

**AGREEMENT FOR PURCHASE AND SALE  
OF SUPPLEMENTAL POWER**

AGREEMENT made and entered into this 11th day of April, 1997, by and between **HENDERSON UNION ELECTRIC COOPERATIVE**, a Kentucky corporation organized under KRS Chapter 279 with offices in Henderson, Kentucky ("Henderson Union"), and **ALCAN ALUMINUM CORPORATION**, an Ohio corporation ("Customer").

WHEREAS, Henderson Union and Customer are parties to an Agreement for Electric Service dated April 24, 1982, as amended, and

WHEREAS, Henderson Union and Customer are also parties to an Agreement for Purchase and Sale of Interruptible Power dated March 30, 1990 (the "1990 Interruptible Agreement"), and

WHEREAS, the parties have agreed to negotiate a new agreement for electric service, which includes a new mutually agreeable rate schedule to be implemented on or before September 1, 1997, and

WHEREAS, Alcan is now supplied with up to 265,000 kilowatts of firm capacity and energy, and

WHEREAS, Customer is considering the restart of its third production line which would require up to an additional 80,000 kilowatts or, in the aggregate, up to 345,000 kilowatts of capacity and energy, and

WHEREAS, Henderson Union and Customer have reason to believe that events may occur that will delay commencement of electric service under the new rate schedule until a date after Customer is ready to restart its third production line.

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BY: Stephan D. Bell

SECRETARY OF THE COMMISSION

NOW, THEREFORE, in consideration of the premises and mutual agreements, Henderson Union and Customer agree to the following terms and conditions with respect to the purchase and sale of supplemental power.

1. The provisions of this Agreement shall apply only to "Supplemental Demand" and "Supplemental Energy" consumed by Customer. For purposes of this paragraph:

(a) "Supplemental Demand" shall mean Customer's actual monthly demand in kilowatts (measured as the maximum integrated thirty minute demand during each billing month) in excess of 265,000 kilowatts at a 99% load factor, not to exceed 80,000 kilowatts;

(b) "Supplemental Energy" shall mean the number of kilowatt hours above 265,000 kW at a 99% load factor in the billing month.

2. At such time as customer should restart its third production line, upon no less than forty-five (45) days notice, Henderson Union will use its best efforts to make available for purchase by Customer up to 80,000 kilowatts of Supplemental Demand, and Customer agrees to pay for all Supplemental Energy so delivered. At all times Customer will cooperate with Henderson Union and its wholesale supplier in scheduling deliveries of Supplemental Demand and Supplemental Energy purchased under this Agreement.

3. The terms of Henderson Union's filed tariff effective April 1, 1990 shall not apply to Supplemental Demand and Supplemental Energy hereunder.

4. The monthly delivery point rate for Supplemental Energy shall be:

(a) 19.25 mills per kilowatt hours, and

(b) the applicable fee to Henderson Union, presently \$0.0001 kWh.

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5. Supplemental Demand and Supplemental Energy is offered to Customer by Henderson-Union on an as available, interruptible basis. Henderson Union's wholesale power supplier shall have sole discretion to determine whether and when it has power available from the generation on its own system to meet Customer's request for delivery by Henderson Union of Supplemental Demand and Supplemental Energy. If Henderson Union is unable to obtain Supplemental Demand and Supplemental Energy from generation on the system of its wholesale power supplier or if Henderson Union notifies Customer of an imminent interruption in the delivery of Supplemental Demand and Supplemental Energy to Customer, upon Customer's request, Henderson Union will use its best efforts to cause its wholesale power supplier to obtain power to satisfy Customer's request for Supplemental Demand and Supplemental Energy from any available sources and transmit such power to Customer's plant for Customer's use. Henderson Union shall advise Customer of the availability of any such power to its wholesale power supplier and the terms and conditions under which such power may be obtained and delivered. Customer shall then determine whether or not such terms and conditions are acceptable to it and, if so, shall confirm such acceptance in writing to Henderson Union and its wholesale power supplier, whereupon the power shall be delivered to and paid for by Customer.

6. If Henderson Union's wholesale power supplier has the opportunity to make an inter-system sale of power but is unable to make that inter-system sale from generation on its own system without interrupting, in whole or in part, the delivery of supplemental power to Customer, Customer shall have the option to preempt that proposed inter-system sale by matching the price and term of the proposed inter-system sale, provided that:

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(a) the inter-system offer to purchase must be a bona fide offer; and

(b) if Customer exercises the option to preempt the proposed inter-system sale, Customer shall confirm the exercise of such option in writing to Henderson Union and its wholesale power supplier, whereupon the power shall be delivered to and paid for by Customer, or if Customer declines to preempt the proposed inter-system sale, Henderson Union's wholesale power supplier shall notify Customer in writing, and a copy to Henderson Union, of the effective date of the reduction of its supply of Supplemental Demand and Supplemental Energy required to implement the inter-system sale by Henderson Union's wholesale power supplier.

7. The 1990 Interruptible Agreement is hereby terminated.

8. This Agreement shall terminate at the earlier of (a) the commencement of electric service under the new rate schedule approved by the Kentucky Public Service Commission, (b) at midnight, on the last day of the month during which Supplemental Energy is first calculated pursuant to paragraph 1(b) hereof, plus twelve months, or (c) by mutual agreement.

9. This Agreement will become effective upon occurrence of the last of the following events:

(1) Effectiveness of an amendment to the Agreement dated October 12, 1974 Between Big Rivers Electric Corporation and Henderson Union Electric Cooperative Corporation, as amended ("Amended Wholesale Power Agreement"); and

(2) Approval of this Agreement and the foregoing Amended Wholesale Power Agreement by Big Rivers and the Rural Utilities Service; and

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(3) Approval of both Agreements by the Public Service Commission of Kentucky.

WITNESS the signatures of the parties hereto on the day and year first above written.

HENDERSON UNION ELECTRIC  
COOPERATIVE

By: John West  
President

ALCAN ALUMINUM CORPORATION

By: Allen Egan  
Authorized Representative

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