DEC 1 2 2008 PUBLIC SERVICE COMMISSION

REQUEST FOR POWER

Century Aluminum of Kentucky General Partnership ("Century") hereby requests Kenergy Corp. ("Kenergy") to purchase 50 MW of Tier 3 Energy from Big Rivers Electric Corporation ("Big Rivers") for the period and in accordance with the rates, terms and conditions set forth in the Agreement for Tier 3 Energy dated December 9, 2008, between Kenergy and Big Rivers (the "Tier 3 Agreement"):

In consideration thereof, Century agrees to purchase from Kenergy at retail the delivered amounts of such Tier 3 Energy on the same terms and conditions and at the same rates contained in the Tier 3 Agreement plus the applicable distribution fee included in Kenergy's smelter tariff plus charges for transmission and ancillary services, if any, with respect such Tier 3 Energy.

The terms and conditions of the Agreement for Electric Service between Kenergy and Century dated July 15, 1998 (the "Century Power Agreement") are, to the extent applicable, incorporated herein by reference.

This the 9th day of December, 2008.

CENTURY ALUMINUM OF KENTUCKY GENERAL PARTNERSHIP

By: METALSCO, LLC, General Partner

By: OMMISSION llB FR Presiden UCKY FFFFCTIVE 1/1/2009 PURSUANT TO 807 KAR 5:011 SECTION 9 (1) Director

<u>CONSENT</u>

Century Aluminum of Kentucky General Partnership ("Century") hereby agrees with Kenergy Corp. ("Kenergy") and Big Rivers Electric Corporation ("Big Rivers") that Century has reviewed the Agreement for Tier 3 Energy dated December 9, 2008 ("Tier 3 Agreement") for delivery of 50 MW of Tier 3 Energy in January and February of 2009 and hereby consents to the execution, delivery and performance of the Tier 3 Agreement by Kenergy and Big Rivers for all purposes.

Dated: December 9, 2008

CENTURY ALUMINUM OF KENTUCKY GENERAL PARTNERSHIP

By: METALSCO, LLC, General Partner

By: Hale

President



AGREEMENT FOR TIER 3 ENERGY BETWEEN KENERGY CORP. AND BIG RIVERS ELECTRIC CORPORATION

ARTICLE I: PARTIES

The Parties to this Agreement, dated as of this 9th day of December, 2008 are KENERGY CORP., a Kentucky corporation organized under KRS Chapter 279 ("Kenergy") and BIG RIVERS ELECTRIC CORPORATION, a Kentucky corporation ("Supplier" or "Big Rivers"). Kenergy and Supplier are each referred to individually as a "Party" and collectively as "Parties." It is recognized by the Parties that Century Aluminum of Kentucky General Partnership ("Century") is a third-party beneficiary under this Agreement. Pursuant to the attached Form of Consent, Century consents to this Agreement.

ARTICLE II: RECITALS

- Section 2.01 Supplier is engaged in the business of selling electric power at wholesale.
- Section 2.02 Kenergy is an electric cooperative that provides electric energy at retail to Century pursuant to an agreement entitled "Agreement for Electric Service" between Kenergy and Century dated July 15, 1998 (the "Century Power Agreement").
- Section 2.03 Century owns and operates an aluminum reduction plant in Gawesville County, Kentucky (the "Hawesville Facility"). County, Kentucky (the "Hawesville Facility"). PUBLIC SERVICE COMMISSION EFFECTIVE 1/1/2009 PURSUANT TO 807 KAR 5:011

SECTION 9 (1)

Director

- Section 2.04 Pursuant to Section 9.2 of the Century Power Agreement and upon the request of Century, Kenergy shall contract with one or more third party suppliers for certain quantities of energy denominated as "Tier 3 Energy" at prices, terms and conditions that respond to Century's requirements.
- Section 2.05 Century has made a request for 50 MW of Firm L.D. Tier 3 Energy, and Kenergy therefore desires to enter into an agreement with Supplier to purchase for resale to Century, and Supplier desires to enter into an agreement with Kenergy to sell to Kenergy, 50 MW of Firm L.D. Tier 3 Energy.

NOW, THEREFORE, in consideration of the mutual covenants set forth below, the Parties agree as follows.

ARTICLE III: DEFINITIONS:

The following terms, when used in this Agreement with initial capitalization, whether in the singular or the plural, shall have the meanings specified:

- Section 3.01 <u>Agreement</u>: This Agreement together with any amendment, supplement or extension to which the Parties may agree in writing from time to time and is consented to by Century.
- Section 3.02 A.M.: A.M., Central Standard Time or Central Daylight Time, as applicable.
- Section 3.03 Big Rivers: Big Rivers Electric Corporation, its successors and assigns.

Section 3.04 <u>Billing Month</u>: Each calendar month during the term of this Agreement in which FRENTUCKY Tier 3 Energy is provided to Kenergy by Supplier under this Agreement PURSUANT TO 807 KAR 5:011

SECTION 9 (1) Director

- Section 3.05 <u>Century</u>: Century Aluminum of Kentucky General Partnership, a Kentucky general partnership, its successors and assigns.
- Section 3.06 <u>Century Point of Delivery</u>: The existing set of meters at the Coleman Substation or such other point of delivery to which the Parties mutually agree.
- Section 3.07 <u>Century Power Agreement</u>: as defined in Section 2.02.
- Section 3.08 <u>Delivery Term</u>: As defined in Section 4.05.
- Section 3.09 <u>Effective Date</u>: The date specified in Section 4.01.
- Section 3.10 <u>Energy</u>: The flow of electricity denominated in megawatt-hours.
- Section 3.11 <u>FERC</u>: The Federal Energy Regulatory Commission or any successor agency.
- Section 3.12 <u>Firm L.D.</u>: Financially firm power with liquidated damages.
- Section 3.13 <u>Hawesville Facility</u>: The aluminum reduction plant located in Hancock County, Kentucky, and any expansions, additions, improvements and replacements thereof or thereto at the existing site.
- Section 3.14 Kenergy: Kenergy Corp., its successors or assigns.
- Section 3.15 <u>KPSC</u>: The Kentucky Public Service Commission or any successor agency.

Section 3.16 <u>Monthly Charge</u>: The total charge in each Billing Month for Tier 3 Energy delivered or made available under this Agreement (including the charges set forth in Section 7.01) and computed in accordance with this Agreement.

Section 3.17 Open Access Transmission Tariff (OATT): Any transmission fariff approved by EFFECTIVE FERC following filing by a public utility pursuant to 18 C.F.1R1/2005.28(c) or PURSUANT TO 807 KAR 5:011

SECTION 9(1) Director

approved by FERC as constituting reciprocal transmission service following a submittal by a non-public utility pursuant to 18 C.F.R. § 35.28(e).

- Section 3.18 <u>Point of Delivery</u>: Any point of connection between the Big Rivers transmission system and an interconnected transmission system.
- Section 3.19 Prudent Utility Practice: Any of the practices, methods, and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period; or any of the practices, methods, and acts which, in the exercise of reasonable judgment in light of the facts known at the time a decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Prudent Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.
- Section 3.20 <u>Supplier</u>: Big Rivers Electric Corporation, its successors and assigns.
- Section 3.21 <u>System Energy Loss Factor</u>: The percentage of Energy losses incurred on the transmission system of the Transmission Provider, as determined pursuant to the OATT of the Transmission Provider as currently in effect or as may be modified from time to time.
- Section 3.22 <u>System Losses</u>. The amount of Tier 3 Energy delivered to Kenergy at the Point of Delivery shall be transmitted by Kenergy to the Century Point of Delivery, and PUBLIC SERVICE COMMISSIO the amount of such Tier 3 Energy delivered to Century shall of KENTUCKY System Energy Loss Factor. System Energy Loss Factor. Delivery shall be transmitted by Kenergy to the 1/1/2009 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

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- Section 3.23 Transmission Provider: Big Rivers Electric Corporation, its successors or assigns, in its capacity as provider of transmission and ancillary services within the Big Rivers control area.
- Section 3.24 Uncontrollable Force: Any cause beyond the control of the Party unable, in whole or in part, to perform its obligations under this Agreement which, despite exercise of due diligence and foresight, such Party could not reasonably have been expected to avoid and which, despite the exercise of due diligence, it has been unable to overcome. Such causes include, but are not limited to: acts of God: strikes, acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, arrests and restraints of the Government, whether Federal, State or local, civil or military, civil disturbances, explosions, breakage of or accident to machinery, equipment or transmission lines, inability of either Party hereto to obtain necessary materials, supplies or permits due to existing or future rules, regulations, orders, laws or proclamations of governmental authorities, whether Federal, State or local, civil or military, and any other forces which are not reasonably within the control of the Party claiming suspension. A forced outage of a generating unit or units is not an Uncontrollable Force unless it prevents the physical delivery of power to Kenergy for resale to Century. Uncontrollable Force shall not include Century's inability to economically use the Tier 3 Energy or market conditions relating to



- Section 3.25 <u>Unwind Transaction</u>: Any transaction under which (i) Big Rivers acquires the right to all the power from the Big Rivers generating units and (ii) the Century Power Agreement is terminated.
- Section 3.26 <u>Unwind Transaction Closing Date</u>: As defined in Section 10.05.
- Section 3.27 <u>Working Days</u>: Mondays through Fridays of each week.

ARTICLE IV: EFFECTIVE DATE, INITIAL CONDITIONS AND TERMS

- Section 4.01 <u>Term</u>. This Agreement shall become effective on the date it is executed and delivered by the Parties. The term with respect to the delivery and purchase obligations of all Tier 3 Energy to be sold and delivered under this Agreement shall be as set forth in Section 4.05. Unless earlier terminated by either Party pursuant to Section 4.04 (failure of KPSC initial approval), Section 8.01 (default) or by mutual agreement of the Parties, this Agreement shall terminate with the expiration of the Delivery Term subject, however, to the provisions of Section 16.06.
- Section 4.02 <u>Condition to Purchase and Delivery Obligations</u>. Notwithstanding the Effective Date of this Agreement, the delivery obligation of Supplier and the purchase obligation of Kenergy for Tier 3 Energy pursuant to Article V are subject to the condition that the Parties have received all regulatory and other approvals, permits and consents necessary for the purchase and Agreement, and any amendment thereto, and the resale of the FfierC3 IEnergy by 1/1/2009
 Kenergy to Century.

Director

- Section 4.03 <u>Notice of Condition Satisfaction</u>. As soon as the condition set forth in Section 4.02 has been satisfied, Kenergy shall promptly provide written notice to Century and Supplier that the condition has been satisfied. Unless waived by Supplier in writing, the condition contained in Section 4.02 shall not be deemed satisfied until Supplier has received such notice.
- Section 4.04 <u>Cooperation</u>. Each Party agrees to use reasonable diligence to satisfy the condition described in Section 4.02. If the condition has not been satisfied by December 31, 2008, either Party, upon written notice to the other Party, may terminate the Agreement.
- Section 4.05 <u>Term</u>. The delivery obligation of Supplier and the purchase obligation of Kenergy with respect to the Tier 3 Energy sold pursuant to this Agreement shall commence at 12:00 AM on January 1, 2009 and terminate at midnight on February 28, 2009 (the "Delivery Term"), unless earlier terminated pursuant to Section 10.05.

ARTICLE V: PURCHASE AND SALE OF TIER 3 ENERGY

Section 5.01 <u>Tier 3 Energy and Rate</u>. During the Delivery Term, Supplier shall sell and deliver to Kenergy at the Point of Delivery, and Kenergy shall purchase from Supplier and pay for a block of 50 MW of Energy around the clock. The rate for Tier 3 Energy for all hours of delivery shall be \$55.50 per MWh plus the Additional Charges set forth in Section 6.01 for delivery of the Tier 3 Energy from the Point OF KENTUCKY EFFECTIVE

PUBLIC SERVICE COMMISSION 1/1/2009 **PURSUANT TO 807 KAR 5:011** SECTION 9 (1) Director

- Section 5.02 <u>Rates Not Subject To Change</u>. The rate for Tier 3 Energy set forth in Section 5.01 is not subject to change over the Delivery Term. Kenergy shall purchase, accept delivery and pay for the full amount of the Tier 3 Energy made available by Supplier. If Kenergy or Century does not accept delivery of the full amount of such Energy, the Monthly Charge shall include the amount that would have been due had the full amount of such Energy been accepted.
- Section 5.03 <u>Service Obligation</u>. Unless otherwise excused pursuant to Article XII, in the event that Supplier fails to deliver the Tier 3 Energy to the Point of Delivery in accordance with the terms of this Agreement, Supplier will be liable for 100% of the costs incurred by Kenergy in obtaining replacement Tier 3 Energy in a commercially reasonably manner, less the amount that Kenergy would have owed to Supplier had Supplier fulfilled its obligation to deliver hereunder.
- Section 5.04 System Losses. The amount of Tier 3 Energy delivered to Kenergy at the Point of Delivery shall be transmitted by Kenergy to the Century Point of Delivery, and the amount of such Tier 3 Energy delivered to Century shall be reduced by the System Energy Loss Factor.

ARTICLE VI: ADDITIONAL CHARGES

Section 6.01 <u>Additional Charges.</u> In addition to the rate set forth in Section 5.01, the Monthly Charge shall include and Kenergy shall pay to the Transmission Provider the following PUBLIC SERVICE COMMISSI OF KENTUCKY EFFECTIVE

(a) a separately calculated charge for network Rhanshanston-sepvikes with 1 respect to Tier 3 Energy delivered pursuant to the AgreemEntlon determined

pursuant to the OATT of the Transmission Provider as currently in effect or as may be modified from time to time; and

(b) a separately calculated charge for ancillary services with respect to Tier 3 Energy delivered pursuant to the Agreement, as determined pursuant to the OATT of the Transmission Provider as currently in effect or as may be modified from time to time; and

(c) a separately calculated charge for excess reactive power demand, if any.

(d) any cost to Big Rivers to provide collateral to a Big Rivers counterparty with respect to the purchase and sale of Tier 3 Energy pursuant to this Agreement.

ARTICLE VII: BILLING

Section 7.01 <u>Monthly Billing</u>. Supplier shall bill Kenergy on a monthly basis for the Monthly Charge based on the Tier 3 Energy provided or made available under this Agreement during the most recently ended Billing Month. Supplier shall issue its bill as soon after the Billing Month's end as detailed information is available. Kenergy shall pay Supplier the Monthly Charge in immediately available funds on or before the first Working Day after the 24th of the month in which the bill is issued. To facilitate satisfaction of Kenergy's obligation to Supplier, Kenergy hereby assigns to Supplier all of its rights to collect and enforce collection of amounts due from Century with respect to the Tier 3 Energy and related transmission and ancillary services sold by Supplier under this Agreement. Supplier releases Kenergy from further liability under this Agreement for amounts subject to such assignment to Supplier, provided that such release does not relieve

> Kenergy of its other liabilities under this Agreement. Kenergy agrees to PUBLIC SERVICE COMMISS cooperate with and assist Supplier with respect to any collections of and other to any collections of and other from Century to Kenergy which are assigned to Supplier pursuant to all strengther to any collection of the section of the sectio

Agreement. Kenergy agrees to PUBLIC SERVICE COMMISSION to any collections of the section of th

provided that Supplier will reimburse Kenergy for any commercially reasonable expenses Kenergy incurs in providing such cooperation and assistance.

- Section 7.02 Late Charge. In the event any bill rendered by Supplier is not paid on the due date, interest will accrue and become payable by Kenergy to Supplier on all unpaid amounts at a rate of 4 percentage points over the then-effective prime commercial lending rate per annum published in the Money Rates section of *The Wall Street Journal* commencing on the first Working Day after the due date. (Should *The Wall Street Journal* discontinue publication of the prime commercial lending rate, the Parties shall agree on a mutually acceptable alternative source for that rate.)
- Section 7.03 <u>Disputed Billing</u>. In the event any portion of any bill is disputed by Kenergy, the disputed amount shall be paid, under protest, when due. If the protested portion of the payment is found to be incorrect, Supplier shall promptly cause to be refunded to Kenergy (or to Century on behalf of Kenergy, as applicable) the amount that was not then due and payable, together with interest accrued on each calendar day from the date of payment by Kenergy to the date the refund is made. The same interest rate and computation method provided for in Section 7.02 shall be applied to the determination of interest due to Kenergy on the refund.
- Section 7.04 <u>Non-Waiver</u>. No payment made by Kenergy (or Century) pursuant to this Article VII shall constitute a waiver of any right of Kenergy (or Century) to contest the correctness of any charge or credit. PUBLIC SERVICE COMMISSION OF KENTUCKY

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

Director

ARTICLE VIII: BREACH AND DEFAULT

Section 8.01 <u>Event of Default</u>. The occurrence of any of the following events, unless otherwise excused pursuant to the terms of this Agreement, constitutes a breach by the relevant Party under this Agreement and if not curable or not cured within the applicable cure period (indicated in parenthesis) shall constitute a default:

(a) Failure by a Party to make any payment as and when due hereunder (curable within 3 days following notice of default from the non-defaulting party to the defaulting party and Century);

(b) Failure of a Party to perform any material duty imposed on it by this Agreement (curable within 30 days following notice of default from the non-defaulting party to the defaulting party and Century);

(c) Any attempt by a Party to transfer an interest in this Agreement other than as permitted pursuant to Article XIII of this Agreement (not curable);

(d) Any filing of a petition in bankruptcy or insolvency, or for reorganization or arrangement under any bankruptcy or insolvency law, or voluntarily taking advantage of any such laws by answer or otherwise or the commencement of involuntary proceedings under any such laws by a Party (curable by withdrawing the petition or dismissing the proceeding within 30 days after filing).

(e) Assignment by a Party for the benefit of creditors, other than as expressly provided herein (not curable);

 (f) Allowance by a Party of the appointment of a property SER VISE COMMONSION OF KENTUCKY
 material part of its property (curable by disc harge of such FEEFVET of trustee 1/1/2009
 Within 60 days after appointment).

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(g) Failure, inability or refusal of Kenergy to cure a breach or default by Kenergy under the Century Power Agreement which gives rise to a termination of that agreement, or any termination by Kenergy of the Century Power Agreement in breach or default thereof (not curable).

Section 8.02 <u>Non-Waiver</u>. The waiver by either Party of any breach of any term, covenant or condition contained herein shall not be deemed a waiver of any other term, covenant or condition, nor shall it be deemed a waiver of any subsequent breach of the same or any other term, covenant or condition contained herein.

ARTICLE IX: REMEDIES OF THE PARTIES

- Section 9.01 <u>Remedies, General</u>: In the event of a default by either Party, the non-defaulting Party may, in its sole discretion, elect to terminate this Agreement upon written notice to the other Party, or to seek enforcement of its terms at law or in equity.
- Section 9.02 <u>Remedies Scope</u>: Remedies provided in this Agreement are cumulative, unless specifically designated to be an exclusive remedy. Nothing contained in this Agreement shall be construed to abridge, limit, or deprive either Party of any means of enforcing any remedy either at law or in equity for the breach or default of any of the provisions herein provided that:

(a) Neither Party is entitled to recover from the other Party any consequential, incidental or special damages including without limitation, lost profits; and

(b) Kenergy's sole and exclusive right to damages or other FEIEF for a failure 1/1/2009 by Supplier to deliver Tier 3 Energy as required by this Agreement shall be as set

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forth in Section 5.03.

ARTICLE X: ADDITIONAL COVENANTS OF THE PARTIES

Section 10.01 General. Kenergy covenants that:

(a) It will not intentionally take any action that would shorten the term of this Agreement or otherwise adversely affect the economic value of this Agreement to Supplier or Century.

(b) It will not resell any Tier 3 Energy purchased from Supplier under this Agreement to any user other than Century and will require that any Tier 3 Energy that Kenergy purchases from Supplier under this Agreement and resells to Century must be consumed by Century for its Hawesville Facility except as expressly permitted with the written authorization of Supplier; provided, that in the event of an Uncontrollable Force that renders Century unable to receive and utilize power purchased by Kenergy from Supplier hereunder, Kenergy may take the action contemplated in Section 26.6 of the Century Power Agreement.

(c) It will not take any action or support any action by others that in any manner would impede Kenergy's ability to fulfill its obligations to Supplier under this Agreement;

 (d) It will not waive compliance by Century with any of its obligations under
 the Century Power Agreement or fail to fully enforce SERVICE COMMISSION OF KENTUCKY EFFECTIVE
 Agreement against Century in any manner that would adversely taffeoto Kenergy's PURSUANT TO 807 KAR 5:011
 ability to fulfill its obligations under this Agreement; and SECTION 9 (1)

Director

(e) It will not assign or transfer (by operation of law or otherwise) any rights or interests that it may have in the Century Power Agreement to any party without causing the transferee of the Century Power Agreement to assume and agree to perform all of Kenergy's obligations under this Agreement which arise following that assignment or transfer and without complying with Article XIII.

- Section 10.02 <u>Supplier Audit</u>. Kenergy will permit Supplier to audit, upon reasonable notice, at its own expense, at a mutually agreeable time, all information in the possession of Kenergy relating to its service to Century under the Century Power Agreement, including (for example, but not by way of limitation) scheduled usage, meter records and billing records and records related to power supplied hereunder as such records relate to a determination of the amount of Tier 3 Energy supplied by Supplier under this Agreement and delivered to or used by Century. Kenergy shall retain all documentation applicable to service to Century under the Century Power Agreement for a period of three years and consistent with the requirements of Section 25 of the Century Power Agreement.
- Section 10.03 <u>Kenergy Audit</u>. Supplier will permit Kenergy to audit, upon reasonable notice, at its own expense, at a mutually agreeable time, all information in the possession of Supplier relating to its service to Kenergy under this Agreement, including (for example, but not by way of limitation) scheduled deliveries, meter records and billing records and records related to payments made by Century to Supplier pursuant to the assignment described in Section. 7.0461 His SERVERENC OMMUSSION OF KENTUCKY other documents related to payment for and determination of the amount of the amo

resale and delivery to Century. Supplier shall retain all documentation applicable to service to Kenergy under this Agreement for a period of three years.

- Section 10.04 <u>Assurance</u>. Supplier covenants that it will not take any action or support any action by others that in any manner would impede Supplier's ability to fulfill its obligations to Kenergy under this Agreement and will not intentionally take any action that would diminish or otherwise adversely affect the economic value of this Agreement to Kenergy or Century.
- Section 10.05 <u>Closing of Unwind Transaction</u>. Coincident with closing of the Unwind Transaction prior to February 28, 2009 ("Unwind Transaction Closing Date"), the purchase obligation of Kenergy and the delivery obligation of Big Rivers with respect to Tier 3 Energy provided for under this Agreement shall automatically terminate without further action of the Parties as of 11:59 PM of the Unwind Transaction Closing Date; provided, however, that Section 16.06 of this Agreement shall survive such termination and Kenergy shall remain responsible for billed and unbilled costs of Tier 3 Energy (including charges set forth in Section 6.01) delivered or made available though the Unwind Transaction Closing Date.

ARTICLE XI: DISPUTE RESOLUTION AND CHOICE OF LAW

Section 11.01 <u>Dispute Resolution</u>. Should any dispute arise between the Parties concerning the DUBLIC SERVICE COMMISSION OF KENTUCKY terms or conditions of this Agreement, the duties or obligations of the Parties 1/1/2009 under this Agreement, or the implementation, interpretable Nor Toreach Kor this 1 SECTION 9 (1)

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Agreement, either Party may request in writing a meeting between an authorized representative of each of the Parties and Century to discuss and attempt to reach a resolution of the dispute. Such meeting shall take place within ten (10) days (or such shorter or longer time as agreed upon by the Parties) of the request. Any resolution mutually agreed upon by the Parties shall be reduced to written form and signed by each Party and consented to by Century, and thereafter shall be binding upon each Party to this Agreement. Absent such resolution, the Parties shall be entitled to pursue all rights and remedies that they may have at law, in equity or pursuant to this Agreement (subject to the limitations set forth in the Agreement) to resolve that dispute. Notwithstanding the provisions of this Section 11.01, each Party will at all times be free to seek injunctive relief, where its delay in doing so could result in irreparable injury.

- Section 11.02 <u>Controlling Law</u>. This Agreement shall be interpreted, governed by and construed under the laws of the Commonwealth of Kentucky, without regard to its conflicts of laws rules.
- Section 11.03 <u>Venue</u>. The Parties hereby agree that the Courts of the Commonwealth of Kentucky will have exclusive jurisdiction over each and every judicial action brought under this Agreement to enforce this Agreement or for breach of this Agreement, provided that the subject matter of such dispute is not a matter reserved by law to the U.S. federal judicial system, to the FERC or to the KPSC. and provided further that the Parties are not precluded in the Section of Kentucky removing actions to a federal district court under such court 1920 gersity of DURSUANT TO 807 KAR 5:011 citizenship jurisdiction. In any such federal district court action (that the lattice is the subject is not action)

with the U.S. District Court for the Western District of Kentucky. The Parties hereby agree to submit to the jurisdiction of such courts for such purposes. Nothing in this paragraph prohibits a Party from referring to the FERC or to the KPSC any matter properly within its jurisdiction.

ARTICLE XII: UNCONTROLLABLE FORCES

Section 12.01 Application. No Party shall be considered to be in breach or default in the performance of any of its obligations under this Agreement when a failure of performance is due to an Uncontrollable Force, except as enumerated in this Article XII. The Party claiming failure or inability to perform shall promptly contact the other Party and Century and provide written notice that an Uncontrollable Force has caused failure of performance. In the event either Party shall be unable, in whole or in part, by reason of Uncontrollable Force to carry out its obligations, then the obligations of the Parties (other than obligations to make payments then due or becoming due with respect to performance prior to such period), to the extent that they are affected by such Uncontrollable Force, shall be suspended during the continuance of any inability so caused, but for no longer period. A Party shall not be relieved of liability for failing to perform if such failure is due to causes arising out of its own negligence or willful acts or omissions, or to removable or remediable causes which it fails to remove or remedy with reasonable dispatch. OF KENTUCKY

PUBLIC SERVICE COMMISSION FFFFCTIVF 1/1/2009 **PURSUANT TO 807 KAR 5:011** SECTION 9 (1) Director

- Section 12.02 <u>Obligation to Mitigate</u>. Either Party rendered unable to fulfill any obligation by reason of an Uncontrollable Force shall exercise due diligence to remove or remedy such inability with all reasonable dispatch.
- Section 12.03 <u>Notification</u>. Kenergy and Supplier agree to notify the other Party and Century at the earliest practicable time following (i) the occurrence of any Uncontrollable Force which renders such Party incapable of performing hereunder, or (ii) the time at which such Party has reason to expect that such an Uncontrollable Force is imminent. Kenergy also agrees to so notify Supplier in the event that Kenergy receives notice from Century that such entity anticipates that it will be unable to perform its obligations to Kenergy (under any contract or agreement that affects Kenergy's performance under this Agreement) due to an Uncontrollable Force.
- Section 12.04 <u>Labor Dispute</u>. Nothing contained herein shall be construed to require a Party to prevent or to settle a labor dispute against its will.

ARTICLE XIII: SUCCESSORS AND ASSIGNS

This Agreement shall inure to the benefit of and be binding upon the Parties hereto and their respective successors and permitted assigns. No interest in this Agreement may be transferred or assigned by either Party, in whole or in part, by instrument or operation of law, without the prior written consent of the other Party, except that (a) assignment may be made Party, except that (a) assignment may be made of the other Party to such person or entity as acquires all of substantially all the EFFECTIVE all the EFFECTIVE all the SECTION 9 (1) all of the stock or other ownership interest of such assets of the assigning Party or which merges with or populates antigly 1 all of the stock or other ownership interest of such assets of the assigning Party or which merges with or populates antigly 1 all of the stock or other ownership interest of such assets of the assigning Party or which merges with or populates antigly 1 all of the stock or other ownership interest of such assets of the assignment as a comparison of the stock or other ownership interest of such assets of the stock or other ownership interest of such as a comparison of the stock or other ownership interest of such as a comparison of the stock or other ownership interest of such as a comparison of the stock or other ownership interest of such as a comparison of the stock or other ownership interest of such as a comparison of the stock or other ownership interest of such as a comparison of the stock or other ownership interest of such as a comparison of the stock or other ownership interest of such as a comparison of the stock or other ownership interest of such as a comparison of the stock or other ownership interest of such as a comparison of the stock or other ownership interest of such as a comparison of the stock or other ownership interest of such as a comparison of the stock or other ownership interest of such as a comparison of the stock or other ownership interest of such as a comparison of the stock or other ownership interest of such as a comp

assign or delegate all or any portion of its rights or obligations under this Agreement to any affiliate or entity controlled by Supplier or to the Rural Utilities Services (or other mortgagee or other secured party as security for indebtedness incurred by Supplier), or any successor thereto, without the prior consent of Kenergy. When consent is required, consent shall not be unreasonably withheld. conditioned or delayed. In no event shall either Party assign this Agreement to any third party that does not have adequate financial capacity or that would otherwise be unable to perform the obligations of the assigning Party pursuant to this Agreement, nor shall either Party assign this Agreement on any terms at variance from those set forth in this Agreement except as agreed to in writing by the Parties. No permitted assignment or transfer shall change the duties of the Parties, or impair the performance under this Agreement except to the extent set forth in such permitted assignment and approved in writing by the Parties and Century. No Party is released from its obligations under this Agreement pursuant to any assignment, unless such release is granted in writing.

ARTICLE XIV: REPRESENTATIONS AND WARRANTIES:

Section 14.01 Kenergy Representations and Warranties. Kenergy hereby represents and warrants to Supplier as follows:

> Kenergy is an electric cooperative corporation duly organized, validly (a) existing and in good standing under the laws of the Commonwe and has the power and authority to execute and deliver this Aggreement to perform 1 its obligations hereunder, and to carry on its busi

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being conducted and as is contemplated hereunder to be conducted during the term hereof.

(b) The execution, delivery and performance of this Agreement by Kenergy have been duly and effectively authorized by all requisite corporate action.

(c) Without further investigation, Supplier can rely upon any written notice from Kenergy.

(d) Kenergy has reserved network transmission service pursuant to Big Rivers' Open Access Transmission Tariff as reasonably required for Big Rivers to deliver to Kenergy and for Kenergy to deliver to Century the Tier 3 Energy purchased by Kenergy from Supplier pursuant to this Agreement.

Section 14.02 <u>Supplier Representations and Warranties</u>. Supplier hereby represents and warrants to Kenergy as follows:

(a) Supplier is a corporation duly organized and validly existing and in good standing under the laws of the Commonwealth of Kentucky and has the power and authority to execute and deliver this Agreement, to perform its obligations hereunder, and to carry on its business as it is now being conducted and as it is contemplated hereunder to be conducted during the term hereof.

(b) The execution, delivery and performance of this Agreement by Supplier have been duly and effectively authorized by all requisite corporate action.

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(c) Without further investigation, Kenergy can rely upop any writter to EFFECTIVE from Supplier.

ARTICLE XV: AMENDMENTS

- Section 15.01 <u>Writing Required</u>. This Agreement may be amended, revised or modified by, and only by, a written instrument duly executed by both Parties with the written consent of Century.
- Section 15.02 Waiver. The rate provided for in Section 5.01 of this Agreement shall not be subject to change through application to the FERC pursuant to the provisions of Section 205 of the Federal Power Act absent the agreement of each of the Parties to this Agreement. Accordingly, neither Party shall petition FERC or any other governmental agency pursuant to the provisions of Section 205 or 206 of the Federal Power Act or any other provision of law to amend the rate contained in Section 5.01 of this Agreement absent the agreement in writing of the other Party nor shall any Party cooperate with any other person(s), or request or encourage any other person(s) to make such petition; and each Party further agrees to oppose any action to change such rates, including but not limited to pursuing appeals of any order or decision directing such change, and to bear all of its own costs of such opposition including attorneys' fees. Big Rivers' transmission rates, methodologies and formulae are subject to change, but nothing in this Agreement limits the right of any Party to challenge any aspect of the Transmission Provider's Open Access Transmission Tariff, including the applicable loss factor, the transmission service rates or any other transmission or ancillary service issue presented to FERC.



ARTICLE XVI: GENERAL

- Section 16.01 <u>Good Faith Efforts</u>: The Parties agree that each shall in good faith take all reasonable actions within their reasonable control as are necessary to permit the other Party to fulfill its obligations under this Agreement; provided, that no Party shall be obligated to expend money or incur material economic loss in order to facilitate performance by the other Party. Where the consent, agreement, or approval of either Party must be obtained hereunder, such consent, agreement or approval shall not be unreasonably withheld, conditioned, or delayed. Where either Party is required or permitted to act or fail to act based upon its opinion or judgment, such opinion or judgment shall not be unreasonably exercised. Where notice to the other Party is required to be given herein, and no notice period is specified, such notice will be given as far in advance as is reasonably practical.
- Section 16.02 <u>Information Exchange</u>: The Parties shall cooperate in the exchange of information between themselves in order to further the purposes of this Agreement, to verify compliance with the terms of this Agreement and to keep each other fully informed of facts which could constitute a material change in any of the business or financial relationships contemplated by this Agreement.
- Section 16.03 <u>Notices</u>: Except as herein otherwise expressly provided, any notice, demand or request provided for in this Agreement, or served, given or made in connection with it, shall be in writing and shall be deemed properly served, given or made if delivered in person or by any qualified and rect United States mail postage prepaid to the otherwise provided for in this Agreement.

Director

<u>To Supplier</u>: Big Rivers Electric Corporation 201 Third Street P.O. Box 24 Henderson, Ky. 42419 Attn: C. William Blackburn, Vice President, Power Supply Facsimile No.: (270) 827-2101

<u>To Kenergy</u>: Kenergy Corp. P.O. Box 18 6402 Old Corydon Road Henderson, KY 42419 Attention: President/CEO Facsimile: (270) 826-3999

<u>To Century</u>: Century Aluminum of Kentucky General Partnership P.O. Box 500 State Route 271 North Hawesville, Kentucky 42348 Attention: Plant Manager Facsimile: (270) 927-8888

Either Party may at any time, by written notice to the other Party, change the designation or address of the person specified to receive notices pursuant to this Agreement.

paragraph or part of this Agreement shall mater ally adversely affect the benefit of

SECTION 9 (1)

event the

Director

Section 16.04 <u>Severability</u>: If any clause, sentence, paragraph or part of this Agreement should for any reason be finally adjudged by any court of competent jurisdiction to be unenforceable or invalid, such judgment shall not affect, impair or invalidate the remainder of this Agreement but shall be confined in its operation to the clause, sentence, paragraph or any part thereof directly involved in the controversy in which the judgment is rendered, unless the loss or failure of Grick Elaitsel@shifence, EFFECTIVE

the bargain to be received by either or both of the

Parties shall promptly meet and use their good faith best efforts to renegotiate this Agreement in such a fashion as will restore the relative rights and benefits of both Parties.

- Section 16.05 <u>Singular and Plural References</u>: Unless the context plainly indicates otherwise, words importing the singular number shall be deemed to include the plural number and vice versa.
- Section 16.06 <u>Survival of Remedies</u>. Each provision of this Agreement providing for payment for Tier 3 Energy delivered or made available or related to remedies for default, damage claims, indemnification or payment of other liabilities will survive the termination of this Agreement to the full extent necessary for their enforcement and the protection of the Party in whose favor they run.
- Section 16.07 <u>Entire Agreement</u>. This Agreement constitutes the entire agreement and understanding of the Parties hereto with respect to the subject matter addressed herein.
- Section 16.08 <u>Patronage-Based Service</u>. The Parties agree that, for purposes of this Agreement, Kenergy is doing business with Supplier on a patronage basis in accordance with the provisions of the Articles of Incorporation and Bylaws of Supplier that may be in effect from time to time.

PUBLIC E COMMISSION **PURSUANT TO 807 KAR 5:011** SECTION 9 (1) ector

IN WITNESS WHEREOF, this Agreement is hereby executed as of the day and year first above written.

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KENERGY CORP.

Juck

By: Sanford Novick Title: President and CEO

BIG RIVERS ELECTRIC CORPORATION

mee Unk a.

By:Mark A. BaileyTitle:President and CEO

PUBLIC SERVICE COMMISSION **OF KENTUCKY EFFECTIVE** 1/1/2009 PURSUANT TO 807 KAR 5:011 SECTION 9 (1) e Director