

AMENDMENT NO. 2 TO AGREEMENT FOR ELECTRIC SERVICE  
BETWEEN KENERGY CORP. AND SOUTHWIRE COMPANY

Article I. PARTIES

The Parties to this Amendment No. 2 to Agreement for Electric Service ("Second Retail Amendment"), dated as of this 30<sup>th</sup> day of November, 2000, are KENERGY CORP., a Kentucky corporation organized under KRS Chapter 279 ("Kenergy"), and Southwire Company, a Delaware corporation ("Southwire"). Kenergy and Southwire are each referred to individually as a "Party" and collectively as "Parties."

Article II. RECITALS

Section 2.01 WHEREAS, Southwire and Green River Electric Corporation ("GREC") have previously entered into an Agreement for Electric Service dated July 15, 1998 ("Retail Agreement") and an Amendment No. 1 to Agreement for Electric Service dated July 15, 1998 ("First Retail Amendment");

Section 2.02 WHEREAS, GREC and Big Rivers Electric Corporation ("Big Rivers") have previously entered into an Amendment to Wholesale Power ~~Agreements dated~~ PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE DEC 21 2000 July 15, 1998 ("Wholesale Amendment") that amends certain agreements as defined in the Wholesale Amendment ("Wholesale Agreements");

Section 2.03 WHEREAS, Kenergy is the successor to GREC by consolidation ~~effective on or~~ PURSUANT TO 207 KAR 5:011, SECTION 9(1) about July 1, 1999, between GREC and Henderson Union Electric Cooperative Corp. BY: Stephen O. Bell OF THE COMMISSION

Section 2.04 WHEREAS, Section 21.1 of the Retail Agreement provides that, after December 31, 2000, and through the expiration or earlier termination of the Retail Agreement, the reactive power recorded by Southwire at the Point of Delivery

shall not exceed 164,190 kilovars when the metered demand is at or above 339,000 kilowatts, and further provides that whenever Southwire's recorded reactive power demand exceeds 164,190 kilovars, Kenergy shall purchase from a third party source for resale to Southwire, or shall pay Big Rivers according to its Open Access Transmission Tariff ("OATT"), for Southwire's reactive power demand in excess of 164,190 kilovars, if available;

Section 2.05 WHEREAS, the Parties acknowledge that pursuant to Section 3.3 of the Wholesale Amendment, Big Rivers has agreed to provide, at no additional charge to Kenergy, up to 164,185 kilovars of reactive power with respect to the power delivered by Kenergy to Southwire;

Section 2.06 WHEREAS, Southwire expects that the reactive power demand recorded at its Point of Delivery in some months after December 31, 2000, may reach 242,190 kilovars, an excess of 78,005 kilovars over the amount of reactive power that Big Rivers has agreed to provide at no charge to Kenergy with respect to the power delivered by Kenergy to Southwire; and

Section 2.07 WHEREAS, the Parties have agreed to an arrangement with respect to the expected reactive power demand of Southwire as set forth below:

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In consideration of the mutual covenants herein, the Parties agree as follows:

PURSUANT TO 207 KAR 5:011,  
SECTION 9 (1)

ARTICLE III AGREEMENT

BY: [Signature] Secy  
SECRETARY OF THE COMMISSION

Section 3.01 In consideration of the agreements of Kenergy as set forth below, Southwire shall pay to Kenergy the lump sum of Four Hundred Eighty Three Thousand Dollars (\$483,000), with such payment to be due at the later of (a) December 31, 2000 or (b) ten (10) days following the date upon which Kenergy provides written

notification to Southwire that the last of the conditions necessary for the effectiveness of this Second Retail Amendment has been satisfied or waived.

Section 3.02 The terms and conditions set forth in Sections 3.03, 3.04, and 3.05 below shall become effective on the later of (a) January 1, 2001, or (b) the Effective Date as defined in Article IV below, and shall remain in effect through the expiration or earlier termination of the Retail Agreement.

Section 3.03 Kenergy agrees to acquire from Big Rivers and to provide to Southwire in each month, for the above stated consideration, up to 78,005 kilovars, in addition to the 164,190 kilovars set forth in Section 21.1 of the Retail Agreement, for an aggregate of up to 242,190 kilovars, with respect to Southwire's recorded reactive power demand.

Section 3.04 In the event that Southwire's recorded reactive power demand in any month exceeds 242,190 kilovars, Kenergy agrees to acquire from Big Rivers and to provide to Southwire up to an additional 10,000 kilovars at a rate of \$0.1433 per kilovar per month, payable in accordance with the terms and conditions of the Retail Agreement.

Section 3.05 In the event that Southwire's recorded reactive power demand in any month exceeds 252,190 kilovars, (a) Kenergy shall purchase from a third party source for resale to Southwire, or shall pay Big Rivers according to Big Rivers' filed rate, if any, or a rate negotiated between Kenergy and Big Rivers, for Southwire's reactive power demand in excess of 252,190 kilovars, payable in accordance with the terms and conditions of the Retail Agreement, and (b) Southwire acknowledges that such reactive power demand may be deemed a System

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DEC 21 2000

PURSUANT TO 807 KAR 5011  
BY: Sharon Bue  
Big Rivers' filed rate, if

Disturbance, as defined in and subject to the remedies set forth in the System Disturbance Agreement dated July 15, 1998, among Big Rivers, WKE Station Two Inc., Western Kentucky Energy Corp., Kenergy (as successor to both GREC and Henderson Union Electric Cooperative Corp.), Alcan Aluminum Corporation, and Southwire.

ARTICLE IV EFFECTIVE DATE

Section 4.01 The obligations of the Parties under this Second Retail Amendment shall not commence until the Effective Date, which shall be 12:01 a.m. Central Time of the date following the day upon which the last of the following conditions is satisfied or waived:

- A. This Second Retail Amendment shall have been duly executed by the Parties.
- B. This Second Retail Amendment shall have been filed with and accepted or approved by the Kentucky Public Service Commission without modification.
- C. Kenergy and Big Rivers shall have executed a further amendment to the Wholesale Agreements in form and substance acceptable to Southwire, and such further amendment shall be in full force and effect.
- D. The Parties shall have received all other approvals, permits and consents necessary for the provision by Kenergy of reactive power service under this Second Retail Amendment.

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BY: Michael Bell  
SECRETARY OF THE COMMISSION

Section 4.02 The Parties shall strive in good faith to satisfy all of the foregoing conditions precedent at the earliest practicable date (other than those which the Parties agree

to waive). At such time as Kenergy believes that all of the conditions precedent have been satisfied, Kenergy shall notify Southwire. Without further investigation, Southwire may rely upon such notification by Kenergy.

Section 4.03 In its sole discretion, Kenergy may cancel this Second Retail Amendment immediately upon written notification to Southwire in the event that Southwire has failed to satisfy on a timely basis its payment obligation set forth in Section 3.01 above.

Section 4.04 Other than as set forth above, the Retail Agreement and the First Retail Amendment remain in full force and effect.

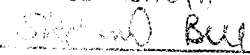
IN WITNESS WHEREOF, the Parties have caused this Second Retail Amendment to be executed as of the date first written above.

SOUTHWIRE COMPANY


PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

DEC 21 2000

By:   
J. Lee Hunter  
Vice President

PURSUANT TO 207 KAR 5.011,  
SECTION 9(1)  
BY:   
SECRETARY OF THE COMMISSION

KENERGY CORP.

By:   
Dean Stanley  
President and CEO