

ALTERNATE SERVICE AGREEMENT

THIS AGREEMENT for Purchase of Power ("Agreement") is made August 19, 2013, between **KENERGY CORP.**, 6402 Old Corydon Road, Henderson, Kentucky 42420 (hereinafter called the "Seller"), and **CENTURY ALUMINUM OF KENTUCKY GENERAL PARTNERSHIP** with a service address and corporate address at 1627 State Route 3543, Hawesville, KY 42348, (hereinafter called the "Consumer").

Seller and Consumer are parties to a retail electric service agreement dated as of July 1, 2009 (the "2009 Agreement"), pursuant to which Seller provides Consumer electric service to Consumer's aluminum smelting facility in Hawesville, Kentucky.

Consumer notified Seller on August 20, 2012, that Consumer will terminate the 2009 Agreement on August 20, 2013 (the "Termination Date"), in accordance with the terms of the 2009 Agreement.

Seller and Consumer are negotiating an Electric Service Agreement proposed to be dated as of August 1, 2013 (the "Electric Service Agreement") and related documents, pursuant to which Seller would provide Consumer retail electric service for aluminum smelting operations at Consumer's Hawesville facility; and

Consumer desires to enter into an agreement for a power supply to the same facility for non-smelting operations that will become effective, at Consumer's election, concurrently with the termination date of the 2009

**KENTUCKY
PUBLIC SERVICE COMMISSION**
JEFF R. DEROUEN
EXECUTIVE DIRECTOR
TARIFF BRANCH

Brent Kirtley

EFFECTIVE
8/20/2013
PURSUANT TO 807 KAR 5.011 SECTION 9 (1)

Agreement, or if the Electric Service Agreement is in effect on the Termination Date, again at the election of the Consumer, on the termination date of the Electric Service Agreement.

Accordingly, Seller and Consumer agree as follows:

The Seller shall sell and deliver to the Consumer at the Delivery Point, as defined in Section 1.D. of this Agreement, and the Consumer shall purchase all of the electric power and energy, which the Consumer may need at the aforementioned service address for non-smelting operations, up to ten megawatts (the "Maximum Demand"), except as otherwise provided herein, upon the following terms:

1. **SERVICE CHARACTERISTICS**

- A. Service hereunder shall be alternating current, 3 phase, sixty cycles, nominal 161,000 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. All electric consuming facilities of Consumer shall be connected on the load side of the metering facilities described in Section 1.22 of Addendum 1.
- C. The Consumer acknowledges that Seller's wholesale power supplier is transmitting electric power and energy to Seller for sale hereunder across the transmission system of Big Rivers Electric Corporation (the "Wholesale Transmission System").

KENTUCKY PUBLIC SERVICE COMMISSION
JEFF R. DEROUEN EXECUTIVE DIRECTOR
TARIFF BRANCH
<i>Brent Kirtley</i>
EFFECTIVE 8/20/2013 PURSUANT TO 807 KAR 5.011 SECTION 9 (1)

D. "Delivery Point" shall be defined for purposes of this Agreement, which includes the exhibits and addenda attached hereto, as the existing set of meters at the Coleman substation owned by Big Rivers Electric Corporation ("Big Rivers"), or such other point of delivery mutually agreed by the parties and Big Rivers.

2. **PAYMENT**

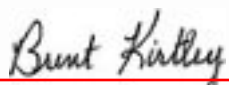
A. The Consumer shall pay the Seller for service hereunder on and after the "Service Commencement Date" (as defined in Section 6 of this Agreement) at the rates and upon the terms and conditions set forth in Seller's Schedule 35, as it may be amended from time to time. A copy of Seller's current Schedule 35 is attached to and made a part of this Agreement as Exhibit "A." If any terms in this Agreement conflict with any terms in Seller's tariff, the terms in this Agreement shall govern to the extent of the conflict. Notwithstanding any provision of Schedule 35 and irrespective of Consumer's requirements for or use of electric power and energy, the Billing Demand (as used in Schedule 35) shall be the higher of actual demand (defined as the customer'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) and 60% of the Maximum Demand per billing period (per month)("Contract Demand") until modified.

KENTUCKY PUBLIC SERVICE COMMISSION
JEFF R. DEROUEN EXECUTIVE DIRECTOR
TARIFF BRANCH
<i>Brent Kirtley</i>
EFFECTIVE 8/20/2013 PURSUANT TO 807 KAR 5.011 SECTION 9 (1)

- B. **[RESERVED]**
- C. **[RESERVED]**
- D. Bills for service hereunder shall be paid by wire transfer at the office of the Seller at Kenergy Corp, 6402 Old Corydon Rd., Henderson, KY 42420.
- E. Such payments shall be due on the 25th day of each month for service furnished during the preceding monthly billing period.
- F. If the Consumer shall fail to make any such payment when 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.
- G. 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, subject to Commission approval, an equivalent modification in the rate for service hereunder.
- H. Consumer's payment obligations under this Section 2 shall survive termination of this Agreement.

3. **MEMBERSHIP**

The Consumer shall remain a member of the Seller and be bound by such generally applicable rules and regulations as may from time to time be adopted by the Seller.

KENTUCKY PUBLIC SERVICE COMMISSION
JEFF R. DEROUEN EXECUTIVE DIRECTOR
TARIFF BRANCH

EFFECTIVE 8/20/2013 PURSUANT TO 807 KAR 5.011 SECTION 9 (1)

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, then 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 AND SERVICE COMMENCEMENT DATE**

This Agreement, except for the electric service obligations hereunder, shall become effective as provided in the Recitals and section 6A below,,, subject to receipt of the last of the approvals referred to below in Section 8, and shall remain in effect during the Term, as defined in this Agreement. The electric service obligations hereunder shall become effective, and the delivery of electric service under this Agreement shall commence (the "Service Commencement Date"), upon the occurrence or completion of the last of the following conditions:

- A. Receipt by Seller of written notice from Consumer to Seller of the Service Commencement Date requested by it, which date (i) shall be the later to occur of the Termination Date and the date on which the

**KENTUCKY
PUBLIC SERVICE COMMISSION
JEFF R. DEROUEN
EXECUTIVE DIRECTOR
TARIFF BRANCH**

Brent Kirtley

**EFFECTIVE
8/20/2013
PURSUANT TO 807 KAR 5.011 SECTION 9 (1)**

Electric Service Agreement, if it becomes effective, terminates and smelting operations at Consumer's Hawesville facility cease, and (ii) shall be received by Seller no less than 15 calendar days before the specified Service Commencement Date;

- B. Consumer has notified Seller, in writing concurrently with the Service Commencement Date notice, which one of the five existing 161 kV transmission lines currently serving the Hawesville smelter shall be used to provide service under this Agreement at 161 kV to Consumer's facility on and after the Service Commencement date, with the understanding that all remaining transmission lines will be de-energized by Seller's transmission provider;
- C. Provision by Consumer of the deposit or other guaranty required by Section 7 of this Agreement; and
- C. Performance by Consumer of any other obligations under this Agreement that are required as a condition of commencement of service.

The term of this Agreement shall be ten (10) years following the Service Commencement Date, and thereafter until and unless terminated by either party giving to the other three (3) months notice in writing (the "Term").

7. CONSUMER DEPOSIT

- A. As security for payment of its monthly billing obligations, Consumer shall further be required to provide Seller a cash deposit or provide an irrevocable bank letter of credit representing two (2) months estimated billing, which amount will be estimated by Seller to

KENTUCKY PUBLIC SERVICE COMMISSION
JEFF R. DEROUEN EXECUTIVE DIRECTOR TARIFF BRANCH
<i>Brent Kirtley</i> to
EFFECTIVE 8/20/2013 PURSUANT TO 807 KAR 5.011 SECTION 9 (1)

Consumer in writing no more than 10 days after receipt by Seller of Consumer's Service Commencement Date notice. The amount of this security for payment shall increase if the Maximum Demand increases, or if Seller's rates for service increase.

- B. Any cash deposit will earn interest in accordance with law, and interest earned will be paid annually to Consumer. Letters of credit must be approved in advance by Seller as to form and issuer. Annually the Parties shall adjust the deposit or bank letter of credit required by Paragraph 7A reasonably to reflect changes in the amounts of the obligations of Consumer secured by the deposit or bank letter(s) of credit.
- C. Consumer's obligations under this Section 7 shall survive termination of this Agreement to the extent necessary to provide security for payment of any outstanding monthly billing obligations that exist as of the date of termination.

8. **SUCCESSION AND APPROVAL**

This Agreement shall be binding upon and inure to the benefit of the successors, legal representatives and assigns of the respective parties hereto and may be assigned by Consumer with the consent of Seller, which consent shall not be unreasonably withheld. Any assignment of this Agreement by Consumer shall not relieve Consumer of its obligations to Kenergy hereunder unless Consumer has been expressly relieved of those obligations by Kenergy, in writing. This Agreement shall not be effective unless (i) it is approved or accepted in writing by the Kentucky Public Service Commission ("KPSC") and (ii) Seller's wholesale

**KENTUCKY
PUBLIC SERVICE COMMISSION**
JEFF R. DEROUEN
EXECUTIVE DIRECTOR
TARIFF BRANCH

Brent Kirtley

EFFECTIVE
8/20/2013
PURSUANT TO 807 KAR 5.011 SECTION 9 (1)

agreement with Big Rivers regarding service to Consumer has received all approvals required by Seller's and Big Rivers' credit agreements, and is approved or accepted in writing by the KPSC.

9. **ADDENDA**

The addenda to this Agreement are attached hereto and incorporated herein as a part of this agreement for electric service.

10. **INDEMNIFICATION**

Consumer agrees to indemnify and hold Seller harmless from and against any and all claims, demands, damages, judgments, losses or expenses asserted against Seller by or on behalf of Big Rivers arising out of, related to or concerning damage to the Wholesale Transmission System, or any system or electric consuming facilities connected to the Wholesale Transmission System, resulting from Consumer's operations, activities or usage of electric power and energy hereunder.

11. **NOTICE TO BIG RIVERS**

Any notice from Consumer to Seller required by the terms of this Agreement shall be given concurrently to Big Rivers Electric Corporation, 201 Third Street, Henderson, KY 42420, Attn: President and CEO, using the same methodology required by this Agreement for notice to Kenergy.

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



KENERGY CORP.
Seller

By 

Printed Name Gregory J. Starheim

Title President and CEO

CENTURY ALUMINUM OF KENTUCKY
GENERAL PARTNERSHIP

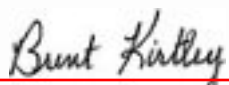
Consumer

By: METALSCO LLC, its Managing Partner

By 

Printed Name Sean M. Byrne

Title Hawesville Plant Manager

KENTUCKY PUBLIC SERVICE COMMISSION
JEFF R. DEROUEN EXECUTIVE DIRECTOR
TARIFF BRANCH 
EFFECTIVE 8/20/2013 PURSUANT TO 807 KAR 5.011 SECTION 9 (1)

Reorder No. 5126N
JULIUS BLUMBERG, INC.
NYC 10013
Ⓢ 10% P.C.W.

**KENTUCKY
PUBLIC SERVICE COMMISSION**

**JEFF R. DEROUEN
EXECUTIVE DIRECTOR**

TARIFF BRANCH

Brent Kirtley

EFFECTIVE

8/20/2013

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