

AGREEMENT FOR ELECTRIC SERVICE

AGREEMENT made April 30, 19 97, between HENDERSON UNION

ELECTRIC COOPERATIVE (hereinafter called the "Seller"), and VICTORY PROCESSING, INC.

(hereinafter called the "Consumer"),

Corporation

(corporation, partnership or individual)

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE

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 Hopkins County, Kentucky, Providence Mine No. 1

reference made part hereof, up to 2000 kilowatts, upon the following terms. PURSUANT TO 807 KAR 5:011, SECTION 9 (1)

1. Service Characteristics.

a. Service hereunder shall be alternating current, three phase, 7,200 cycles, 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.

event the Consumer shall pay to the Seller not less than \$ per month for service of for

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 15th 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.

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.

6. Term.

This Agreement shall become effective on the date first above written and shall remain in effect

~~until terminated by either party giving to the other~~ one months' notice in writing. PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE

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.

JUN 13 1997  
PURSUANT TO 807 KAR 5.011, SECTION 9 (1)  
BY: Phillip J. Harris  
DIRECTOR, RATES & RESEARCH DIV.

8. Deposit.

~~The Consumer shall deposit with the Seller a sum of \$ \_\_\_\_\_ on account of the cost of materials required for the service to be provided to the Consumer on or before the date of construction of the line to be served by the Seller and the Consumer shall pay the balance of the cost of the line as it is incurred.~~

~~The Seller shall be responsible for the cost of the line and the Consumer shall pay the balance of the cost of the line as it is incurred.~~

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

ATTEST:

Charlene Suggs  
Assistant SECRETARY

HENDERSON UNION ELECTRIC COOPERATIVE  
SELLER

By John West  
PRESIDENT  
VICTORY PROCESSING, INC.  
CONSUMER

ATTEST:

Jan Wallace  
SECRETARY

By J.M. Barman  
President  
TITLE OF OFFICER\*

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

Form for Filing Rate Schedules

For All Territory Served  
Community, Town or City

HENDERSON UNION ELECTRIC  
COOPERATIVE CORPORATION

P.S.C. \_\_\_\_\_ 7

Sixth Revised SHEET NO. 8

CANCELLING P.S.C. \_\_\_\_\_

Fifth 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.

CONDITIONS OF SERVICE

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

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EFFECTIVE

CHARACTER OF SERVICE

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

JUN 13 1997

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.

PURSUANT TO 807 KAR 5.011,  
SECTION 9(1)

BY: Phyllis Linnin  
DIRECTOR, RATES & RESEARCH DIV

POWER FACTOR ADJUSTMENT

The consumer agrees to maintain unity power factor as nearly as practicable. Demand charge will be adjusted for average power factor lower than 90%. Such adjustment be made by increasing demand 1.% for each 1.% by which the average power factor is less than 90% leading or lagging.

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JUN 13 1997

PURSUANT TO 807 KAR 5.011,  
SECTION 9(1)

BY: Phyllis Linnin  
DIRECTOR, RATES & RESEARCH DIV

DATE OF ISSUE April 11, 1996 DATE EFFECTIVE JUNE 1, 1996

ISSUED BY John West TITLE President & CEO  
Name of Officer

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 84-474 Dated March 23, 1986



Form for Filing Rate Schedules

For All Territory Served  
Community, Town or City

HENDERSON UNION ELECTRIC  
COOPERATIVE CORPORATION

P.S.C. \_\_\_\_\_ 7 \_\_\_\_\_

Seventh Revised SHEET NO. 10

CANCELLING P.S.C. \_\_\_\_\_

Sixth 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.)

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

JUN 13 1997

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

MINIMUM DEMAND CHARGE

BY: Phyllis Linn  
DIRECTOR, RATES & RESEARCH DIV.

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

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.

TERMS OF PAYMENT

Delinquent accounts are subject to a collection fee of \$10.00 or disconnection of service. The above 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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JUN 1 1996

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

BY: Phyllis Linn  
DIRECTOR, RATES & RESEARCH DIV.

DATE OF ISSUE April 11, 1996 DATE EFFECTIVE June 1, 1996

ISSUED BY John West TITLE President & CEO  
Name of Officer

Issued by authority of an Order of the Public Service Commission of Kentucky

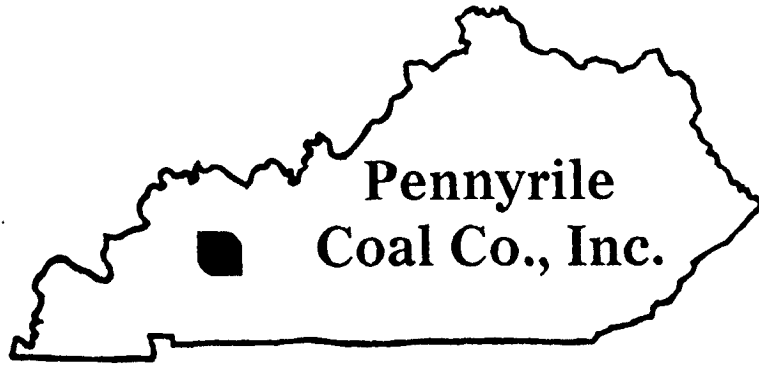
RECEIVED

MAY 7 1997

HENDERSON-UNION RECC.

Phone (502) 249-9477  
Fax: (502) 249-3355

11500 Nebo Road  
P.O. Box 1326  
Madisonville, KY 42431



PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

JUN 13 1997

May 1, 1997

Mr. John M. West, President and CEO  
Henderson Union Electric Cooperative  
6402 Old Corydon Road  
Henderson, Kentucky 42420

PURSUANT TO 807 KAR 5.011,  
SECTION 9 (1)

BY: Phil Thomas  
DIRECTOR, RATES & RESEARCH DIV

Dear Mr. West:

In compliance with our conversation of April 30, 1997, please accept this letter as your authority to transfer the existing agreement for electric service from Pennyrile Coal Company, Inc. into the name of Victory Processing, Inc. as consumer. (Account No. 6-26-086-002-02-4)

We will continue as guarantors as per the letter agreement of February 20, 1995 signed by Kenneth O. Taylor, Kenneth O. Taylor, Jr. and Chester M. Thomas a copy of which is attached.

We hope the above meets with your approval and can be expedited as soon as possible.

Very Truly Yours,

Phil Thomas  
Phil Thomas  
Secretary and Treasurer

ACKNOWLEDGMENT:

Kenneth O. Taylor Sr.  
Kenneth O. Taylor, Sr.

Kenneth O. Taylor Jr.  
Kenneth O. Taylor, Jr.

Chester M. Thomas  
Chester M. Thomas

STATE OF KENTUCKY  
COUNTY OF HOPKINS

The foregoing signatures of Kenneth O. Taylor, Sr., Kenneth O. Taylor, Jr., and Chester M. Thomas were witnessed by me this 6<sup>th</sup> day of May, 1997,  
by Kenwyn T. Riddle.

My Commission expires: July 11, 1999

Kenwyn T. Riddle  
NOTARY PUBLIC

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

JUN 13 1997

PURSUANT TO 807 KAR 5.011,  
SECTION 9 (1)

BY: Dianna Lewis  
DIRECTOR, GRANTS & RESEARCH DIV.