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AGREEMENT FOR ELECTRIC SERVICE

PUBLIC SERVICE COMMISSION

AGREEMENT made July 19, 19 95, between Henderson Union Electric Cooperative (hereinafter called the "Seller"), and Webster County Coal (Construction) (hereinafter called the "Consumer"),

a (corporation, partnership or individual)

The Seller shall sell and deliver to the Consumer, and the Consumer shall purchase all of the electric power and energy which the Consumer may need at the location described in Exhibit A, attached hereto and by this reference made part hereof, up to 5000 kilowatts, upon the following terms:

1. Service Characteristics.

a. Service hereunder shall be alternating current, three phase, four wire, sixty cycles, 4160 volts.

b. The Consumer shall not use the electric power and energy furnished hereunder as an auxiliary or supplement to any other source of power and shall not sell electric power and energy purchased hereunder.

2. Payment.

a. The Consumer shall pay the Seller for service hereunder at the rates and upon the terms and conditions set forth in Schedule LP-3 attached to and made a part of this Agreement. Notwithstanding any provision of the Schedule and irrespective of Consumer's requirements for or use of electric power and energy, the demand for billing purposes hereunder shall be not less than 501 kilowatts for any billing period. In any event the Consumer shall pay to the Seller not less than \$ 5100 per month for service or for having service available hereunder during the term hereof.

b. The initial billing period shall start when Consumer begins using electric power and energy, or 15 days after the Seller notifies the Consumer in writing that service is available hereunder, whichever shall occur first.

c. Bills for service hereunder shall be paid at the office of the Seller in Henderson State of Kentucky

Such payments shall be due on the day of each month for service furnished during the preceding monthly billing period.

If the Consumer shall fail to make any such payment within fifteen days after such payment is due, the Seller may discontinue service to the Consumer upon giving fifteen (15) days' written notice to the Consumer of its intention so to do, provided, however, that such discontinuance of service shall not relieve the Consumer of any of its obligations under this Agreement.

d. The Consumer agrees that if, at any time, the rate under which the Seller purchases electric service at wholesale is modified, the Seller may make a corresponding modification in the rate for service hereunder.

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SEP 27 1995

PURSUANT TO 807 KAR 5011 SECTION 9(1) BY: Jordan C. Neel FOR THE PUBLIC SERVICE COMMISSION

3. Membership.

The Consumer shall become a member of the Seller, shall pay the membership fee and be bound by such rules and regulations as may from time to time be adopted by the Seller.

4. Continuity of Service.

The Seller shall use reasonable diligence to provide a constant and uninterrupted supply of electric power and energy hereunder. If the supply of electric power and energy shall fail or be interrupted, or become defective through act of God, Governmental authority, action of the elements, public enemy, accident, strikes, labor trouble, required maintenance work, inability to secure right-of-way, or any other cause beyond the reasonable control of Seller, the Seller shall not be liable therefor or for damages caused thereby.

5. Right of Access.

Duly authorized representatives of the Seller shall be permitted to enter the Consumer's premises at all reasonable times in order to carry out the provisions hereof.

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6. Term.

This Agreement shall become effective on the date first above written and shall remain in effect until 8 months ~~years~~ following the start of the initial billing period and thereafter until terminated by other party giving to the other 1 months' notice in writing.

SEP 27 1995 PURSUANT TO 807 KAR 5.011, SECTION 9 (1) BY: John C. Neil FOR THE PUBLIC SERVICE COMMISSION

7. Succession and Approval.

a. This Agreement shall be binding upon and inure to the benefit of the successors, legal representatives and assigns of the respective parties hereto.

b. This contract shall not be effective unless approved in writing by the Administrator of the Rural Electrification Administration.

8. Deposit. The Consumer shall provide a bond, payable to the Seller in the sum of \$78,000, \$38,000 of which is 2/12 of the estimated yearly bill for bill surety, and \$40,000 for the cost of facilities required to make service available to the Consumer. The facilities portion of the bond will be reduced each month by an amount equal to \$.90 per KW of demand purchased and paid for. At termination of this agreement, the remaining portion of the facilities bond amount will be transferred to the succeeding agreement or paid to the Seller in cash, the bill surety portion of the bond will be transferred to the succeeding agreement or reduced to zero upon payment of the final bill.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement all as of the day and year first above written.

ATTEST: Charlyne Briggs Assistant SECRETARY

HENDERSON UNION ELECTRIC COOPERATIVE SELLER By John West PRESIDENT

ATTEST: [Signature] SECRETARY

WEBSTER COODY CORE COOP CONSUMER By James B. Gill VICE PRESIDENT TITLE OF OFFICER*

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

SERVICE TO WEBSTER COUNTY COAL COMPANY

1. Construction power will be supplied at 4160 volts, phase to phase, by locating a mobile substation on the coal mine site. The mobile sub will be located adjacent to the proposed permanent substation so the 69kV line to the mobile sub can be moved to the high side structure of the customer's substation when permanent power is desired.
2. The customer can post a bond or have a letter of credit issued in the place of the cash deposit described in paragraph 8 of the Agreement for Electric Service for construction power.
3. If the customer chooses to post a cash deposit, he will receive 6% interest per year on the amount posted.
4. The Agreement for Electric Service for construction power will be canceled upon the completion of construction, and a new Agreement for Electric Service will be discussed by the parties for the service needed for the permanent operation. Any new agreement will incorporate the economic development rate.
5. The portion of the facilities deposit that was not returned to the customer at the termination of the agreement for construction power will continue to be returned, in the same manner as before, during the life of any permanent power agreement.

~~6. Security~~

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

BY: Jordan C. Neal
FOR THE PUBLIC SERVICE COMMISSION

Form for Filing Rate Schedules

For All Territory Served
Community, Town or City

HENDERSON-UNION RURAL ELECTRIC
COOPERATIVE CORPORATION

P.S.C. _____ 7

Fifth Revised SHEET NO. 8

CANCELLING P.S.C. _____

Fourth Revised SHEET NO. 8

CLASSIFICATION OF SERVICE

SCHEDULE "LP-3" - LARGE POWER (501 to 2000 KW) Dedicated Delivery Point

AVAILABILITY

This rate shall apply for large power consumers contracting for a demand of 501 to 2000 KW.

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CONDITIONS OF SERVICE

An "Agreement for Purchase of Power" shall be signed by the consumer for service under this rate.

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

CHARACTER OF SERVICE

Service shall be the 60 Hz, 3-phase, at voltage as mutually agreed by the seller and consumer.

BY: Jordan C. Neal
FOR THE PUBLIC SERVICE COMMISSION

DETERMINATION OF BILLING DEMAND

For all delivery points, the Billing Demand in kilowatts shall be Member's maximum integrated thirty-minute demand at such delivery point during each billing month, determined by meters which record at the end of each thirty-minute period the integrated kilowatt demand during the preceding thirty minutes, or such maximum integrated thirty-minute demand achieved during any one of the eleven preceding months, or the Contract Demand, whichever shall be greater.

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POWER FACTOR ADJUSTMENT

The consumer agrees to maintain unity power factor nearly as practicable. Demand charge will be adjusted for average power factor lower than 90%. Such adjustment will be made by increasing demand 1.0% for each 1.0% by which the average power factor is less than 90% leading or lagging.

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SECTION 9 (1)
BY: Jordan C. Neal
FOR THE PUBLIC SERVICE COMMISSION

DATE OF ISSUE August 1, 1994

DATE EFFECTIVE August 3, 1994

ISSUED BY John West
Name of Officer

TITLE Manager

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No. 92-506 Dated July 22, 1994

Form for Filing Rate Schedules

For All Territory Served
Community, Town or City

HENDERSON-UNION RURAL ELECTRIC
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Sixth Revised SHEET NO. 9

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CLASSIFICATION OF SERVICE

PUBLIC SERVICE COMMISSION
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SCHEDULE "LP-3" Dedicated Delivery Point (cont'd)

METERING

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Electrical usage will be metered at the transmission voltage supplied or at the consumer's secondary voltage with a 1. % adder to the metered KWH to account for transformer losses, as determined by the Seller.

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FOR THE PUBLIC SERVICE COMMISSION

MONTHLY RATE

Customer charge per delivery point..... \$17.20
Demand charge per KW - 100% Ratchet..... 10.15

*Energy charge per KWH - First 100,000..... .0310346 (R)
All over 100,000..... .0254406 (R)

School Taxes added to bill if applicable.
Kentucky Sales Taxes added to bill if applicable.

*The monthly kilowatt hour usage shall be subject to plus or minus an adjustment per KWH determined in accordance with the "Fuel Adjustment Clause."

FUEL ADJUSTMENT CHARGE

In case for any month the rate under with Seller (Henderson-Union Rural Electric Cooperative Corporation) purchases power wholesale from its supplier (Big Rivers Electric Corporation) is adjusted in accordance with any present or future fuel cost or surcharge provided for in Seller's wholesale power contract or by order of the Public Service Commission, then the foregoing monthly energy charges shall be adjusted for each kilowatt hour sold by dividing the total dollar amount of such fuel and surcharge cost adjustment to Seller attributable to each class of

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HENDERSON-UNION RURAL ELECTRIC
COOPERATIVE CORPORATION

Sixth Revised SHEET NO. 10

CANCELLING P.S.C. _____

Fifth Revised SHEET NO. 10

CLASSIFICATION OF SERVICE

SCHEDULE "LP-3" - LARGE POWER Dedicated Delivery Point(cont'd)

service by the total number of kilowatt hours sold by Seller for such class of service for the billing month.

(The above Fuel Adjustment Charge is subject to the provisions of and may be amended from time to time to conform to 807 KAR 5:056 and to any adjustment in the fuel clause or other increments which may be made in Big Rivers Electric Corporation's fuel charges under 807 KAR 5:056 by the Public Service Commission.)

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MINIMUM DEMAND CHARGE

The minimum monthly demand charge shall be no less than the amount as specified in the "Agreement for Purchase of Power."

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ECONOMIC DEVELOPMENT

To encourage better utilization of the existing system and to promote economic expansion within the service area, an Economic Development Rate (EDR) is available for industrial development purposes through special negotiated contracts as provided by the Public Service Commission Order dated September 24, 1990, to Administrative Case No. 327

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TERMS OF PAYMENT

Delinquent accounts are subject to a collection fee of \$10.00 or disconnection of service. The above rates are net, the gross rate being five percent (5%) higher. In event the current monthly bill is not paid within fifteen (15) days from the date of the bill, the gross rate shall apply.

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