

**AMENDMENT NO. 1 TO AGREEMENT FOR ELECTRIC SERVICE**

**THIS AMENDMENT NO. 1 TO AGREEMENT FOR ELECTRIC SERVICE** is made and entered into this 10<sup>th</sup> day of August, 2010, by and between Kenergy Corp., 6402 Old Corydon Road, Henderson, Kentucky 42420 (hereinafter called the "Seller"), and Armstrong Coal Company, Inc. with a service address at Armstrong Dock., 660 A12 Road, Centertown, Kentucky 42328 (the "Armstrong Dock") and corporate address at 407 Brown Road, Madisonville, Kentucky 42431 (hereinafter called the "Consumer");

**WITNESSETH:**

(1) Seller and Consumer entered into an Agreement for Electric Service dated December 9, 2008, and

(2) Seller and Consumer desire to amend said Agreement concerning the limits of Consumer's Maximum Demand;

**NOW**, therefore, in consideration of the promises and covenants hereto, and other valuable consideration, receipt being acknowledged **IT IS AGREED** that said December 9, 2008, Agreement is amended as follows:

1. Section 2.B. is deleted in its entirety and substituted therefor is the following:

- B. (1) Consumer's Maximum Demand under this Agreement is 4,000 kW and may be unilaterally increased by Consumer, from time to time, subject to (i) the procedures, requirements and limitations of this Section 2.B, Section 2.H and Section 7, and (ii) the schedule determined by Seller's wholesale power supplier for acquisition of the transmission

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capacity and rights required for delivery of the increase in Maximum Demand to Consumer at the delivery point.

(2) Consumer's Maximum Demand shall not exceed the following limits during the following periods: 4,600 kW from September 1, 2010, through September 30, 2010; 5,200 kW from October 1, 2010, through April 30, 2011; 7,200 kW from May 1, 2011 through December 31, 2011; and 9,200 kW on and after January 1, 2012.

(3) Consumer shall give written notice to Seller at least 45 days prior to the effective date of each increase in its Maximum Demand.

(4) The effective date of any unilateral increase by Consumer in its Maximum Demand shall be the first day of a calendar month. On and after that date, Consumer's minimum billing demand per month shall be the new Maximum Demand multiplied by the demand rate applicable to Consumer under Seller's applicable tariff, multiplied by 60%.

2. Section 2.H. is deleted in its entirety and substituted therefor is the following:

H. Consumer acknowledges that it has requested Seller to deliver service under this Agreement across the KU System. Accordingly, Consumer further agrees to pay, on the terms stated in this Section 2, any charges payable by Seller's wholesale power supplier under the Kentucky Utilities Company ("KU") open access transmission tariff arising out of, related to or connected with providing service to Consumer under this Agreement that are billed to Seller by its wholesale power supplier and to

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Consumer by Seller. Consumer further acknowledges that transmission capacity across the KU System is reserved and paid for in accordance with the KU Open Access Transmission Tariff. Seller agrees that it will provide Consumer a reasonable opportunity to select the term of a transmission reservation request proposed by Seller or its wholesale power supplier for purposes of delivery of electric service to Consumer under this Agreement prior to making the transmission reservation request. Seller further agrees that if this Agreement is terminated, Seller will use reasonable commercial efforts to mitigate Consumer's exposure to costs for transmission capacity on the KU System that has been reserved for purposes of performing this Agreement, but which will be unutilized for those purposes following the termination of this Agreement.

3. This amendment shall not be effective unless it is approved or accepted in writing by the Kentucky Public Service Commission, and it is approved, in writing, by Big Rivers Electric Corporation ("Big Rivers"). The parties acknowledge that the approval of Big Rivers will be given only after it obtains, among other things, the consent of the Rural Utilities Service of the United States Department of Agriculture to give that approval.

4. In all other respects the terms and conditions of said December 9, 2008, Agreement for Electric Service are adopted and reaffirmed in their entirety.

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

<b>KENTUCKY PUBLIC SERVICE COMMISSION</b>
<b>JEFF R. DEROUEN EXECUTIVE DIRECTOR</b>
TARIFF BRANCH <i>Brent Kirtley</i>
EFFECTIVE <b>9/1/2010</b> PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

**KENERGY CORP.**

**Seller**

By

*Sanford Novick*

Printed Name Sanford Novick

Title President and CEO

**ARMSTRONG COAL COMPANY, INC.**

**Consumer**

By

*Kenneth E. Allen*

Printed Name Kenneth E. Allen

Title V.P. Operations

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