

This Contract, entered into this **26th day of April, 2017** by and between **Kentucky Power Company**, hereafter called the Company, and **Mccoey Elkhorn Coal, LLC, N Blackburn Btm, Pikeville, KY, 41501**, or his or its heirs, successors or assigns, hereafter called the Customer,

Witnesseth:

For and in consideration of the mutual covenants and agreements hereinafter contained, the parties hereto agree with each other as follows:

The Company agrees to furnish to the Customer, during the term of this Contract, and the Customer agrees to take from the Company, subject to Company's standard Terms and Conditions of Service as regularly filed with the **Public Service Commission of Kentucky**, all the electric energy of the character specified herein that shall be purchased by the Customer in the premises located at **Customer's Bevins Coal Prep Plant & Deep Mines, Route 194, North Blackburn Bottom, John's Creek, Pike County, KY**.

The Company is to furnish and the Customer is to take electric energy under the terms of this Contract for an initial period of **24** month(s) from the time such service is commenced, and continuing thereafter until terminated upon **12** months' written notice given by either party of its intention to terminate the Contract. The date that service shall be deemed to have commenced under this Contract shall be **4/26/2017**.

The electric energy delivered hereunder shall be alternating current at approximately **69000** volts, **3-wire, 3-phase**, and it shall be delivered **Customer's equipment from Company 69 kV Metering Structure K400-05**, which shall constitute the point of delivery under this Contract. The said electric energy shall be delivered at reasonably close maintenance to constant potential and frequency, and it shall be measured by a meter or meters owned and installed by the Company and located on **Company structure K400-05 at 69 kV Meta Metering Station**.


The Customer acknowledges that the Customer may be eligible to receive service under more than one of the Company's schedules and that such options have been explained to the Customer. The Customer and Company agree that the Customer has chosen to receive service under the provisions of the Company's **Tariff INDUSTRIAL GNL SVC SUBTRANSMISSION, Code 359**. The Customer agrees to pay the Company monthly for electric energy delivered hereunder at the rates and under the provisions of the Company's **Tariff INDUSTRIAL GNL SVC SUBTRANSMISSION, Code 359**, as regularly filed with the **Public Service Commission of Kentucky**, as long as that schedule is in effect. In the event that the Tariff chosen by the Customer is replaced by a new or revised Tariff incorporating different rates or provisions, or both, the Company and Customer understand and agree that the Company will continue to provide service, and the Customer will continue to take service, under this Contract, subject to such changed provisions, and that the Customer will pay for such service at the new rates on and after the date such rates become effective.

The Customer's contract capacity under the Tariff named herein is hereby fixed at **6,700 kW**. If a time-of-day demand is available under the Tariff and is selected by the Customer, the reservation of capacity aforementioned shall be the peak period reservation of capacity and shall determine the Tariff minimum monthly billing demand.

There are no unwritten understandings or agreements relating to the service hereinabove provided. This Contract cancels and supersedes all previous agreements, relating to the purchase by Customer and sale by Company of electric energy at Customer's premises as referred to above, on the date that service under this Contract commences. This Contract shall be in full force and effect when signed by the authorized representatives of the parties hereto.

An Addendum for Interruptible Power is attached hereto and part of this Contract and is subject to approval by the **Public Service Commission of Kentucky**. This Contract and Addendum will be in full force and effect upon: (a) execution by authorized representatives of the parties; and (b) approval by the **Public Service Commission of Kentucky**.

Kentucky Power Company

By: 

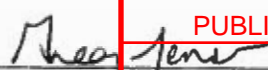
Delinda K. Borden

Title: Director, Customer Services

Date: 6/5/17

Account Number: 0393334654

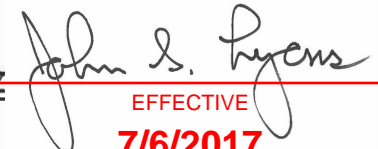
Mccoey Elkhorn Coal, LLC

By: 

Greg Jensen

Title: VP

Date: June 1, 2017

KENTUCKY PUBLIC SERVICE COMMISSION
John Lyons ACTING EXECUTIVE DIRECTOR

EFFECTIVE 7/6/2017
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

ADDENDUM 1

Special Terms and Conditions

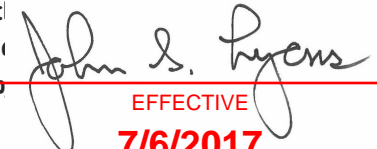
This Addendum supplements and amends the Contract between Kentucky Power Company (Company) and McCoy Elkhorn Coal, LLC. (Customer) entered into the 26th day of April, 2017.

- I. The Customer has elected to contract for service under Contract Service Interruptible Service Tariff (Tariff C.S.-I.R.P.). A copy of the Company's current Tariff C.S.-I.R.P. is attached hereto and incorporated herein.
- II. This Addendum shall be in **full force and effect upon: (a) execution by authorized representatives of the parties; and (b) approval by the Public Service Commission of Kentucky** for an initial term of two (2) years. At the conclusion of the initial two year term, the agreement shall remain in effect until the agreement is terminated by either party. In order to terminate the agreement, a party must provide written notice no later than one-year before the Effective Date of End of Service under the Tariff, and prior to March 1 of each year of the contract term, of its intention to discontinue service under the terms of this Tariff. Notice of termination (termination shall occur no earlier than at the end of the initial two-year term) shall be given under the following schedule:

<u>Written Notice Deadline</u>	<u>Effective Date of End of Service under Tariff</u>
March 1, 2018	June 1, 2019
March 1, 2019	June 1, 2020
March 1, 2020	June 1, 2021
March 1, 2021	June 1, 2022

In the event of a permanent cessation of coal extraction or processing at the customer's mining facilities, as defined in Tariff C.S.-I.R.P., the one years' written notice requirement will not apply and the Customer may terminate this Addendum upon the lesser of two (2) months' notice or the remaining term of the contract.

- III. The Customer designates the first 1,500 kW of the Capacity Reservation as the Firm Service Capacity Reservation, not subject to interruption as specified in Tariff C.S.-I.R.P.
- IV. The Interruptible Capacity Reservation shall be the remaining 5,200 kW for the On-Peak Period and 5,200 kW for the Off-Peak Period, which is equal to the Capacity Reservation under the contract less the Firm Service Capacity Reservation.
- V. By March 1 of each year, the customer shall re-nominate the Interruptible Capacity Reservation for the upcoming contract year, except that the cumulative reductions over the life of the addendum shall not exceed 20% of the original Interruptible Capacity Reservation under the addendum. If no re-nomination is received by March 1, the Capacity Reservation shall apply for the forthcoming contract year. Any increases in the Interruptible Capacity Reservation shall be sub

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vi. Contract credits will be provided under this tariff for Interruptible Capacity Reservation that qualifies under PJM's rules as capacity for the purpose of meeting the Company's FRR/RPM obligation will receive a credit of \$3.68 per kW each month (approximately \$121/MW-day).

- This credit applies to the difference between monthly On-Peak billing demand and the designated Firm Service Capacity Reservation.

vii. The Company reserves the right to interrupt service to the Customer's interruptible load when an PJM emergency mandatory load management reduction action, as defined by PJM in its agreements and manuals, has been issued by the PJM for the AEP Load Zone or any subzone thereof that includes the Customer's load. Such interruptions as described herein shall be designated as Mandatory Interruptions.

The Company further reserves the right to interrupt service to the Customer's interruptible load when, in the sole judgment of the Company, an emergency condition, consistent with the North American Electric Reliability Corporation (NERC) Reliability Standards and/or good utility practice, exists on the AEP East System pursuant to the AEP System Emergency Operating Plan or for system integrity purposes.

viii. The Company will endeavor to provide the Customer with as much advance notice as possible, through the customer communications system or successor to, of a Mandatory Interruption of service as described in VII. For Mandatory interruptions, however, the Customer will be required to interrupt service within thirty (30) minutes or a lesser period if required by PJM.

In no event shall the Customer be subject to Mandatory Interruptions under the provisions of this Addendum more than ten (10) times during any delivery year and each Mandatory Interruption shall last no more than six (6) hours. The Customer agrees to be subject to Mandatory Interruptions on weekdays between 12 noon and 8 PM, EPT, for the months of June through September. For the months of October through May the Customer may be requested to respond on a best effort basis to Mandatory Interruption notices on weekdays between 2 PM and 10 PM, EPT. Customer shall not be subject to the failure to interrupt provisions contained in IX and X, in the event the Customer does not respond to Mandatory Interruption notices for the months October through May. The delivery year maximum number of Mandatory Interruptions shall apply for each delivery year which is defined by PJM as June 1 through May 31.


ix. If the Customer fails to interrupt load as requested by the Company for a Mandatory Interruption and the Company is assessed a non-compliance charge by PJM, the Company will pass through to the Customer the non-compliance charge associated with the Customer's non-compliance. Such non-compliance charge will be calculated by PJM in accordance with its tariff. In the event that more than one CS-IRP Customer fails to interrupt load as requested by the Company for a Mandatory Interruption and the Company is assessed a non-compliance charge by PJM, each Customer's share of the non-compliance charge shall be in proportion to the amount of non-compliance for each Customer.

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- X. If the Customer fails to interrupt load as requested by the Company during a Mandatory Interruption, the Company further reserves the right to (a) interrupt the Customer's entire load if necessary to address the existing emergency condition, and (b) discontinue service to the Customer under this Addendum if the Customer fails to interrupt load twice during any 12-month period as requested by the Company.
- XI. The Customer agrees to comply with any PJM requirements for testing of interruptible load. The PJM's current requirements provide for a one hour test curtailment on a weekday between Noon and 8 PM during the months of June through September, excluding the Fourth of July and Labor Day. The Company will provide the Customer advance notice of any tests scheduled, to the extent permitted by the PJM Tariff, no later than when the Company is required to notify PJM of such test. The Company reserves the right to require an additional test curtailment if the Company does not achieve the minimum PJM compliance testing standards. If the Customer fails to interrupt load during two or more test curtailments during any 12-month period, the Company reserves the right to discontinue service to the Customer under this Addendum.
- XII. If the Customer fails to interrupt load as requested by the Company, or does not interrupt sufficient load up to the amount of the Customer's Interruptible Capacity Reservation as stated in Paragraph V for the mandatory annual Load Management testing in PJM and the Company is assessed a Load Management Test Failure charge by PJM; the Company will pass through to the Customer the Load Management Test Failure charge associated with its non-compliance.
- XIII. The Customer shall own and maintain all computer hardware, software and communication equipment required to meet the specifications of the Customer communication system successor there to. The Customer is solely responsible for receiving and acting upon Mandatory Interruption notices from the Company. The Company's current system requires the ability to access the Internet to set up the account and allows the customer to designate multiple entities to receive notification by text or e-mail.
- XIV. No responsibility or liability of any kind shall attach to or be Incurred by the Company for, or on account of, any loss, cost, expense or damage caused by or resulting from, either directly or indirectly, any interruption or curtailment of service under this Addendum.
- XV. This Addendum will be modified as necessary to maintain compliance/qualification with PJM requirements for a Demand Response capacity resource. If any such modification results in the customer no longer being able to physically comply with PJM requirements, this Addendum may be terminated upon the effective date of such modifications. The customer shall provide the Company with documentation of the physical constraint and agrees to work with the Company to satisfy any obligation for the remainder of the current delivery year.

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Kentucky Power Company

By: *Delinda K. Borden*
(Signature)

DELINDA K. BORDEN
(Printed Name)

Title: DIRECTOR, CUSTOMER SERVICE

Date: 6/5/17

McCoy Elkhorn Coal, LLC

By: *Greg Jensen*
(Signature)

Greg Jensen
(Printed Name)

Title: Vice President

Date: June 1, 2017

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