

RESOLUTION

Resolved that the Agreement for the Purchase and Sale of Peaking Capacity and Energy between the Kentucky Municipal Energy Agency and the Electric Plant Board of the City of Paducah, Kentucky d/b/a Paducah Power System, dated July 13, 2016 (the “Agreement”), be amended so as to incorporate the changes and additions to “Exhibit B - Monthly Reservation Charge” of the Agreement as are shown in redline format in the attached version of Exhibit B, and that the Chairman be authorized to take all actions deemed necessary to substitute the amended Exhibit B for the original Exhibit B in said Agreement.

MONTHLY RESERVATION CHARGE

Definitions

ADF means the annual delivery factor for the preceding transmission planning year (i.e., June 1 through May 31), which shall be equal to the total megawatt-hours of Scheduled Peaking Energy delivered by Seller to Buyer in such preceding planning year divided by the total megawatt-hours of Peaking Energy Scheduled by Buyer in such preceding planning year. The ADF calculation shall exclude all periods for which Buyer did not submit Schedules due to outage of the Facility and for which the Monthly Reservation Charge has already been adjusted pursuant to Section IV or V below (including any relevant portions of Service Months for which the Monthly Reservation Charge was pro-rated). In addition, if (i) the Contract Term has been extended pursuant to Section 2.2, and (ii) during such extension term Seller conducts a major maintenance outage upon the recommendation of the original equipment manufacturer or an independent engineering firm, the period of such major maintenance outage (which shall not exceed a period of 45 consecutive days) shall be excluded from the ADF calculation for the transmission planning year in which the outage occurred.

MCP means the monthly capacity price for the applicable Service Month.

For the first 36 Service Months, the MCP shall be:

- \$3,850 per MW-month (i) during any period in which the Peaking Capacity is 90 MW or more, and (ii) during any period (not to extend beyond May 31, 2022) in which the Peaking Capacity is temporarily reduced below 90 MW pursuant to Section 3.1(b)(ii).
- \$4,000 per MW-month during any period in which the Peaking Capacity is less than 90 MW for any reason other than temporary application of \$3,850 per MW-month as the MCP due to Buyer's election to proceed pursuant to Section 3.1(b)(ii) as provided in part (ii) of the preceding bullet point.

For the remaining Service Months of the Term, MCP shall be equal to the MCP that was in effect during the first 36 Service Months, escalated as described under "CPI Escalation" below.

SR means "Starting Reliability" as calculated pursuant to the formula set forth for "SR" in Appendix F to the NERC Generating Availability Data System Data Reporting Instructions, taking into account the total attempted and actual starts of all of the units of the Facility over the course of the preceding transmission planning year (i.e., June 1 through May 31).

Calculation of Monthly Reservation Charge

For each Service Month, the Monthly Reservation Charge shall be calculated as follows.

I. For each Service Month in a planning year that immediately follows a planning year in which the ADF was greater than or equal to .95 and the SR was greater than or equal to .98, the Monthly Reservation Charge shall be equal to the Peaking Capacity multiplied by the MCP, as represented by the following formula:

$$\text{Monthly Reservation Charge} = (\text{Peaking Capacity} \times \text{MCP})$$

II. For each Service Month in a planning year that immediately follows a planning year in which the ADF was greater than or equal to .95 but the SR was less than .98, the Monthly Reservation Charge shall be equal to the Peaking Capacity multiplied by the MCP multiplied by the SR, as represented by the following formula:

$$\text{Monthly Reservation Charge} = (\text{Peaking Capacity} \times \text{MCP} \times \text{SR})$$

III. For each Service Month in a planning year that immediately follows a planning year in which the ADF was less than .95 (irrespective of whether the SR was above or below .98), the Monthly Reservation Charge shall be equal to the Peaking Capacity multiplied by the MCP multiplied by the ADF, as represented by the following formula:

$$\text{Monthly Reservation Charge} = (\text{Peaking Capacity} \times \text{MCP} \times \text{ADF})$$

IV. If an event of Force Majeure occurs and is continuing that prevents Seller from providing Peaking Capacity and/or Peaking Energy for a period of ninety (90) days or longer, then (a) the Monthly Reservation Charge for the Service Month in which the ninety-day period ends shall be pro-rated, (b) for each full Service Month thereafter in which the Force Majeure remains in effect, the Monthly Reservation Charge shall be zero dollars (\$0), and (c) the Monthly Reservation Charge for the Service Month in which the event of Force Majeure ends shall be pro-rated. The pro-rated Monthly Reservation Charge under clause (a) shall be the product of the Peaking Capacity, the applicable monthly capacity price as set forth under "MCP" above, and the ratio of the number of days within the Service Month that fell within the ninety-day period to the total number of days in the Service Month. The pro-rated Monthly Reservation Charge under clause (c) shall be the product of the Peaking Capacity, the applicable monthly capacity price as set forth under "MCP" above and the ratio of the number of days within the Service Month following the end of the Force Majeure event and in which Facility Firm Capacity and Facility Firm Energy were again made available to the total number of days in the Service Month.

V. In the event of a Forced Outage affecting all or part of the Facility that is not due to Force Majeure and causes Seller to be unable to deliver the full amount of Peaking Energy, the Operating Committee shall meet as soon as practicable to discuss Seller's plans for repair and the degree to which the Facility is still capable of providing the Peaking Capacity and Peaking Energy. The Parties may agree that Buyer will modify its Schedules to be limited to the reduced Capacity available from the Facility or, if the entire Facility is unavailable due to the Forced Outage, to suspend submitting Schedules for the duration of the Forced Outage. In such event,

(a) for each Service Month in which the Forced Outage occurred throughout the full Service Month, the Monthly Reservation Charge shall be zero dollars (\$0), and (b) the Monthly Reservation Charge for any Service Month in which the Forced Outage occurred for less than the full month shall be pro-rated as follows: the pro-rated Monthly Reservation Charge shall be the sum of (i) the product of the Peaking Capacity, the applicable capacity price as set forth under "MCP" above converted to a rate per MW-day, and the number of days within the Service Month that were not affected by the Forced Outage, and (ii) the product of the amount of Peaking Capacity (if any) available during the Forced Outage, the applicable capacity price as set forth under "MCP" above converted to a rate per MW-day, and the number of days within the Service Month during which the Forced Outage was in effect.

CPI Escalation of MCP

Commencing on June 1, 2022, and as of each June 1 thereafter during the remainder of the Contract Term, the MCP shall be adjusted by the percentage by which the final published "CPI-U Index" ~~as of December 31 of for~~ the preceding calendar year is greater than or less than the final published annual "CPI-U Index" ~~as of December 31, for calendar year~~ 2020. In 2022 and each following year, after publication of the final annual "CPI-U Index" for ~~December 31 of~~ the preceding calendar year, Seller shall calculate an updated MCP using the change in such "CPI-U Index" ~~and compared to the 2020 annual "CPI-U Index."~~ For purposes of clarity, the MCP to be so adjusted in each year shall be the one that was in effect during the first 36 Service Months, excluding the effects of any previous adjustments for annual "CPI-U Index" changes compared to 2020. ~~shall provide notice of the updated MCP to Buyer with supporting documentation.~~ Seller shall provide notice of such updated rate-adjusted MCP to Buyer with supporting documentation within 10 Business Days of publication of the final annual "CPI-U Index."

For purposes of ~~adjusting calculating~~ the MCP, the "CPI-U Index" shall be that index identified as Consumer Price Index All Urban Consumers ~~– U.S. city average, all items [1980-1982=100]~~ determined and reported monthly by the Bureau of Labor Statistics of the U.S. Department of Labor. The "CPI-U Index" shall be determined to the nearest three decimal places. The percentage change in the "CPI-U" Index for a given year compared to 2020 shall be calculated to the nearest one-tenth of one percent. The adjusted MCP to be applied in a given period shall be calculated (or, if necessary, rounded) to the nearest one cent. If the next succeeding place is five or more, the preceding decimal place shall be raised to the next higher figure. The adjustment of the MCP shall be calculated to the nearest one-tenth of one percent.

As an example, if the MCP applicable during the first 36 Service Months was \$3,850/MW-month, the CPI-U Index for calendar year 2023 were 271.245, and the CPI-U Index for 2020 were 259.188, the percentage adjustment of the MCP as of June 1, 2024 would be 104.7%, and the adjusted MCP would be \$4,030.95 per MW-month.

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