

AGREEMENT FOR ELECTRIC SERVICE

AGREEMENT made April 1, 1996, between Henderson Union Electric Cooperative (hereinafter called the "Seller"), and Cardinal River Resources, Inc. P.O. Box 1326, Madisonville, KY 42431 (hereinafter called the "Consumer"), a corporation (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 2000 kilowatts, upon the following terms:

1. Service Characteristics.

a. Service hereunder shall be alternating current, 3 phase, 3 wire, sixty cycles, 69,000 volts. PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE

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. PURSUANT TO 807 KAR 5:011, SECTION 9(1) BY Phyllis Tanner DIRECTOR RATES & RESEARCH DIV. Notwithstanding any

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 \$ 5085.15 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 30 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 6402 Old Corydon Road, P.O. Box 18 State of Henderson, Kentucky 42420

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 six (6) months following the start of the initial billing period and thereafter until termination by either party giving to the other two (2) months' notice in writing.

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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.

PURSUANT TO 807 KAR 5.011, SECTION 9 (1) BY: Phyllis Larkin DIRECTOR, RATES & RESEARCH DIV.

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

8. Deposit.

The Consumer shall deposit with the Seller the sum of \$ 92,600 on account of the cost of facilities required to make service available to the Consumer on or before commencement of construction of such facilities. Such deposit shall be returnable to the Consumer in the form of a credit on each bill for service.

This deposit will earn interest at the rate of six (6)%.

~~In the amount of XXXXXXXXXXXXXXX percent of the bill, which credits shall continue until they total XXXXXXXXXXXXXXX. No refunds shall be made to the Consumer of any portion of the deposit remaining upon termination of this Agreement.~~

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

ATTEST:

Charles J. Guage
Assistant SECRETARY

HENDERSON UNION ELECTRIC COOPERATIVE
SELLER

By John West
PRESIDENT

Cardinal River Resources, Inc.
CONSUMER

ATTEST:

Philip E. Thomas
SECRETARY

By G.O. Taylor Jr.
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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CHARACTER OF SERVICE

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

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PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

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.

BY: Phyllis Lammie
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 shall 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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JUL 1 1996

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

DATE OF ISSUE April 11, 1996

DATE EFFECTIVE June 1, 1996

ISSUED BY John West
Name of Officer

TITLE President & CEO

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

Form for Filing Rate Schedules

For All Territory Served
Community, Town or City

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P.S.C. _____ 7

Seventh Revised SHEET NO. 9

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Sixth Revised SHEET NO. 9

CLASSIFICATION OF SERVICE

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

METERING

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.

MONTHLY RATE

Customer charge per delivery point.....	\$17.20	
Demand charge per KW - 100% Ratchet.....	10.15	
*Energy charge per KWH - First 100,000.....	.0307546	(R)
All over 100,000.....	.0251606	(R)
School Taxes added to bill if applicable.		
Kentucky Sales Taxes added to bill if applicable.		

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

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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 River Electric Corporation) is adjusted in accordance with present or future fuel cost or surcharge provided for 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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BY: Phyllis Lannin
DIRECTOR, RATES & RESEARCH DIV.

PUBLIC SERVICE COMMISSION
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JUL 11 1996

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

BY: Phyllis Lannin
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

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.)

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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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BY: Phyllis Lammie
DIRECTOR, RATES & RESEARCH DIV.

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 rate 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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JUL 1 1996

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SECTION 9(1)
BY: Phyllis Lammie
DIRECTOR, RATES & RESEARCH DIV.

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

ISSUED BY John W. [Signature] TITLE President & CEO
Name of Officer

Issued by authority of an Order of the Public Service Commission of Kentucky
Dated March 22, 1996