

AMENDMENT TO AGREEMENT FOR ELECTRIC SERVICE

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PUBLIC SERVICE
COMMISSION

THIS AMENDMENT made and entered into this the 16th day of September, 2002, by and between **KENERGY CORP.**, a Kentucky corporation, Post Office Box 18, Henderson, Kentucky 42419-018 ("Seller") and **LODESTAR ENERGY, INC.**, a Delaware corporation, Post Office Box 448, Clay, Kentucky 42404 ("Consumer");

WITNESSETH:

WHEREAS, Henderson Union Rural Electric Cooperative Corp., now Kenergy Corp., and J. Smith Coal, Inc., now Lodestar Energy, Inc., entered into an Agreement for Electric Service dated June 1, 1986, and

WHEREAS, the parties hereto desire to amend said Agreement in order to reduce the billing demand to 500 kilowatts for the remaining term of the Agreement and also to make other relevant and necessary changes;

NOW, therefore, for valuable consideration including the mutual promises and covenants of the parties, **IT IS AGREED** as follows:

1. The aforementioned Agreement for Electric Service dated June 1, 1986, is amended in the following respects:

- A. The name of the Seller is changed to Kenergy Corp. and the name of the Consumer is changed to Lodestar Energy, Inc.

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EXECUTIVE DIRECTOR

B. Section 2.a. is deleted and substituted therefor is the following:

“a. The Consumer shall pay the Seller for service hereunder at the rates and upon the terms and conditions set forth in Schedule 31 attached hereto 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 500 kilowatts for the remaining term of the contract.”

C. Reference to “Schedule LP-4” in the second paragraph of Section 2.c. and in Section 2.d. is changed to read “Schedule 31.”

D. The following is added to Section 7.b.: “ This Amendment shall not be effective until approved or otherwise accepted by the Kentucky Public Service Commission.”

E. Section 5.40 of Addendum 5 is deleted and substituted therefor is the following: “5.40 Notices. Any written notice, demand or request required or authorized under this agreement shall be deemed properly given to or served on Seller if mailed to: Kenergy Corp., Post Office Box 18, Henderson, Kentucky 42419-018. Any such notice, demand or request shall be deemed properly given to or served on Consumer if mailed to Lodestar Energy, Inc., Post Office Box 448, Clay, Kentucky 42404. Each

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party shall have the right to change the name of the person to whom or the location to which the notices are to be given or served by notifying the other party, in writing, of such change."

2. In all other respects the terms and conditions of the Agreement for Electric Service dated June 1, 1986, are adopted, ratified and re-affirmed.

IN TESTIMONY WHEREOF, witness the hands of the parties hereto by and through their duly authorized representative this day and date first above written.

KENERGY CORP.

By Dean Stanley

Dean Stanley
(printed name)

President/CEO
(title)

LODESTAR ENERGY, INC.

By Dennis W. Bryant

DENNIS W. BRYANT
(printed name)

PUBLIC SERVICE COMMISSION
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VP Western Operations
(title)

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SECTION 9 (1)

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BY Charles E. Dyer
EXECUTIVE DIRECTOR

FOR ALL TERRITORY SERVED
 Community, Town or City
 PSC NO. 1
Original SHEET NO. 31
 CANCELLING PSC NO. _____
 SHEET NO. _____



Henderson, Kentucky

CLASSIFICATION OF SERVICE
Schedule 31 – Dedicated Delivery Point or 2,001 KW and Above

AVAILABLE

This rate shall apply to: 1) Large customers whose load requirements exceed 500 KW and where service is provided through a dedicated substation connected to the 69 kv. transmission system of Big Rivers or other accessible system; 2) any large power customer (non-dedicated) contracting for not less than 2001 KW; and 3) any large power customer formerly served under special contract whose load requirements exceed 2,001 KW.

CONDITIONS OF SERVICE

An "Agreement for Purchase of Power" shall be signed by any new customer prior to service under this rate.

CHARACTER OF SERVICE

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

DETERMINATION OF BILLING DEMAND

For all delivery points, the Billing Demand in kilowatts shall be the highest of: a) 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; b) the Contract Demand; or c) 500 KW where service is provided through a dedicated substation and 2,001 KW for all other customers.

POWER FACTOR ADJUSTMENT

The customer agrees to maintain a power factor as nearly as practical to unity. The company will permit the use of apparatus that shall result, during normal operation, in a power factor not lower than 90%. At the Company's option, in lieu of the customers providing the above corrective equipment when power factor is less than 90%, the Company may adjust the maximum measured demand for billing purposes in accordance with the following formula:

$$\frac{\text{Max. Measured KW} \times 90\%}{\text{Power Factor (\%)}}$$

The power factor shall be measured at time of maximum load.

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JUN 29 2001

PURSUANT TO 807 KAR 5.011,
 SECTION 9(1)

BY: Stephan O. Bee
 SECRETARY OF THE COMMISSION

DATE OF ISSUE July 16, 2001 DATE EFFECTIVE June 29, 2001
 ISSUED BY Dean Stanley TITLE President and CEO
 SIGNATURE OF OFFICER



Henderson, Kentucky

FOR ALL TERRITORY SERVED
Community, Town or City

PSC NO. 1

Original SHEET NO. 31A

CANCELLING PSC NO.

SHEET NO.

CLASSIFICATION OF SERVICE
Schedule 31 – Dedicated Delivery Point or 2,001 KW and Above

METERING

Electrical usage will be metered at the transmission voltage supplied or at the customer's secondary voltage with a 1.0% adder to the metered KWH to account for transformer losses, as determined by Seller.

MONTHLY RATE

Customer Charge per delivery point.....\$100.00
Demand Charge per KW of Billing Demand\$ 10.15

Energy Charges:

First 5,000,000 KWH, per KWH..... 0.0182750
Over 5,000,000 KWH, per KWH..... 0.0167750

Monthly Facilities Charge per Assigned Dollar 1.35%
of Investment by Kenergy in substation,
transformer, feeder, etc.

School Taxes added to bill if applicable.

Kentucky Sales Taxes added to bill if applicable.

MINIMUM DEMAND CHARGE

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

TERMS OF PAYMENT

The above rates are net, the gross rate being five percent (5%) greater. In the event the current monthly bill is not paid within twenty (20) days from the date of the bill, the gross rate will apply.

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OF KENTUCKY
EFFECTIVE

JUN 29 2001

PURSUANT TO 807 KAR 5011,
SECTION 9 (1)

BY: *Stephan O. Bell*
SECRETARY OF THE COMMISSION
June 29, 2001

DATE OF ISSUE July 16, 2001 DATE EFFECTIVE

ISSUED BY *Dean Stanley* TITLE President and CEO

SIGNATURE OF OFFICER

ISSUED BY AUTHORITY OF PSC ORDER NO. 2000-205