7	2.3.2(a) Interruptible Energy				0.197						
8	2.3.2(b) Buy-Through Energy				0.066						
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 - Polling Reduction Sales										
21	1.1.18, 1.19 - Base Hourly Monthly Energy										
22	1.1.22 - Base Variable Energy										
23	Less at Energy Price										
24	Supplemental Energy *										
25	1 - Interruptible Energy Rate										
26	2 - Buy-Through Energy Rate										
27	3 - Market Energy Rate										
28	4 - Backup Energy Rate										
29	5 - Base Variable Rate										
30	6 - Base Variable Rate										
31	7 - Base Variable Rate										
32	8 - Base Variable Rate										
33	9 - Base Variable Rate										
34	10 - Base Variable Rate										
35	11 - Base Variable Rate										
36	1.1.23 - Base Variable Rate										
37	1.1.52 - FAC Factor										
38	1.1.43 - Environmental Surcharge Factor										
39	1.1.84 - Non-FAC Purchased Power Adjustment Factor										
40	See contract charges below										
41	Contract										
42	See Supporting Sched.										
43	4.11 (a)										
44	4.11 (b)										
45	4.11 (c)										

By  Executive Director

PUBLIC UTILITIES COMMISSION
 STATE OF OREGON
 100 NE Oregon Street, Portland, OR 97232
 (503) 241-3700
 www.puc.or.gov

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)	Poliline 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	205.4	203.6	207.3	205.4	205.4	205.4	205.4	205.4	205.4	205.4
48	4.3 Supplemental Energy Charge	-	-	-	8.0	-	-	-	-	-	-
49	4.3.1 Interruptible Energy	-	-	-	8.0	-	-	-	-	-	-
50	4.3.2 Buy-Through Energy	-	-	-	16.0	-	-	-	-	-	-
51	4.3.3 Market Energy	-	-	-	-	8.0	8.0	-	-	-	-
52	4.4 Back-up Energy Charge	-	-	-	-	32.9	-	-	-	-	-
53	4.4.1(a) and (b) (within 10MW per Smelter)	-	-	-	-	-	-	-	-	-	-
54	4.4.1(c) - Excess	-	-	-	-	-	-	-	-	-	-
55	4.5 Transmission Services Charge	-	-	-	-	-	-	-	-	-	-
56	4.6 Excess Reactive Demand Charge	-	-	-	-	-	-	-	-	-	-
57	4.7 TIER Adjustment Charge	81.9	80.2	83.5	81.9	81.9	81.9	81.9	81.9	81.9	81.9
58	4.8 Adjustable Charges	0.5	0.5	0.6	0.5	0.5	0.5	0.5	0.5	0.5	0.5
59	4.8.1 FAC Charge	15.96	15.63	16.28	15.96	15.96	15.96	15.96	15.96	15.96	15.96
60	4.8.2 Non-FAC Purchased Power Adjustment Charge	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)
61	4.8.3 Environmental Surcharge	-	-	-	-	-	-	-	-	-	-
62	4.9 Rebate	-	-	-	-	-	-	-	-	-	-
63	4.10 Equity Development Credit	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1
64	4.11 Surcharge	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4
65	4.11(b)	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4
66	4.11(b)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)
67	4.11(b)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)
68	4.11(b)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)
69	4.11(b)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)
70	4.11(b)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)
71	4.11(b)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)
72	4.11(b)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)
73	4.11(b)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)
74	4.11(b)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)
75	4.11(b)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)
76	4.11(b)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)
77	4.11(b)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)
78	4.11(b)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)
79	4.11(b)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)
80	4.13.2 Curtailment for Purchased Power	-	-	-	4.0	-	-	39.9	199.3	53.9	1.1
81	4.13.3 Economic Sales	-	-	-	-	-	-	30.4	-	-	-
82	4.13.4 Market Energy Sales	-	-	-	4.0	-	-	30.4	199.3	53.9	17.4
83	4.13.4 Market Energy Sales	-	-	-	4.0	-	-	30.4	199.3	53.9	17.4
84	Total Credits	314.6	310.7	318.4	322.6	322.6	308.2	314.6	314.6	314.6	314.6
85	Net Charges	-	-	-	-	-	-	-	-	-	-
86	Net Charges per MWh Metered	-	-	-	-	-	-	-	-	-	-
87	Net Charges per MWh Metered	-	-	-	-	-	-	-	-	-	-

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SECTION 11.001

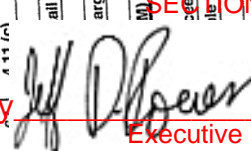
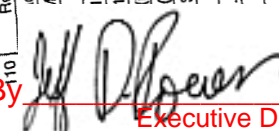

Executive Director

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

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)
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By  Executive Director

7/17/09

Public Service Commission
Kentucky
Effective

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 Modelled:

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)	Pollution Reduction Sales (10.3)	Curtailment for Purchased Power (4.13.2)	Economic Sales (4.13.3)
					Interruptible Energy	Buy-Through Energy	Market Energy	4.4.1 (a) and (b)	4.4.1 (c)	6 Month Duration	115 MW @ 98% Load Factor x 12 Months	Example curtals all market purchases	Max. of 9,600 MWh
131	4.7 TIER Adjustment Charge	579.409	579.409	579.409	579.409	579.409	579.409	579.409	579.409	579.409	579.409	579.409	579.409
132	4.7.5 TIER Adjustment												
133	System Revenues Before TIER Adjustment												
134	Base Case												
135	Increase from Base Case (Accounts for Both Smelters):												
136	Base Energy Charge		(1.9)										
137	FAC/ES/PPA Charges		(2.0)										
138	Supplemental Energy				8.0	8.0	16.0	8.0	40.9	39.9	53.9		1.1
139	Backup Energy									(30.4)	(53.9)		(0.8)
140	Net Proceeds									9.5			0.3
141	Less: Credits												
142	Total Increment from Base Case		(3.9)		8.0	8.0	16.0	8.0	40.9	588.9	579.4	562.0	579.7
143	Total Revenues		579.4	575.5	583.3	587.4	595.4	587.4	620.3	564.4	564.4	564.4	564.4
144	System Expenses Before TIER Adjustment		564.4	564.4	564.4	564.4	564.4	564.4	564.4	564.4	564.4	564.4	564.4
145	Base Case - Gross		(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)
146	Net Debit to Power Purchases reflected in Regulatory Account		564.1	564.1	564.1	564.1	564.1	564.1	564.1	564.1	564.1	564.1	564.1
147	Base Case - Net		(3.9)	(3.9)	8.0	8.0	16.0	8.0	16.0			(17.4)	
148	Increment from Base Case												
149	Variable Costs *												
150	Power Purchases												
151	Interest (net of capitalization)												
152	Other												
153	Total Increment from Base Case		(3.9)	(3.9)	8.0	8.0	16.0	8.0	16.0			(17.4)	
154	Total Expenses		560.3	560.3	572.1	572.1	580.1	572.1	580.1	564.1	564.1	546.8	564.1
155	Margin Before TIER Adjustment		15.3	15.3	15.3	15.3	15.3	15.3	15.3	24.8	15.3	15.3	15.3
156	Interest Charges Plus Net Margin		68.8	68.8	68.8	68.8	68.8	68.8	68.8	78.3	68.8	68.8	68.8
157	Interest Charges:												
158	Base Case												
159	Increment from Base Case												
160	Net Revenues		1,285	1,285	1,285	1,285	1,285	1,285	1,285	1,462	1,285	1,285	1,290
161	Net Revenues Before TIER Adjustment		(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(11.9)	(2.4)	(2.4)	(2.7)
162	Net Revenues After TIER Adjustment		1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4
163	Net Revenues Before TIER Adjustment												
164	Net Revenues After TIER Adjustment												
165	Net Revenues Before TIER Adjustment												
166	Net Revenues After TIER Adjustment												
167	TIER Adjustment		(1.0)	(1.0)	(1.0)	(1.0)	(1.0)	(1.0)	(1.0)	(10.5)	(1.0)	(1.0)	(1.3)
168	TIER Adjustment Charge												
169	4.9 Rebate												
170	Excess TIER Amount		68%	68%	68%	68%	68%	68%	68%	68%	68%	68%	68%
171	Rebate:		(0.7)	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)	(7.1)	(0.7)	(0.7)	(0.9)
172	Smelter MWh												
173	Rebate												
174													
175													
176	* Example assumes variable costs measured at rate stipulated in 1.1.21, plus FAC, Environmental Surcharge, and PPA												
177													

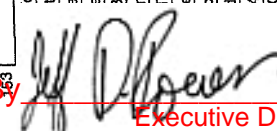

PUBLIC SERVICE COMMISSION
OF KENTUCKY
OPERATIONS DIVISION
SEP 27 2009
1:00 PM
 Executive Director

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: 2009

Case	Derivation	Annualized Basis					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)				
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	1st Q									
190	2nd Q									
191	3rd Q									
192	4th Q									
193	Iterative Forecast Weights (actual forecast methodologies to be determined)									
194	Total Budget									
195	Revenues									
196	Expenses									
197	Net Margin Before TIER									
198	Interest + Margin									
199	Interest Charges									
200	Pre-Adjustment TIER									
201	Increment Needed for 1.24x									
202	Adjustments									
203	TIER Adjustment									
204	1st Q									
205	2nd Q									
206	3rd Q									
207	4th Q									
208	Revised Full Year Forecast									
209	Revenues									
210	Expenses									
211	Net Margin Before TIER									
212	Interest + Margin									
213	Interest Charges									
214	Pre-Adjustment TIER									
215	Increment Needed for 1.24x									
216	Adjustments									
217	TIER Adjustment									
218	1st Q									
219	2nd Q									
220	3rd Q									
221	4th Q									

PUBLIC SERVICE COMMISSION OF KENTUCKY

REGULATORY DIVISION

2009

By *[Signature]* Executive Director

Illustrative Quarterly Basis - Base Case
 Derivation

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

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)									
2	1.1.18 - Base Fixed Energy (TWh) (b)								4.7.4	850.0
3	Energy Balance (Annual TWh)	Contract	850.0	850.0	850.0	850.0	850.0	850.0	4.9	7.297
4	Assumed Load Factor	Contract	7.297	1.824	1.824	1.824	1.824	1.824		
5	Metered Energy	Assumption	98%	100%	98%	98%	98%	98%		
6	2.3.2 - Supplemental Energy	Assumption	7.297	1.862	1.824	1.824	1.824	1.824		
7	2.3.2(a) Interruptible Energy	Assumption								
8	2.3.2(b) Buy-Through Energy	Assumption								
9	2.3.2(c) Market Energy	Assumption								
10	Consumed									
11	Sold									
12	1.1.13 - Backup Energy	Assumption								
13	4.4.1(b) and (c) (within 10MW per Smelter)	Assumption								
14	4.4.1(c) - Excess	Assumption								
15	1.1.15 - Base Curtailled Energy	Assumption (Max. Under Contract)								
16	4.13.2 - Curtailment of Purchased Power	Assumption								
17	4.13.3 - Economic Sales	Assumption								
18	10.1 - Surplus Sales	Assumption								
19	10.2 - Undeliverable Energy Sales	Assumption								
20	10.3 - Polling Reduction	Assumption (Approx. Max.)	7.297	1.862	1.824	1.824	1.824	1.824		7.297
21	1.1.18 / 19 - Base Hourly / Monthly Energy	Assumption (Approx. Max.)	(0.037)	0.037						
22	1.1.22 - Base Variable Energy	line 6 + 17 + 18 + 19 + 20 + 21 line 22 - line 2	60.94	60.94	60.94	60.94	60.94	60.94		60.94
23	Market Energy Price	Assumption *								
24	4.3 - Supplemental Energy **	Assumption								
25	4.3.1 - Interruptible Energy Rate	Assumption								
26	4.3.2 - Buy-Through Energy Rate	Assumption								
27	4.3.3 - Market Energy Rate	Assumption								
28	4.3.4 - Backup Energy Rate	Assumption								
29	4.3.5 - Backup Energy Rate (within 10MW per Smelter)	Assumption								
30	4.4.1(a) and (b) (within 10MW per Smelter)	Contract								
31	4.4.1(c) Excess	Assumption	28.15	28.15	28.15	28.15	28.15	28.15		28.15
32	4.4.1(d) Excess	Assumption	12.47	12.47	12.47	12.47	12.47	12.47		12.47
33	4.4.1(e) Excess	Assumption	11.22	11.22	11.22	11.22	11.22	11.22		11.22
34	4.4.1(f) Excess	Assumption	2.19	2.19	2.19	2.19	2.19	2.19		2.19
35	1.1.21 - Base Rate	See Supporting Sched.	0.08	0.08	0.08	0.08	0.08	0.08		0.08
36	1.1.22 - Base Rate	See Supporting Sched.								
37	1.1.23 - Base Variable Rate	Tariff								
38	1.1.56 - FAC Factor	Contract (Appendix A)								
39	1.1.61 - Environmental Surcharge Factor	Contract (Appendix A)								
40	1.1.24 - Non-FAC Purchased Power Adjustment Factor	Contract (Appendix A)								
41	4.1.14 - Surcharges:	See contract charges below	0.60	0.60	0.60	0.60	0.60	0.60		0.60
42	4.1.1 (b)	Contract	0.60	0.60	0.60	0.60	0.60	0.60		0.60
43	4.1.1 (c)	See Supporting Sched.								
44	** Assumed price at cost - Illustration	See Supporting Sched.								

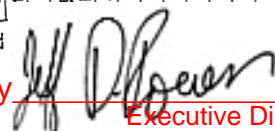
By  Executive Director

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) - 2009
 Illustrative Quarterly Basis - Base Case

Case	Derivation	Base Case	Q1		Q2		Q3		Q4		Pre-Adjusted Year	Adjust. TIER Adjustment	Rebate	Adjusted Year
			Adj. Per 4.7.3	96% load factor/expense 5% above avg.	Adj. Per 4.7.3	100% load factor/expense 5% above avg.	Adj. Per 4.7.3	98% load factor/expense 0% above avg.	Adj. Per 4.7.3	98% load factor/expense 10% below avg.				
46	Charges (\$M)			50.9		51.8				51.4	205.4			205.4
47	4.2 Base Energy Charge	(2 x 35) + (23 x 36)										4.7.4	4.9	
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	See Supporting Sched.												
57	4.7 TIER Adjustment Charge													
58	4.8 Adjustable Charges													
59	4.8.1 FAC Charge	22 x 37		20.0		20.9		20.5		20.5	81.9			81.9
60	4.8.2 Non-FAC Purchased Power Adjustment Charge	22 x 39		0.1		0.1		0.1		0.1	0.5			0.5
61	4.8.3 Environmental Surcharge	22 x 38		3.91		4.07		3.99		3.99	15.96			15.96
62	4.9 Rebate	Contract												
63	4.10 Equity Development Credit													
64	4.11 Surcharge	Contract		1.3		1.3		1.3		1.3	5.1			5.1
65	4.11 (b)	Contract		4.4		4.4		4.4		4.4	17.6			17.6
66	4.11 (a)	2 x 42		1.1		1.1		1.1		1.1	4.4			4.4
67	4.11 (c)	2 x 43		1.1		1.1		1.1		1.1	4.4			4.4
67A	4.11 (d)	- \$200,000 x 12		(0.6)		(0.6)		(0.6)		(0.6)	(2.4)			(2.4)
68	12 Retail Fee	Contract												
69	Total Charges			77.8		81.8		84.3		84.3	328.3			328.3
70	Credits (\$M)													
71	1.0 Proceeds from Sale of Surplus Energy	(12+18+19+20)x25 - (tax + admn. cost) % Resale of Market Energy												
72	1.1 Surplus Energy	See Supporting Schedules												
73	1.2 Surplus Energy	See Supporting Schedules												
74	1.3 Surplus Energy	See Supporting Schedules												
75	1.4 Surplus Energy	See Supporting Schedules												
76	1.5 Surplus Energy	See Supporting Schedules												
77	1.6 Surplus Energy	See Supporting Schedules												
78	1.7 Surplus Energy	See Supporting Schedules												
79	1.8 Surplus Energy	See Supporting Schedules												
80	1.9 Surplus Energy	See Supporting Schedules												
81	2.0 Surplus Energy	See Supporting Schedules												
82	2.1 Surplus Energy	See Supporting Schedules												
83	2.2 Surplus Energy	See Supporting Schedules												
84	Total Credits			77.8		81.8		84.3		84.3	328.3			328.3
85	Net Charges per MWh													
86	Net Charges per MWh													
87	Net Charges per MWh													

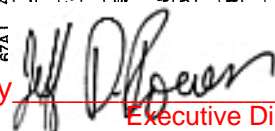
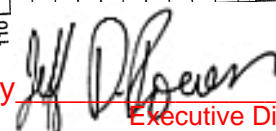
PUBLIC SERVICE COMMISSION
 OF NEW JERSEY
 PER ORDER OF THE COMMISSION
 1/17/2009
 By: 
 Executive Director

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:

Illustrative Quarterly Basis - Base Case

Case	Derivation	Illustrative Quarterly Basis - Base Case				Rebate	Adjusted Year
		Q1	Q2	Q3	Q4		
89	Supporting Schedules						
90	1.1.21 Smelter Base Rate	79%	79%	79%	79%		79%
91	Large Industrial Rate	13.72	13.72	13.72	13.72		13.72
92	Load Factor (%)	10.15	10.15	10.15	10.15		10.15
93	Energy (\$/MWH)	31.39	31.39	31.39	31.39		31.39
94	Demand (\$/KW-mo.)						
95	Blend						
96	MDA (\$/MWH)	31.39	31.39	31.39	31.39		31.39
97	Net Rate (\$/MWH)	27.90	27.90	27.90	27.90		27.90
98	Large Industrial Rate @ 98% LF	0.25	0.25	0.25	0.25		0.25
99	Plus Margin	28.15	28.15	28.15	28.15		28.15
100	Smelter Base Rate						
101	1.1.23 Base Variable Rate	10.72	10.72	10.72	10.72		10.72
102	FAC Base	1.75	1.75	1.75	1.75		1.75
103	Environmental Surcharge base	12.47	12.47	12.47	12.47		12.47
104	Purchased Power Base						
105	Total	16.44	16.4	16.4	16.4		16.4
106	4.11 (c) Surcharge	21.94	21.9	21.9	21.9		21.9
107	Reference Fuel Expense (\$/MWH)	0.60	0.60	0.60	0.60		0.60
108	Actual Fuel Expense (\$/MWH)						
109	Min. of i) Actual Less Reference and ii) \$0.60 (not less than zero)						
110	1.1.12 Avoidable Base Charge						
111	1.1.20(a) Base Rate plus Available Charge Rates	35 + 37 + 38 + 39	line 19				
112	1.1.20(b) Base Fixed Charge plus Available Charge Rates	line 116 x line 117					
113	1.1.20(c) Base Variable Rate plus Available Charge Rates	36 + 37 + 38 + 39	line 23				
114	1.1.20(d) Base Variable Rate plus Available Charge Rates	line 121 x line 122					
115	1.1.20(e) Base Fixed Charge plus Available Charge Rates	36 + 37 + 38 + 39					
116	1.1.20(f) Base Variable Rate plus Available Charge Rates	line 126 x line 127					
117	1.1.20(g) Base Fixed Charge plus Available Charge Rates	line 118 + line 123 - line 128					
118	Net						
119	Net						
120	Net						
121	Net						
122	Net						
123	Net						
124	Net						
125	Net						
126	Net						
127	Net						
128	Net						
129	Net						
130	Net						

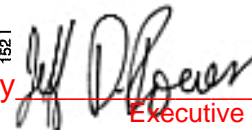
By  Executive Director

PUBLIC SERVICE COMMISSION OF KENTUCKY
EFFECTIVE
SECTION 9 (1)

Exhibit A - Retail and Wholesale Services 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
		Q1	Q2	Q3	Q4								
131	4.7 TIER Adjustment Charge												
132	4.75 TIER Adjustment												
133	System Revenues Before TIER Adjustment				579,409	144,852	144,852	144,852	144,852	579,409			
134	Base Case												
135	Increment from Base Case (Accounts for Both Smelters):				(0.5)	0.5							
136	Base Energy Charge				(0.5)	0.5							
137	FAC/ ES/ PPA Charges												
138	Supplemental Energy												
139	Backup Energy												
140	Net Proceeds												
141	Less: Credits				(1.0)	1.0				(0.0)			
142	Total Increment from Base Case				143.9	145.8	144.9	144.9	144.9	579.4		579.4	
143	Total Revenues				564.4	141.1	141.1	141.1	141.1	564.4		564.4	
144	System Expenses Before TIER Adjustment				(0.3)	(0.1)	(0.1)	(0.1)	(0.1)	(0.3)		(0.3)	
145	Base Case - Gross				564.1	141.0	141.0	141.0	141.0	564.1		564.1	
146	Net Debit to Power Purchases reflected in Regulatory Account												
147	Base Case - Net				(1.0)	1.0				(0.0)			
148	Increment from Base Case												
149	Variable Costs *												
150	Power Purchases												
151	Interest (net of capitalization)				7.1	7.1				(14.1)			
152	Other				6.1	8.0				(14.1)			
153	Total Increment from Base Case				149.9	149.0	141.0	141.0	141.0	564.1		564.1	
154	Total Expenses				15.3	(3.2)	3.8	3.8	3.8	17.9		15.3	
155	Net Margin Before TIER Adjustment				66.8	10.2	10.2	10.2	10.2	31.3		68.8	
156	Interest Charges Plus Reg Margin												
157	Net Margin				66.8	10.2	10.2	10.2	10.2	31.3		68.8	
158	Increment from Base Case												
159	Base Case				53.6	13.4	13.4	13.4	13.4	53.6		53.6	
160	Increment from Base Case				53.6	13.4	13.4	13.4	13.4	53.6		53.6	
161	Total				1,285	0,759	6.4	6.4	6.4	2,399		1,285	
162	Pre-Adjustment Total				(2.4)	6.4	6.4	6.4	6.4	(14.7)		(2.4)	
163	Incremental Revenue Needed to Achieve TIER = 1.24x				1.4	0.4	0.4	0.4	0.4	0.4		1.4	
164	Adjustments:												
165	4.75 (1.0) revenue from Economic/ Transition Reserves				1.4	0.4	0.4	0.4	0.4	0.4		1.4	
166	Other				(1.0)	6.8	6.8	6.8	6.8	(14.4)		(1.0)	
167	Total												
168	TIER Adjustment												
169	TIER Adjustment Charge												
170	4.9 Rebate				(1.0)							(1.0)	
171	Excess TIER Amount				68%	68%	68%	68%	68%	68%		68%	
172	Rebate:												
173	Smelter MWh												
174	Rebate												

By  Executive Director

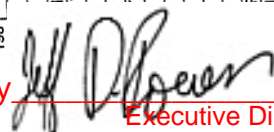
PUBLIC SERVICE COMMISSION
 OF KENTUCKY
 SECURITIES DIVISION

* 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
 Smaller Charges and Credits - (for purposes of examples. Retail Fee set at zero)
 2009
 Year Modelled:

Illustrative Quarterly Basis - Base Case

Case	Derivation	Intermediate Annual Forecasts *				Adjusted Year
		Q1	Q2	Q3	Q4	
178	Base Case	3 Months Actual, 9 Months Forecast	6 Months Actual, 6 Months Forecast	9 Months Actual, 3 Months Forecast	Change Applicable to Next Quarter	Rebate
179	Base Case	Change Applicable to Next Quarter	Change Applicable to Next Quarter	Change Applicable to Next Quarter	Change Applicable to Next Quarter	Adjust. TIER Adjustment
180		579.4	579.4	579.4	579.4	4.7.4
181		564.1	570.2	578.2	578.2	4.9
182		15.3	8.2	1.2	1.2	
183		68.8	61.8	54.7	54.7	
184		53.6	53.6	53.6	53.6	
185		1.29	1.2	1.0	1.0	98% load factor/expense 0% above avg.
186		(2.4)	4.6	11.7	1.4	98% load factor/expense 10% below avg.
187		1.4	1.4	1.4	1.4	
188		(1.0)	6.0	13.1	13.1	
189		-	-	-	-	
190		-	2.0	2.0	2.0	
191		-	2.0	5.5	5.5	
192		-	2.0	5.5	5.5	
193		-	-	-	-	
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		-	-	-	-	
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By  Executive Director

PUBLIC SERVICE COMMISSION OF KENTUCKY
 REGULATORY DIVISION
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