

AGREEMENT FOR ELECTRIC SERVICE

AGREEMENT made September 15, 2004, between KENERGY CORP, 6402 Old Corydon Road, Henderson, Kentucky 42420 (hereinafter called the "Seller"), and Hopkins County Coal, LLC with a service address at Highway 670, Providence, Kentucky and corporate address at 2668 State Route 120 East, Providence, Kentucky 42450, (hereinafter called the "Consumer");

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 aforementioned location, up to 5,000 kilowatts, upon the following terms:

1. FACILITIES; POINT OF DELIVERY


- A. Seller shall install, or cause to be installed by its wholesale electric supplier Big Rivers Electric Corporation, at no cost to Consumer, all facilities required to provide 69 kV electric service to the point of delivery at which Consumer takes power from Seller, said facilities including the following:
- a. One 69 kV electric transmission line extending from Big Rivers Electric Corporation's Hopkins County Substation to the service address of Consumer located on Highway 670 in Providence, Kentucky.
 - b. One 69 kV metering structure, located on Consumer's property and at the terminus of the Big Rivers Electric Corporation's 69 kV line described in a. above complete with metering transformers, meters, and association wiring sufficient to accurately meter the power and energy delivered to Consumer.
- B. Consumer will install or cause to be installed, at its own cost, all facilities beyond the point of delivery required to transport and transform the delivered power and energy to its load.
- C. The point of delivery will be on the face of the 69 kV metering structure, beyond all metering transformers, upon which Consumer attaches its facilities described in B. above.

2. SERVICE CHARACTERISTICS

- A. Service hereunder shall be alternating current, 3 phase, sixty cycles, 69,000 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.
- C. The Consumer shall not use the energy delivered under this Agreement in such manner as to cause a system disturbance or phase unbalance which may be reasonably expected to cause damage to or interference with Seller's system, systems connected with Seller's system, or facilities or other property in proximity to Seller's system; or which prevents Seller from serving other consumers satisfactorily.

A system disturbance includes but is not limited to: (a) Harmonic Distortion: a level of current harmonic total demand distortion (TDD) measured at a customer's point of delivery that exceeds the limits on TDD described in IEEE Standard 519, Section 10; and, (b) Phase Imbalance: a use of capacity and energy in such a manner that causes a current imbalance of more than 5% at a retail customer's point of delivery.

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By  Executive Director

D. Except as provided above, the terms and conditions of Schedule 31 of Seller's filed tariff, as it may be amended or modified from time to time, shall apply. A copy of Schedule 31 of Seller's filed tariff is attached hereto and is a part hereof, marked Exhibit A.

3. PAYMENT

- A. The Consumer shall pay the Seller for service hereunder at the rates and upon the terms and conditions set forth in Schedule 31 of Seller's filed tariff, as it may be amended or modified from time to time. 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 100 kilowatts per month for any billing period. In any event the Consumer shall pay the Seller not less than \$1,015 per month 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; subject, however, to conditions of section 9.B., below.
- C. Bills for service hereunder shall be paid at the office of the Seller at Kenergy Corp, 6402 Old Corydon Rd., Henderson, Kentucky 42420.

Such payments shall be due on the 25th 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 (15) 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.

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.

4. 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.

5. 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 therefore or for damages caused thereby.

6. 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.

7. TERM

This Agreement shall become effective on the date first above written and shall remain in effect until one (1) year following the start of the initial billing period, and shall remain in effect until terminated by either party giving to the other three (3) months' notice in writing.

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8. **CONSUMER DEPOSIT**

As security for payment of its monthly billing obligations, Consumer shall be required to provide Seller a cash deposit or other sufficient guaranty in a sum representing two (2) months' estimated billing, initially being the amount of \$2,700, and Seller hereby acknowledges receipt of a cash deposit in said amount. Annually the parties shall adjust the amount of the deposit or guaranty to reflect current billing.

9. **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 Agreement shall not be effective unless approved or accepted in writing by the Kentucky Public Service Commission.**

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

SELLER:

KENERGY CORP.

By Mark A Bailey
President

ATTEST:

Delora Hayden
SECRETARY

CONSUMER:

HOPKINS COUNTY COAL, LLC.

By W. Wilson
GENERAL MANAGER

Manager of Surface Operations

ATTEST:

W. Wilson

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By [Signature]
Executive Director