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PUBLIC SERVICE  
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AMENDMENT NO. 1 TO  
AGREEMENT FOR ELECTRIC SERVICE

THIS AMENDMENT TO AGREEMENT FOR ELECTRIC SERVICE is made and entered into as of this 31 day of January, 1994, by and between HENDERSON UNION ELECTRIC COOPERATIVE, a Kentucky corporation organized under K.R.S. Chapter 279 ("Seller"), and GREEN COAL COMPANY, INC., a Kentucky corporation ("consumer").

WHEREAS, Seller is providing retail electric service to Consumer under an Agreement for Electric Service dated as of August 26, 1988, between Henderson-Union Rural Electric Cooperative and Green Construction Company of Indiana, Incorporated (the "Agreement"), and

WHEREAS, the parties wish to amend that Agreement to reflect the current circumstances and agreements of the parties,

NOW THEREFORE, in consideration of the mutual covenants and agreements contained herein, the parties amend the Agreement as follows:

1. Name Changes. The name of the Seller in the Agreement is amended to Henderson Union Electric Cooperative effective August 26, 1993. The name of Consumer in the Agreement is amended to Green Coal Company, Inc. to reflect that Green Coal Company, Inc. is assuming the obligations under the Agreement.

2. Transmission System Extension. The parties acknowledge that the Agreement originally required Seller to fund the construction of a 69,000 volt electric transmission line of approximately 4.5 miles in length connecting the existing transmission system of Seller's wholesale power supplier to Consumer's dead-end structure in Consumer's

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SECTION 9 (1)  
BY: [Signature]  
PUBLIC SERVICE COMMISSION MANAGER

substation yard. The parties further acknowledge that, at the request of Consumer, Seller removed a section of that transmission line between Consumer's dead-end structure and the point where that transmission line crossed Chaney Road, a distance of approximately 1.5 miles. Consumer subsequently constructed a 69,000 volt transmission line section of approximately 2.75 miles in length from Seller's delivery point to Consumer's dead-end structure in Consumer's substation, which Consumer agrees to own, operate, and maintain at its own expense. In consideration of the agreement of the Seller to furnish and install or cause to be furnished and installed an additional 69,000 volt transmission line of approximately 3.1 miles in length to extend from Consumer's 69,000 volt transmission line to Consumer's dead-end structure in Consumer's new substation yard located near Kentucky Highway 351, the parties further amend the Agreement as follows:

A. Addendum 2 to the Agreement is amended to read in its entirety as follows:

**ADDENDUM 2.**

2.10 **Termination.** Upon termination of this Agreement for any reason, a termination charge shall be paid to Seller by Consumer in an amount equal to the actual investment required to install the 69,000 volt transmission line constructed by Seller between the termination point of the existing transmission line owned by Consumer and Consumer's dead-end structure in Consumer's new substation near Kentucky Highway 351. The termination charge shall be reduced by \$.90 per KW for all kilowatts of electrical demand bought and paid for after the date on which the new transmission line section is energized. The cost of the new transmission facilities is estimated to be \$265,000, but the termination charge shall be based upon actual cost. The obligations of Consumer under Addendum 2 shall survive termination of this Agreement. EFFECTIVE

2.20 **Security for Termination Charge.** ~~APR 29 1994~~ Pursuant to KAR 011.011, Consumer agrees to provide a bond from the Public Service Commission of Kentucky (SECTION 9.11) the payment of the termination charge established in Addendum 2.10.

BY: *Sharon L. Hill*  
PUBLIC SERVICE COMMISSION MANAGER

favor of Seller in an amount equal to the cost of the new transmission facilities, with surety approved by Seller. The amount of the bond may be reduced from time to time with the written approval of Seller, provided that the amount of the bond shall never be less than the amount of the termination charge. The bond provided under this paragraph shall require the surety to give Seller at least sixty (60) days notice of cancellation of the bond. If the surety on the bond gives notice of cancellation of the bond, within thirty (30) days after the date of that notice Consumer shall pay the balance of the termination charge to Seller as a deposit to secure the obligation of Consumer in Addendum 2.10 or shall provide substitute security for the termination charge in the form of another bond or guaranty satisfactory to Seller.

B. A new Addendum 6 is created to read as follows:

**ADDENDUM 6.**

**Indemnification.** Consumer agrees to indemnify and hold Seller and its wholesale power supplier harmless from liability for personal injuries, property damage and electric service interruptions (including legal costs) which arise out of or are connected with the ownership, operation and maintenance by Consumer of its own transmission system.

3. **Remaining Agreement.** The terms of the Agreement shall remain in full force and effect except to the extent revised by this Amendment No. 1.

4. **Approvals.** The effective date of this amendment shall be January 31, 1994, except that said effective date shall be postponed and this amendment shall not become effective unless and until;

(a) This agreement is approved or approval is waived in writing by the Administrator of the Rural Electrification Administration and the Cooperative Electric Corporation, and

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BY: *Thomas L. Hill*

(b) This agreement is approved or accepted by the Public Service Commission of Kentucky.

IN WITNESS WHEREOF, the authorized representative of the parties have executed this Agreement as of the date first above written.

HENDERSON UNION ELECTRIC COOPERATIVE  
By *J. Norton Henshaw*  
Seller

GREEN COAL COMPANY, INC.  
By *Ronald S. Miller*  
Consumer  
*Vice President*  
Title of Officer

\*If other than president, vice-president, partner or owner, a power of attorney must accompany contract.

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APR 29 1994

PURSUANT TO 307 KAR 5:01  
SECTION 9 (1)

BY: *George L. Miller*  
PUBLIC SERVICE COMMISSION MANAGER

January 25, 1994

Green Coal Company, Inc.

John F. West  
Henderson Union Electric Cooperative  
6402 Old Corydon Road, P.O. Box 18  
Henderson, KY 42420

RE: Transmission Line Pre-Contract Costs

Dear Mr. West:

The purpose of this letter is to authorize Henderson Union Electric Cooperative ("Henderson Union") to proceed with the construction or authorize its wholesale power supplier to proceed with the construction of the 69 kV transmission line extension which is the subject of Amendment No. 1 dated January 31, 1994, to the retail electric service agreement between Green Construction Company of Indiana, Incorporated, and Henderson Union dated as of August 26, 1988 (the "Agreement"). Green Coal Company, Inc. ("Green") agrees that in the event of termination of the Agreement or cancellation by Green of its request for construction of that transmission line before the effective date of Amendment No. 1 to the Agreement, Green will reimburse Henderson Union, or its wholesale power supplier, the actual unavoidable costs incurred by Henderson Union or its wholesale power supplier in connection with that work from now until termination of the Agreement or cancellation by Green of the transmission project, but not to exceed \$265,000.

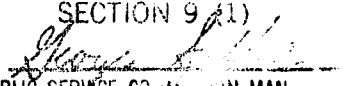
Sincerely yours,  
Green Coal Company, Inc.

By: 

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

APR 29 1994

PURSUANT TO 307 KAR 5:011  
SECTION 9 (1)

BY:   
PUBLIC SERVICE COMMISSION MEMBER