



Tennessee Valley Authority, Post Office Box 292409, Nashville, Tennessee 37229-2409

October 1, 2001

TV-52337A, Supp. No. ___
(Reference TV-52337A, Supp. No. 53)

Dr. James E. Carter, President
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083-0040

Dear Dr. Carter:

Under a contract numbered TV-52337A, Supplement No. 53, and dated December 10, 1998, as amended (Pilot Agreement), Tri-County Electric Membership Corporation (Distributor) and Tennessee Valley Authority (TVA) participate in an *energy right*® Small Commercial Pilot Program (Pilot). This confirms the agreement reached between the parties concerning an extension of the Pilot. The extension shall be effective as of October 1, 2001.

The parties agree to amend the Pilot Agreement to provide that the Pilot shall continue in effect until the earliest of the following:

- 1) March 31, 2002;
- 2) the effective date of an early termination by either party in accordance with Section 2(B) of the Pilot Agreement;
- 3) the effective date of any new small commercial program offered by TVA (whether or not Distributor elects to participate in the new program); or
- 4) the effective date on which Distributor begins participating in any other pilot or program offered by TVA (including the then-current residential program) that includes incentives or matching funds for small commercial customers for heat pumps, night-time lighting, or electric water heaters.

Except as provided for by this letter, the provisions of the Pilot Agreement remain unchanged.

Dr. James E. Carter
Page 2
October 1, 2001

If this correctly states our agreement, please so indicate by having a duly authorized representative execute each of the two enclosed originals on behalf of Distributor and return the signed originals to us for further processing. We will return a fully executed original to you for your files.

Sincerely,

James D. Keiffer
Senior Vice President, Marketing

TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION

By: James E. Carter
Title: Board President



Tennessee Valley Authority, 6045 Russellville Road, Bowling Green, Kentucky 42101-7319



October 19, 2001

Mr. Paul Thompson
Executive Vice President and
General Manager
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083

Dear Paul:

I have enclosed two duplicate originals of a proposed letter agreement covering the *energy right*® Small Commercial Pilot Program Extension. The previous extension for this program expired September 30, 2001.

If you wish to participate, please have Dr. Carter sign the documents as your representative. After they are executed please return the originals to my office for completion by TVA. A fully executed original will be returned to you for your files.

James E.

If you have questions or comments, please do not hesitate to call me at (270) 846-7040.

Sincerely,

Myron N. Callaham
Senior Customer Service Manager
Kentucky

Enclosures

File



Tennessee Valley Authority, 6045 Russellville Road, Bowling Green, Kentucky 42101-7319

November 13, 2000

Mr. David Callis, Executive Vice President
and General Manager
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083

Dear David:

Enclosed is a fully executed original of Agreement TV-52337A, Supplement No. 53, dated July 17, 2000, covering the *energy right*® Small Commercial Pilot Program 18-month extension for Tri-County Electric Membership Corporation.

If you have any questions, please call me at (270) 846-7040.

Sincerely,

A handwritten signature in cursive script that reads 'Myron'.

Myron N. Callaham
Senior Customer Service Manager
Kentucky

Enclosure



Tennessee Valley Authority, Post Office Box 292409, Nashville, Tennessee 37229-2409

James D. Keiffer
Senior Vice President
Marketing

July 17, 2000

File With
TV-52337A
Supp. No. 53

Mr. Boyd Alexancer, President
Tri-County Electric Membership
Corporation
Post Office Box 40
Lafayette, Tennessee 37083-0040

Dear Mr. Alexander:

Under a contract numbered TV-52337A, Supplement No. 53, and dated December 10, 1998, as amended (Pilot Agreement), Tri-County Electric Membership (Distributor), and Tennessee Valley Authority (TVA) participate in an *energy right*[®] Small Commercial Pilot Program (Pilot). This confirms the agreement reached between the parties concerning a revision to and an extension of the Pilot. The revision and extension both shall be effective as of September 30, 1999.

Section 3 of the Pilot Agreement describes the Customers that are eligible under the Pilot and provides that such Customers must have a typical peak monthly demand of less than 100 kW. The parties agree to amend the Pilot Agreement to apply the Pilot to Customers with a typical peak monthly demand of less than 200 kW, provided that such Customers fulfill all other eligibility requirements of Section 3 of the Pilot Agreement.

The parties also agree to amend the Pilot Agreement to provide that the Pilot shall continue in effect until the earliest of the following:

- 1) March 31, 2001;
- 2) the effective date of an early termination by either party in accordance with Section 2(B) of the Pilot Agreement;
- 3) the effective date of any new small commercial program offered by TVA (whether or not Distributor elects to participate in the new program); or
- 4) the effective date on which Distributor begins participating in any other pilot or program offered by TVA (including the then-current residential program) that includes incentives or matching funds for small commercial customers for heat pumps, night-time lighting, or electric water heaters.

Except as provided for by this letter, the provisions of the Pilot Agreement remain unchanged.

Mr. Boyd Alexander
Page 2
July 17, 2000

If this correctly states our agreement, please so indicate by having a duly authorized representative execute both of the enclosed originals on behalf of Tri-County Electric Membership Corporation and return the signed originals to us for further processing. We will return a fully executed original to you for your files.

Sincerely,


James D. Keiffer
Senior Vice President
Marketing

TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION

By 
President

Tri-County Electric
Membership Corporation

405 College Street
P.O. Box 40
Lafayette, TN 37083-0040

Telephone: (615) 666-2111
Toll Free: 1-(800) 369-2111
Fax: (615) 688-2141

September 29, 2000

Mr. Myron N. Callaham
Senior Customer Service Manager - KY
Tennessee Valley Authority
6045 Russellville Road
Bowling Green, KY 42101-7319

RE: *energy right* Small Commercial Pilot Program 18-Month Extension

Dear Myron:

Please find enclosed two (2) executed letter agreements regarding the above referenced program.

The return of a fully executed original will be appreciated.

If additional information is needed, please advise.

Sincerely,

David M. Callis
LK

DAVID M. CALLIS
Executive Vice President
and General Manager

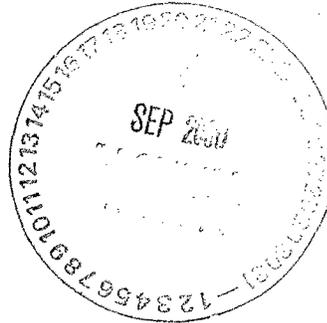
DMC/lk

Enclosures (2)



Tennessee Valley Authority, 6045 Russellville Road, Bowling Green, Kentucky 42101-7319

September 15, 2000



Mr. David Callis, Executive Vice President
and General Manager
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083

Dear David:

Enclosed are three duplicate originals of a proposed letter agreement covering the *energy right*® Small Commercial Pilot Program 18-Month Extension.

Upon execution of these agreements, please return two to my office for further handling. A fully executed original will be returned to Tri-County Electric Membership Corporation.

If you have any questions, please do not hesitate to give me a call at (270) 846-7040.

Sincerely,

Myron N. Callaham
Senior Customer Service Manager
Kentucky

Enclosures

2 09/21/00

Tennessee Valley Authority, Post Office Box 292409, Nashville, Tennessee 37229-2409

James D. Keiffer
Senior Vice President
Marketing

July 17, 2000

File With
TV-52337A
Supp. No. 53

Mr. Boyd Alexander, President
Tri-County Electric Membership
Corporation
Post Office Box 40
Lafayette, Tennessee 37083-0040

Dear Mr. Alexander:

Under a contract numbered TV-52337A, Supplement No. 53, and dated December 10, 1998, as amended (Pilot Agreement), Tri-County Electric Membership (Distributor), and Tennessee Valley Authority (TVA) participate in an *energy right*[®] Small Commercial Pilot Program (Pilot). This confirms the agreement reached between the parties concerning a revision to and an extension of the Pilot. The revision and extension both shall be effective as of September 30, 1999.

Section 3 of the Pilot Agreement describes the Customers that are eligible under the Pilot and provides that such Customers must have a typical peak monthly demand of less than 100 kW. The parties agree to amend the Pilot Agreement to apply the Pilot to Customers with a typical peak monthly demand of less than 200 kW, provided that such Customers fulfill all other eligibility requirements of Section 3 of the Pilot Agreement.

The parties also agree to amend the Pilot Agreement to provide that the Pilot shall continue in effect until the earliest of the following:

- 1) March 31, 2001;
- 2) the effective date of an early termination by either party in accordance with Section 2(B) of the Pilot Agreement;
- 3) the effective date of any new small commercial program offered by TVA (whether or not Distributor elects to participate in the new program); or
- 4) the effective date on which Distributor begins participating in any other pilot or program offered by TVA (including the then-current residential program) that includes incentives or matching funds for small commercial customers for heat pumps, night-time lighting, or electric water heaters.

Except as provided for by this letter, the provisions of the Pilot Agreement remain unchanged.

Mr. Boyd Alexander
Page 2
July 17, 2000

If this correctly states our agreement, please so indicate by having a duly authorized representative execute both of the enclosed originals on behalf of Tri-County Electric Membership Corporation and return the signed originals to us for further processing. We will return a fully executed original to you for your files.

Sincerely,

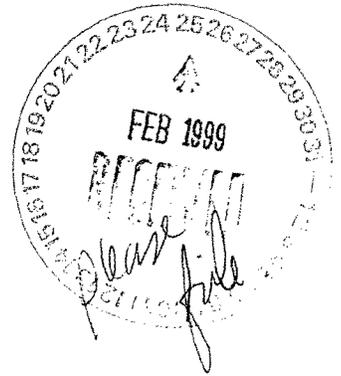
James D. Keiffer
Senior Vice President
Marketing

TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION

By 
President



Tennessee Valley Authority, 6045 Russelville Road, Bowling Green, Kentucky 42101-7319



February 23, 1999

Mr. David Callis, Executive Vice President and
General Manager
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083

Dear David:

Enclosed is a fully executed original of Agreement TV-52337A, Supplement No. 53,
dated December 10, 1998, covering the *energy right*® Small Commercial Pilot Program.

If you should have any questions, please feel free to call me at (502) 846-7042.

Sincerely,

Mark C. Shults
Customer Service Manager
Kentucky

Enclosure

energy right[®] SMALL COMMERCIAL Pilot Program

AGREEMENT

Between

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

And

TENNESSEE VALLEY AUTHORITY

Date: December 10, 1998

TV-52337A, Supp. No. 53

THIS AGREEMENT is made and entered into by and between TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION (Distributor), a cooperative corporation created and existing under and by virtue of the laws of the State of Tennessee, and TENNESSEE VALLEY AUTHORITY (TVA), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended (TVA Act).

SECTION 1 - OVERVIEW

TVA, pursuant to authority granted it by the TVA Act, operates and maintains an electric power generation and transmission system serving parts of seven States. Distributor and TVA (the Parties) heretofore have entered into a contract numbered TV-52337A and dated July 18, 1979, as amended and supplemented (Power Contract), under which TVA supplies electric power to Distributor at wholesale and Distributor resells such power to its customers. The TVA Act provides that among TVA's objectives TVA shall promote the wider and better use of electric power and shall supply electric power at the lowest feasible rates.

The Parties now supplement the Power Contract to provide for cooperation in a Small Commercial Pilot Program (Program) to help achieve these objectives with small-commercial customers in the Distributor's service area. The Program is designed to encourage the installation and utilization of electric water heaters, night-time lighting, and unitary heat pumps.

SECTION 2 - TERM OF AGREEMENT

A. Agreement Term / Program Duration:

This Agreement shall become effective as of the date first written above and shall continue in effect until September 30, 1999, unless otherwise agreed, in writing, by both Parties, or unless sooner terminated as provided in Section 2(B), below.

B. Early Termination:

Either Party may terminate this Agreement before its expiration upon thirty-days' written notification to the other Party.

C. Continuing Obligations:

Nothing contained in this Agreement shall be construed as relieving either TVA or Distributor of its obligations arising or accruing prior to the date of expiration or termination of this Agreement.

SECTION 3 - ELIGIBLE CUSTOMERS

The Parties shall apply the Program to non-residential customers (Customers) with new construction or retrofit applications and shall target those Customers with typical peak monthly demand of less than 100 kW that can be effectively reached by mass marketing. The Program does not include Customers with commercial cooking, process technology, central station systems, or built-up systems. Customers with those systems may be eligible for incentives under TVA's Large Commercial Program.

SECTION 4 - MATCHING FUND INCENTIVES

The Parties shall provide incentives for the installation of water heaters, night-time lighting, and unitary heat pumps meeting Program requirements, as described in more detail below. Distributor, at its discretion, shall provide monetary incentives or non-monetary incentives of equivalent value to Customers or to other third parties involved in the installations (e.g., building owners, contractors, equipment wholesalers, and developers). TVA shall provide funds matching the value of the incentive provided by Distributor, and the Parties thus shall fund incentives on a 50/50 basis up to the limits set out in detail below. Administrative costs and inspection costs incurred by Distributor shall not be considered incentives and shall not be eligible for matching funds.

Each month, Distributor shall complete and send to TVA its Program Reporting Forms (in substantially the form of Attachment 1, Reporting Forms). Distributor's submission of Program Reporting Forms (Forms) shall constitute a certification and guarantee from Distributor that the work described in the Forms has been completed and that the funds requested from TVA are properly due and owing under the Program. TVA, upon receipt and verification of each such Form, shall reimburse Distributor for TVA's share of disbursed Program incentives. Upon request from TVA, Distributor shall make available all records related to eligibility for incentives.

SECTION 5 - WATER HEATER MATCHING FUNDS INCENTIVE PROGRAM

The Parties shall provide incentives for Customer installation of water heaters. Distributor shall determine tank size requirements for each Customer. TVA shall participate in the provision of Program incentives as follows:

A. Electric to electric retrofit:

TVA shall provide matching funds of up to \$60 for standard tanks or up to \$120 for tanks designated as "lifetime warranty tanks."

B. Gas to electric conversion:

TVA shall provide matching funds of up to \$200 for standard tanks or up to \$260 for tanks designated as "lifetime warranty tanks."

C. New Construction:

TVA shall provide matching funds of up to \$60 for standard tanks or up to \$120 for tanks designated as "lifetime warranty tanks."

Inspections are not required. Distributor's records shall include the Customer's water heater invoice, which must indicate the type of water heater and tank size. Distributor must review, verify, and document Customer account number and water heater invoice before disbursing incentives.

SECTION 6 - NIGHT-TIME LIGHTING MATCHING FUNDS INCENTIVE PROGRAM

The Parties shall provide incentives for Customer installation of eligible night-time lighting systems. Eligible systems are those outdoor lighting systems with photo cell switches utilizing high-pressure sodium, mercury vapor, and metal halide lamps. TVA shall provide matching funds of up to 2.5 cents per watt for eligible systems.

Distributor shall visually verify each lighting system for which the Parties provide Program incentives. Distributor also may perform in-depth installation inspections at its discretion.

SECTION 7 - UNITARY HEAT PUMPS MATCHING FUNDS INCENTIVE PROGRAM

The Parties shall provide incentives for Customer installation of unitary heat pumps. The Program applies to unitary heat pumps that are rated by the Air Conditioning and Refrigeration Institute (ARI) and have a minimum Seasonal Energy Efficiency Ratio (SEER) of 9.7 and Heating Seasonal Performance Factor (HSPF) of 6.6. The Program also applies to advanced heat pumps, which include geothermal, water source, triple function, and variable speed (compressor) heat pumps.

TVA shall participate in the provision of Program incentives as follows:

A. Department of Energy (DOE) Standard Heat Pumps:

TVA shall provide matching funds of up to \$50 per ton for package heat pumps with a minimum SEER of 9.7 and HSPF of 6.6 and for split heat pumps with a minimum SEER of 10 and HSPF of 6.8.

B. High Efficiency Heat Pumps:

TVA shall provide matching funds of up to \$75 per ton for package heat pumps with a minimum SEER of 11 and HSPF of 6.8 and for split heat pumps with a minimum SEER of 12 and HSPF of 7.1.

C. Advanced Heat Pumps:

TVA shall provide matching funds of up to \$100 per ton for advanced heat pumps.

Installations must satisfy the equipment manufacturer's guidelines and have a manufacturer's warranty. The Parties will encourage Customers to contract with members of the Quality Contractor Network for heat pump installation. Before disbursing Program incentives, Distributor shall perform visual verification to determine that the heat pump meets the Program requirements. Distributor also may perform in-depth installation inspections at its discretion.

SECTION 8 - RELATIONSHIP OF PARTIES

Neither Distributor nor TVA shall be considered the agent of the other for any purpose under this Agreement.

SECTION 9 - PROHIBITION OF LOBBYING

Certain transactions under this Agreement are subject to the requirements of Public Law No. 101-121 (codified at 31 U.S.C. § 1352), which prohibits certain lobbying activities and requires disclosure of certain others, and to TVA's implementing regulations published at 55 Fed. Reg. 6736 (codified at 18 C.F.R. § 1315). Distributor's execution of this Agreement constitutes execution by Distributor of the Certification for Contracts, Grants, Loans, and Cooperative Agreements attached to and made a part of this Agreement.

SECTION 10 - FEDERAL FINANCIAL ASSISTANCE.

A. Compliance:

Distributor shall comply with requirements of Title VI of the Civil Rights Act of 1964, section 504 of the Rehabilitation Act of 1973, the Age Discrimination Act of 1975, and TVA regulations issued at 18 C.F.R. parts 1302, 1307, and 1309, the provisions of which, and all future amendments of such statutes and regulations, are incorporated by reference as a part of this agreement.

B. Notice:

Unless otherwise approved by TVA, Distributor shall, in carrying out its obligations under this section, include the following statement in all handbooks, manuals, pamphlets, and other material ordinarily distributed to the public to describe the Program, including, where TVA deems appropriate, notices posted by Distributor:

This program is offered on a nondiscriminatory basis without regard to race, color, national origin, age, sex, or disability.

C. Accessibility of Information:

Distributor shall make this information available in a form accessible to persons who do not understand written English, including the visually impaired, in a manner to be determined by Distributor and TVA.

SECTION 11 - ENTIRE AGREEMENT

This Agreement sets forth all the understandings between the Parties about the Program. All prior understandings about the Program are taken in and made a part of this Agreement, which constitutes the entire agreement between the Parties. This Agreement may not be modified except in writing by the Parties' authorized representatives.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the date first written above.

Attest:

**TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION**

Carl Lonar
Secretary

By Melissa
President

TENNESSEE VALLEY AUTHORITY

By James D. Keffer
Senior Vice President, Marketing

energy right® SMALL COMMERCIAL Pilot Program - Heat Pump Incentive Reporting Form

Attachment 1

Distributor		Reporting Period	
Name:		From:	
Number:		To:	

Completed by:		
Name:	Fax:	Phone:

MAIL TO: Christopher Chaney, TVA, PO Box 292409, TRN 3M-NST, Nashville, TN 37229-2409
 FAX TO: (615) 882-2727 E-MAIL TO: ccchaney@tva.gov Phone: (615) 882-2726

Name (For participants with multiple heat pump installation incentives please list each heat pump on a separate line)	Phone (Include area code)	Customer Account #	Date of Verification / Inspection	Business Type (✓ one)						Type of HP/SEER (✓ one)			Total Incentive Paid To Customer by Distributor	TVA Matching Incentive (up to 50%)		
				✓ = YES Blank = NO	Retail	Free-standing Office	Medical (small)	Lodging	Other	Gas Available ?	OCN Contractor?	New Construction?			Square Footage (000's)	# of Tons (nearest 1/2 ton)
1.																
2.																
3.																
4.																
5.																
6.																
7.																
8.																
9.																
10.																
TOTALS																

FOR TVA OFFICE USE ONLY

Vendor Number:	
Contract Number:	Approval To Reimburse - Product Manager
Short Code:	

energy right® SMALL COMMERCIAL Pilot Program - Night Lighting Incentive Reporting Form

Attachment 1

Distributor		Reporting Period	
Name:		From:	
Number:		To:	

Completed by:		
Name:	Fax:	Phone:

MAIL TO: Christopher Chaney, TVA, PO Box 292409, TRN 3M-NST, Nashville, TN 37229-2409
 FAX TO: (615) 882-2727 E-MAIL TO: cchaney@tva.gov Phone: (615) 882-2726

Name (Identical lighting types can be listed on the same line. For participants with multiple lighting incentives please list each installation on a separate line)	Phone (Include area code)	Customer Account #	Date of Verification / Inspection	Business Type (✓ one)					Outdoor Lighting Type with Photocell (✓ one)			System (✓ one)		Total Incentive Paid To Customer by Distributor	TVA Matching (up to 50%)	
				Retail	Free-standing Office	Medical (small)	Lodging	Other	High Pressure Sodium (Maximum TVA Incentive 2.5 ¢/Watt)	Mercury Vapor (Maximum TVA Incentive 2.5 ¢/Watt)	Metal Halide (Maximum TVA Incentive 2.5 ¢/Watt)	# of Fixtures	Total Wattage Installed			Installed Cost
1.																
2.																
3.																
4.																
5.																
6.																
7.																
8.																
9.																
10.																
TOTALS																

FOR TVA OFFICE USE ONLY

Vendor Number:	
Contract Number:	Approval To Reimburse - Product Manager
Short Code:	

energy right® SMALL COMMERCIAL Pilot Program - Water Heater Incentive Reporting Form

Attachment 1

Distributor		Reporting Period	
Name:		From:	
Number:		To:	

Completed by:		
Name:	Fax:	Phone:

MAIL TO: Christopher Chaney, TVA, PO Box 292409, TRN 3M-NST, Nashville, TN 37229-2409
 FAX TO: (615) 882-2727 E-MAIL TO: cchaney@tva.gov Phone: (615) 882-2726

Name (For participants with multiple water heater installation incentives please list each water heater on a separate line)	Phone (Include area code)	Customer Account #	Date of Verification / Inspection	Business Type (✓ one)					Tank Size (gals)	Installation (✓ one)						Total Incentive Paid To Customer by Distributor	TVA Matching (up to 50%)
				Retail	Free-standing Office	Medical (email)	Lodging	Other		Gas Available ?	New Construction		Replaces Electric		Gas to Electric Conversion		
									Std. WH (Maximum TVA Incentive \$60)	Lifetime Warranty (Maximum TVA Incentive \$120)	Std. WH (Maximum TVA Incentive \$60)	Lifetime Warranty (Maximum TVA Incentive \$120)	Std. WH (Maximum TVA Incentive \$200)	Lifetime Warranty (Maximum TVA Incentive \$260)			
1.																	
2.																	
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6.																	
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8.																	
9.																	
10.																	
TOTALS																	

FOR TVA OFFICE USE ONLY

Vendor Number:	
Contract Number:	Approval To Reimburse - Product Manager
Short Code:	

**Certification for Contracts, Grants,
Loans, and Cooperative Agreements**

The undersigned certifies, to the best of his or her knowledge and belief, that:

- (1) No Federal appropriated funds have been paid or will be paid by or on behalf of the undersigned to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- (2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure of Lobbying Activities," in accordance with its instructions.
- (3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. § 1352. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

**energy right[®] SMALL COMMERCIAL Pilot Program
Program Implementation Plan (PIP)**

Power Distributor
Representative

Tri-County Electric
Paul Thompson

Date
Phone

Nov. 17, 1998
615-666-2111

The Program Implementation Plan (PIP) represents the road map or strategy for managing and administering various aspects of your incentive program. The PIP ensures that your activities and expenditures are consistent with the goals and objectives of the *energy right* Small Commercial Pilot Program. All activities should be conducted in accordance with your PIP. To prepare your PIP, please read and/or complete sections I, II, III, and IV below.

I. Matching Funds Incentive Program

You can provide incentives for installation of unitary heat pumps. The pilot program applies to unitary heat pumps that are rated by the Air Conditioning and Refrigeration Institute (ARI) and have a minimum Seasonal Energy Efficiency Ratio (SEER) of 9.7 and Heating Seasonal Performance Factor (HSPF) of 6.6. The pilot program also applies to advanced heat pumps, which include geothermal, water source, triple function, and variable speed (compressor) heat pumps. TVA will provide you with matching funds according to the following pilot program requirements:

- A. **Department of Energy Standard Heat Pumps:** TVA will provide matching funds of up to \$50 per ton for package heat pumps with a minimum SEER of 9.7 and HSPF of 6.6 and for split heat pumps with a minimum SEER of 10 and HSPF of 6.8.
- B. **High Efficiency Heat Pumps:** TVA will provide matching funds of up to \$75 per ton for package heat pumps with a minimum SEER of 11 and HSPF of 6.8 and for split heat pumps with a minimum SEER of 12 and HSPF of 7.1.
- C. **Advanced Heat Pumps:** TVA will provide matching funds of up to \$100 per ton for advanced heat pumps.

Installations must satisfy the equipment manufacturer's guidelines and have a manufacturer's warranty. End-use consumers and third parties involved in the installations should be encouraged to contract with members of the Quality Contractor Network for heat pump installation. Before disbursing incentives, you must perform visual verification to determine that the heat pump meets the pilot program requirements. You also may perform in-depth installation inspections at your discretion.

II. Targets or Recipients of Matching Funds Incentive Program

At your discretion, you can provide monetary or non-monetary incentives of equivalent value to end-use customers and/or to other third parties involved in the installations. Please check all applicable boxes:

- Building and/or Property Owners
- Tenants (small business owners)
- Retailers
- Manufacturers
- Contractors
- A&E Design Firms (architecture and engineering)
- Equipment Wholesalers/Distributors
- Builders / Developers
- Others (please specify) _____

energy right[®] SMALL COMMERCIAL Pilot Program
Program Implementation Plan (PIP)

III. Matching Funds Incentive Program (A, B, and C)

Refer to section I of this form for description and program requirements for the 'Heat Pump' matching fund incentives program. Suggested program incentives or type of incentives for end use customers and/or third parties include cash, electric bill credit, reduced cost appliance, free appliance, etc. Please check desired incentive program(A, B, and/or C), describe type of incentives, and indicate recipient(s) of incentives.

A. Department of Energy (DOE) Standard Heat Pumps

Package Heat Pumps

Minimum SEER of 9.7 & Minimum HSPF of 6.6 (ASHP/DFHP/SCTTWHP)

- Total cash incentive of \$ _____ per _____
Specify target/recipient of cash incentive _____
Describe additional requirements, conditions and/or limitations: _____

- Other incentive option(please specify) \$50.00/ton cash from TVA, \$50.00/ton credit TCEM
Value of incentive \$100.00/ton Specify target/recipient of incentive Building or Property Owners
Describe additional requirements, conditions and/or limitations: Builders / Developers

Split Heat Pumps

Minimum SEER of 10.00 & Minimum HSPF of 6.8 (ASHP/DFHP/SCTTWHP)

- Total cash incentive of \$ _____ per _____
Specify target/recipient of cash incentive _____
Describe additional requirements, conditions and/or limitations: _____

- Other incentive option(please specify) \$50.00/ton cash from TVA, \$50.00/ton credit TCEM
Value of incentive \$100.00 Specify target/recipient of incentive Building or Property Owners
Describe additional requirements, conditions and/or limitations: Builders / Developers

~~**Small commercial maximum incentive is \$500.00 (TOTAL)~~

energy right[®] SMALL COMMERCIAL Pilot Program
Program Implementation Plan (PIP)

B. High Efficiency Heat Pumps

Package Heat Pumps

Minimum SEER of 11 & Minimum HSPF of 6.8 (ASHP/DFHP/SCTTWHP)

- Total cash incentive of \$ _____ per _____
Specify target/recipient of cash incentive _____
Describe additional requirements, conditions and/or limitations: _____

- Other incentive option (please specify) \$50.00/TON cash from TVA \$50.00/TON credit from TCEM
Value of incentive \$100.00/TON Specify target/recipient of incentive Building or Property Owners
Describe additional requirements, conditions and/or limitations: Builders / Developers

Split Heat Pumps

Minimum SEER of 12 & Minimum HSPF of 7.1 (ASHP/DFHP/SCTTWHP)

- Total cash incentive of \$ _____ per _____
Specify target/recipient of cash incentive _____
Describe additional requirements, conditions and/or limitations: _____

- Other incentive option (please specify) \$50.00/TON cash from TVA \$50.00/TON CREDIT from TCEM
Value of incentive \$100.00/TON Specify target/recipient of incentive Building or Property Owners, Builders / Developers
Describe additional requirements, conditions and/or limitations: _____

C. Advanced Heat Pumps

- Total cash incentive of \$ _____ per _____
Specify target/recipient of cash incentive _____
Describe additional requirements, conditions and/or limitations: _____

- Other incentive option (please specify) \$50.00/TON cash from TVA \$50.00/TON credit from TCEM
Value of incentive \$100.00/TON Specify target/recipient of incentive Building or Property Owners
Describe additional requirements, conditions and/or limitations: Builders / Developers

**** Small commercial maximum incentive is \$500.00 (TOTAL)**

**energy right[®] SMALL COMMERCIAL Pilot Program
Program Implementation Plan (PIP)**

IV. Marketing and Promotional Activities

Recommended Target Audience Members:

At your discretion, you can market monetary or non-monetary incentives of equivalent value to end-use customers and/or to key third parties involved in the installations. Indicate the target audience to whom you intent to market your incentive program, please check applicable boxes:

- | | |
|--|---|
| <input checked="" type="checkbox"/> End-Use Customers
Building and/or Property Owners
Tenants (small business owners) | <input type="checkbox"/> Influential Third Parties
Tenants (small business owners)
Retailers
Manufacturers
Contractors
A&E Design Firms
Equipment Wholesalers / Distributors
Builders / Developers
Others (please specify) _____ |
|--|---|

Recommended Marketing & Promotional Vehicles:

Marketing and promotional activities refer to special events, arrangements, or activities that further the goals of the *energy right* Small Commercial Pilot Program and can involve cost sharing with trade allies or other distributors. Please indicate those marketing and promotional activities that will support your incentive program:

Media

- | | |
|---|--|
| <input checked="" type="checkbox"/> Radio | <input checked="" type="checkbox"/> Television |
| <input checked="" type="checkbox"/> Newspaper | <input checked="" type="checkbox"/> Demo or exhibits for the media |
| <input type="checkbox"/> News conference | <input type="checkbox"/> Others (please specify) _____ |

Advertising

- | | |
|--|--|
| <input checked="" type="checkbox"/> Direct Mail | <input checked="" type="checkbox"/> Statement enclosures (bill stuffers) |
| <input checked="" type="checkbox"/> Trade magazines | <input type="checkbox"/> Brochures / fact sheets |
| <input checked="" type="checkbox"/> Internet/ e-mail | <input type="checkbox"/> Bill boards |
| <input type="checkbox"/> Posters/ flyers | <input type="checkbox"/> Others (please specify) _____ |

Public Relations / Publicity

- | | |
|---|--|
| <input type="checkbox"/> Newsletters | <input checked="" type="checkbox"/> Community events or activities |
| <input type="checkbox"/> Special events | <input checked="" type="checkbox"/> Community or trade activity sponsorships |
| <input type="checkbox"/> Annual reports | <input type="checkbox"/> News Releases |
| <input checked="" type="checkbox"/> Annual trade meetings | <input type="checkbox"/> Others (please specify) _____ |

Sales & Promotions

- | | |
|---|---|
| <input type="checkbox"/> Trade shows | <input type="checkbox"/> Annual reports |
| <input type="checkbox"/> Demonstrations | <input type="checkbox"/> News Releases |
| <input type="checkbox"/> Word-of-Mouth Promotions | <input type="checkbox"/> Prize/incentive program for customer-recommendations
resulting in installations |
| <input checked="" type="checkbox"/> Annual trade meetings | <input type="checkbox"/> Others (please specify) _____ |
| <input checked="" type="checkbox"/> Exhibits | |

**energy right[®] SMALL COMMERCIAL Pilot Program
Program Implementation Plan (PIP)**

Power Distributor Tri-County Electric Date Nov. 17, 1998
Representative Paul Thompson Phone 615-666-2111

The Program Implementation Plan (PIP) represents the road map or strategy for managing and administering various aspects of your incentive program. The PIP ensures that your activities and expenditures are consistent with the goals and objectives of the *energy right* Small Commercial Pilot Program. All activities should be conducted in accordance with your PIP. To prepare your PIP, please read and/or complete sections I, II, III, and IV below.

I. Matching Funds Incentive Program

You can provide incentives for the installation of water heaters and determine tank size requirements to end-use consumers and/or influential third parties. TVA will provide you with matching funds according to the following pilot program requirements:

- A. **Electric to electric retrofit:** TVA will provide matching funds of up to \$60 for standard tanks or up to \$120 for tanks designated as "lifetime warranty tanks."
- B. **Gas to electric conversion:** TVA will provide matching funds of up to \$200 for standard tanks or up to \$260 for tanks designated as "lifetime warranty tanks."
- C. **New Construction:** TVA will provide matching funds of up to \$60 for standard tanks or up to \$120 for tanks designated as "lifetime warranty tanks."

Inspections are not required. Your records should include the end-use customer's water heater invoice, which must indicate the type of water heater and tank size. Please review, verify, and document the end-use customer's account number and water heater invoice before disbursing incentives.

II. Targets or Recipients of Matching Funds Incentive Program

At your discretion, you can provide monetary or non-monetary incentives of equivalent value to end-use customers and/or to other third parties involved in the installations. Please check all applicable boxes:

- Building and/or Property Owners
- Tenants (small business owners)
- Retailers
- Manufacturers
- Contractors
- A&E Design Firms (architecture and engineering)
- Equipment Wholesalers/Distributors
- Builders / Developers
- Others (please specify) _____

III. Distributor-Funded Incentive Programs (A, B, and C)

**energy right[®] SMALL COMMERCIAL Pilot Program
Program Implementation Plan (PIP)**

Refer to section I of this form for description and program requirements for the 'Water Heaters' matching fund incentives program. Suggested program incentives or type of incentives for end use customers and/or third parties include cash, electric bill credit, reduced cost appliance, free appliance, etc. Please check desired incentive program(A, B, and/or C), describe type of incentives, and indicate recipient(s) of incentives.

STANDARD TANKS (please use next page for Lifetime Warranty Tanks)

A. Electric to Electric Retrofit

- Total cash incentive of \$ _____ per _____
Specify target/recipient of cash incentive _____
Describe additional requirements, conditions and/or limitations:

- Other incentive option(please specify) _____
Value of incentive \$ _____ Specify target/recipient of incentive _____
Describe additional requirements, conditions and/or limitations:

B. Gas to Electric Conversion Tank and Installation

- Total cash incentive of \$ _____ per _____
Specify target/recipient of cash incentive _____
Describe additional requirements, conditions and/or limitations:

- Other incentive option(please specify) _____
Value of incentive \$ _____ Specify target/recipient of incentive _____
Describe additional requirements, conditions and/or limitations:

C. New Construction

- Total cash incentive of \$ _____ per _____
Specify target/recipient of cash incentive _____
Describe additional requirements, conditions and/or limitations:

- Other incentive option(please specify) _____
Value of incentive \$ _____ Specify target/recipient of incentive _____
Describe additional requirements, conditions and/or limitations:

III. Distributor-Funded Incentive Programs (A, B, and C)

Refer to section I of this form for description and program requirements for the 'Water Heaters' matching fund incentives program. Suggested program incentives or type of incentives for end use customers and/or third parties include cash, electric bill credit, reduced cost appliance, free appliance, etc. Please check desired incentive program(A, B, and/or C), describe type of incentives, and indicate recipient(s) of incentives.

energy right[®] SMALL COMMERCIAL Pilot Program
Program Implementation Plan (PIP)

LIFETIME WARRANTY TANKS



A. Electric to Electric Retrofit

- Total cash incentive of \$ 120.00 per Tank
Specify target/recipient of cash incentive Building/Property Owner Builders/Developers
Describe additional requirements, conditions and/or limitations:

- Other incentive option (please specify) _____

Value of incentive \$ _____ Specify target/recipient of incentive _____

Describe additional requirements, conditions and/or limitations:



B. Gas to Electric Conversion Tank and Installation

- Total cash incentive of \$ 120.00 per Tank
Specify target/recipient of cash incentive Building/Property Owner Builders/Developers
Describe additional requirements, conditions and/or limitations:

- Other incentive option (please specify) _____

Value of incentive \$ _____ Specify target/recipient of incentive _____

Describe additional requirements, conditions and/or limitations:



C. New Construction

- Total cash incentive of \$ 120.00 per Tank
Specify target/recipient of cash incentive Building/Property Owner Builders/Developers
Describe additional requirements, conditions and/or limitations:

- Other incentive option (please specify) _____

Value of incentive \$ _____ Specify target/recipient of incentive _____

Describe additional requirements, conditions and/or limitations:

IV. Marketing and Promotional Activities

Recommended Target Audience Members:

At your discretion, you can market monetary or non-monetary incentives of equivalent value to end-use customers and/or to key third parties involved in the installations. Indicate the target audience to whom you intent to market your incentive program, please check applicable boxes:

- End-Use Customers**
Building and/or Property Owners
Tenants (small business owners)

- Influential Third Parties**
Tenants (small business owners)
Retailers

**energy right[®] SMALL COMMERCIAL Pilot Program
Program Implementation Plan (PIP)**

Manufacturers
Contractors
A&E Design Firms
Equipment Wholesalers / Distributors
Builders / Developers
Others (please specify) _____

Recommended Marketing & Promotional Vehicles:

Marketing and promotional activities refer to special events, arrangements, or activities that further the goals of the *energy right* Small Commercial Pilot Program and can involve cost sharing with trade allies or other distributors. Please indicate those marketing and promotional activities that will support your incentive program:

Media

- | | |
|---|--|
| <input checked="" type="checkbox"/> Radio | <input type="checkbox"/> Television |
| <input checked="" type="checkbox"/> Newspaper | <input checked="" type="checkbox"/> Demo or exhibits for the media |
| <input type="checkbox"/> News conference | <input type="checkbox"/> Others (please specify) _____ |

Advertising

- | | |
|--|--|
| <input checked="" type="checkbox"/> Direct Mail | <input checked="" type="checkbox"/> Statement enclosures (bill stuffers) |
| <input checked="" type="checkbox"/> Trade magazines | <input type="checkbox"/> Brochures / fact sheets |
| <input checked="" type="checkbox"/> Internet/ e-mail | <input type="checkbox"/> Bill boards |
| <input type="checkbox"/> Posters/ flyers | <input type="checkbox"/> Others (please specify) _____ |

Public Relations / Publicity

- | | |
|---|--|
| <input type="checkbox"/> Newsletters | <input checked="" type="checkbox"/> Community events or activities |
| <input type="checkbox"/> Special events | <input checked="" type="checkbox"/> Community or trade activity sponsorships |
| <input type="checkbox"/> Annual reports | <input type="checkbox"/> News Releases |
| <input checked="" type="checkbox"/> Annual trade meetings | <input type="checkbox"/> Others (please specify) _____ |

Sales & Promotions

- | | |
|---|--|
| <input type="checkbox"/> Trade shows | <input type="checkbox"/> Annual reports |
| <input type="checkbox"/> Demonstrations | <input type="checkbox"/> News Releases |
| <input type="checkbox"/> Word-of Mouth Promotions | <input type="checkbox"/> Prize/incentive program for customer recommendations resulting in installations |
| <input checked="" type="checkbox"/> Annual trade meetings | <input type="checkbox"/> Others (please specify) _____ |
| <input checked="" type="checkbox"/> Exhibits | |



Tennessee Valley Authority, 6045 Russelville Road, Bowling Green, Kentucky 42101-7319

*Lama,
Please file.
Trent
8/27/99*

August 26, 1999

Mr. David Callis, Executive Vice President
and General Manager
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083

Dear David:

Enclosed please find a fully executed original of Agreement TV-52337A, Supplement No. 54, dated June 2, 1999, covering revisions in determining reactive power billing amounts under Wholesale Rate Schedule WS.

If you should have any questions, please feel free to call me at (270) 846-7042.

Sincerely,

A handwritten signature in cursive script that reads "Mark".

Mark C. Shults
Customer Service Manager
Kentucky

Enclosure

AGREEMENT
Between
TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION
And
TENNESSEE VALLEY AUTHORITY

Date: June 2, 1999

TV-52337A, Supp. No. 54

THIS AGREEMENT, made and entered into between TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION (Distributor), a cooperative corporation created and existing under and by virtue of the laws of the State of Tennessee, and TENNESSEE VALLEY AUTHORITY (TVA), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended;

WITNESSETH:

WHEREAS, TVA and Distributor have entered into a contract dated July 18, 1979, as amended (Power Contract), under which electric power and energy are supplied by TVA at wholesale and purchased by Distributor for resale; and

WHEREAS, TVA and Distributor wish to amend the Power Contract to provide for certain revisions in the determination of reactive power amounts delivered by TVA to Distributor and billed under Wholesale Power Rate--Schedule WS (Schedule WS) of the Schedule of Rates and Charges of the Power Contract;

NOW, THEREFORE, for and in consideration of the premises and of the mutual agreements set forth below, and subject to the Tennessee Valley Authority Act of 1933, as amended, the parties mutually agree as follows:

SECTION 1 - TERM OF AGREEMENT

This agreement shall become effective as of the date first above written (Effective Date) and shall continue for the term of the Power Contract.

SECTION 2 - DETERMINATION OF REACTIVE DEMAND ON SIMULTANEOUS BASIS

For all bills rendered from wholesale meter readings scheduled to be taken on or after June 2, 1999, for purposes of determining any applicable reactive charges under the Reactive Demand Charges section of Schedule WS, that section shall be applied to all delivery points to Distributor considered together, and the terms "Delivery Point Demand" and "lowest measured demand" appearing in that section shall mean the highest sum and the lowest sum, respectively, of the average demands measured in kW for all delivery points to Distributor.

SECTION 3 - SUSPENSION OF VOLTAGE LIMITATIONS

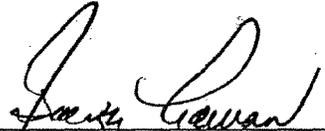
It is recognized that any reactive demand for any delivery point to Distributor that would have (except for section 2 above) resulted in a charge to Distributor under the Reactive Demand Charges section of Schedule WS may adversely affect TVA's ability to maintain voltage at the delivery point within the 3-percent voltage limitations set out in section 3 of the Power Contract. Accordingly, Distributor and TVA hereby agree that the 3-percent voltage limitations of that section shall not be applicable for any delivery point to Distributor during a billing month when a charge for reactive demand at that delivery point would have (except for section 2 above) been applicable under the Reactive Demand Charges section of Schedule WS.

SECTION 4 - AFFIRMATION OF POWER CONTRACT

The Power Contract, as supplemented and amended by this agreement, is ratified and confirmed as the continuing obligation of the parties.

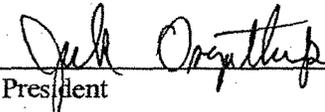
IN WITNESS WHEREOF, the parties have caused this agreement to be executed by their duly authorized officers, as of the day and year first above written.

Attest:



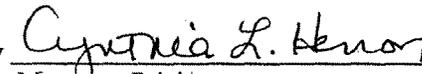
Secretary

**TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION**

By 

President

TENNESSEE VALLEY AUTHORITY

By 

Manager, Pricing
Customer Service and Marketing

Tri-County Electric Membership Corporation

405 College Street
P.O. Box 40
Lafayette, TN 37083-0040

Telephone: (615) 666-2111
Toll Free: 1-(800) 369-2111
Fax: (615) 688-2141

June 28, 1999

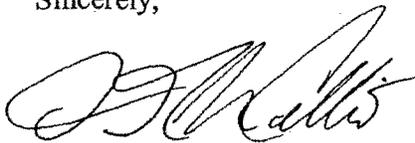
Mr. Mark Shults
Customer Service Manager
Tennessee Valley Authority
6045 Russellville Road
Bowling Green, KY 42101

Dear Mark:

Per your written request dated June 7, 1999, please find enclosed 3 (three) partially executed agreements amending Power Contract TV-52337A, dated July 18, 1979, as amended, to provide for the determination of reactive charges applicable under wholesale rate schedule WS on a system basis.

Upon execution by TVA please return one agreement for our files.

Sincerely,



DAVID M. CALLIS
Executive Vice President and General Manager

DMC/lk

Enclosures (3)

FAX TRANSMISSION
TRI-COUNTY ELECTRIC MEMBERSHIP CORP.

405 COLLEGE STREET/P O BOX 40
LAFAYETTE, TN 37083
1-615-666-2111/or 1-800-369-2111
FAX#1-615-688-2141

TO: Ken DATE: 06/24/99

COMPANY: _____ PAGES: _____

FAX# _____

FROM: Laura

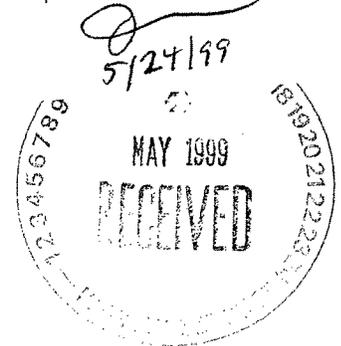
COMMENTS: Agreement per your request.
Also, David will have "language"
re retirement plan sometime tomorrow.



Tennessee Valley Authority, 6045 Russellville Road, Bowling Green, Kentucky 42101-7319

May 12, 1999

Handwritten notes:
Kama,
Copy for DJ & JB
Ret. original to me.
Thank,
5/24/99



Mr. David Callis, Executive Vice President & General Manager
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083

Dear David:

The enclosed letter from Terry Boston, TVA's Manager of Pricing, is your notification of TVA's action to reinstate wholesale reactive billing charges beginning with the June wholesale billing month.

Information is enclosed on TVA's incentive program to encourage the installation of capacitors as soon as possible.

After you have reviewed this information, if you have questions or concerns, please do not hesitate to contact me at (270) 846-7040.

Sincerely,

Mark

Mark C. Shults
Customer Service Manager
Kentucky



Tennessee Valley Authority, Post Office Box 292409, Nashville, Tennessee 37229-2409

May 10, 1999

TV-52337A
Supp No. 54

Mr. David Callis, Exec. Vice President & General Manager
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083-0040

Dear Mr. Callis:

In 1993 TVA informed all distributors of a temporary suspension in application of the reactive charges set out in the wholesale rate schedule. We pointed out that TVA would continue to monitor distributors' power factors and would expect to reinstate the reactive charges if circumstances, including deterioration of power factors on distributors' systems, made such reinstatement necessary.

During last summer's hottest periods, TVA experienced severe transmission system problems, including unacceptable voltage sags in some areas. Our records indicate that for June through September of last year over half of the distributors had lagging system power factors below the 95 percent level required by the wholesale rate schedule. Almost 100 distributors had lagging power factors below the 95 percent level during July. Unless some steps are taken to improve the situation, the problems on the transmission system will almost certainly be worse this summer.

As you know, the best way of supplying the reactive requirements is the installation by distributors of capacitors on their systems. In order to encourage the installation of sufficient amounts of capacitors to meet the requirements of the wholesale rate, TVA has decided to reinstate wholesale reactive charges beginning with the June 1999 billing month. Initially, TVA will resume billing for lagging reactive demand only. Beginning with the October 1999 billing month, billing for leading reactive demand will also resume. The reason for the delay in the leading reactive charges until October is to encourage all distributors to have all capacitors switched and fixed in service during hot weather this summer.

Mr. David Callis
Page 2
May 10, 1999

Recognizing that distributors will want to immediately begin taking steps to avoid the charges, TVA has developed a program to help. TVA is willing to credit back to distributors certain of the reactive charges actually imposed if capacitors are purchased and installed within three months after application of the charges. In addition, in view of the urgent need to get such installations made before this summer, we are willing to increase such credit, under certain circumstances, by the amount of any reactive charges that would have applied to the distributor during June 1998 if the reactive charges had not been suspended. Enclosure A to this letter describes the arrangement in more detail, and Enclosure B includes several examples of application of the credit.

If you have any questions, please contact your local TVA customer service center.

Sincerely,

A handwritten signature in cursive script that reads "Terry Boston".

W. Terry Boston
Manager, Pricing
Customer Service and Marketing

Enclosures

Reactive Charge Credit Program

It is recognized that the wholesale rate schedule applicable to each distributor provides for the application of a lagging reactive charge during any month in which the distributor's power factor is less than 95 percent at the time of maximum demand and for the application of a leading reactive charge during any month in which the distributor's power factor is leading at the time of the minimum system demand (with certain exclusions).

To assist distributors in improving their power factors in a manner which will both avoid these charges and improve the operation of TVA's transmission system, TVA has developed a program under which a distributor may get a rebate of such charges to help cover the costs of purchasing capacitors for installation on its system as follows:

- At such time as a distributor furnishes information in a form acceptable to TVA indicating that capacitor equipment (including switches for existing fixed capacitors if the distributor has a leading power factor offpeak) has been installed on its system after April 1, 1999, the distributor will receive a wholesale bill credit reflecting the portion of the equipment cost up to the sum of the reactive charges imposed on the distributor during the three months immediately preceding the month of the installation.
- Since it is especially important that capacitors be installed in time to help the transmission system this summer, TVA is willing to increase the three-month amount available for credits to cover any capacitor equipment installed by July 30, 1999, by the amount of reactive charges that would have applied for the June 1998 billing month if the wholesale charges had actually been applied. The specific amount of this potential increase for any distributor will be available from the local Customer Service Center office.
- It is expected that most distributors have enough fixed capacitors on their systems such that all new capacitors should be switched capacitors that are on only during onpeak periods. In addition, for some distributors, switching equipment will need to be purchased and installed on fixed capacitors to avoid leading reactive charges.
- The local Customer Service Center will be available to assist distributors in determining the proper amount of capacitors and/or switches to install. Since the proper balance between fixed and switched capacitors is important in avoiding unacceptable lagging power factors at maximum load while avoiding leading power factors at minimum load, some distributors may need help in determining this proper balance.

Credit Examples - Reactive Billing

The following examples are for illustrative purposes only and are not meant to reflect real conditions.

Example 1: Distributor begins paying reactive charges of \$5,000 per month. Distributor reviews its reactive needs and installs several switched capacitor banks of which the cost of materials total \$10,500. During the fourth month the Distributor submits the invoices for the capacitor equipment and by letter certifies that it has installed the capacitor banks on its system. Its June 1998 reactive charge would have been \$4,000.

The credit would be accounted as follows:

Wholesale Billing Period	Reactive Charges Account	Credit Applied	Balance of Reactive Charges Account
June 1998	\$4,000	\$4,000	\$0,000
June 1999	\$5,000	\$5,000	\$0,000
July 1999	\$5,000	\$1,500	\$3,500
August 1999	\$5,000	<u>\$0,000</u>	\$5,000
	Total Credit Received:	\$10,500	

Note that the balances in the right column are amounts that are still available for credits during the next few months as long as the amount falls within the "three preceding months."

Example 2: The same distributor, after installing \$10,500 of capacitors in September 1999, installs another \$10,500 of capacitors the very next month and submits for the credit from TVA.

The credit would be accounted as follows:

Wholesale Billing Period	Reactive Charges Account	Credit Applied	Balance of Reactive Charges Account
June 1999	\$ 0000	\$0,000	\$0,000
July 1999	\$3,500	\$3,500	\$0,000
August 1999	\$5,000	<u>\$5,000</u>	\$0,000
	Total Credit Received:	\$8,500	

Note that the July 1999 amount is the balance of the reactive charges (see Example 1) for the month. The original charge totaled \$5,000.

Note that the distributor did not get total reimbursement of the material costs for the capacitor equipment.



FAX COVER

Send To:

Name: Power Distributor Mgr. Date: 5/14/99

Company: _____

Address: _____

Phone: _____

Fax: _____

Verification Number: _____

Number of pages (including cover): 2

Subject: Reactive Billing Charges

From: Tennessee Valley Authority

Name: Mark C. Shults, Customer Service Manager

Organization: Kentucky Customer Service Center

Address: 6045 Russellville Road, Bowling Green, Kentucky 42101-7319

Phone: (502) 846-7040

Fax: (502) 846-7045

Verification Number: (502) 846-7040

Special Instructions: _____

Important! If you do not receive all pages, call us back immediately.



Tennessee Valley Authority, 6045 Russellville Road, Bowling Green, Kentucky 42101-7319

May 14, 1999

Mr. David Callis, Executive Vice President & General Manager
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083

Dear David:

Terry Boston's letter of May 10 informed you that, in connection with the planned resumption of wholesale reactive billing in June 1999, TVA has developed a credit program to encourage distributors to install capacitors on their systems. As an additional incentive to stimulate the installation of capacitors in time for maximum system benefit this summer, a feature of the program provides an increase in credits for capacitors installed by the end of July, the increase being the amount that a distributor's reactive charges would have been during June 1998 if they had been in effect.

We understand from discussions with the chairmen of TVPPA's Operations Coordination Committee and Rates and Contracts Committee that some distributors may not be able to purchase and install capacitor facilities by July 31 because of six- to eight-week delivery times for new capacitors. Although it is important that distributors make every effort to install additional capacitors as early in the summer as possible, in order to allow them the opportunity to take advantage of the June 1998 credit amounts, we have agreed to extend the July 31 deadline to August 15, 1999.

Again, notwithstanding the extension, we urge you to take all reasonable steps to complete any needed capacitor installations on your system at the earliest possible date. As mentioned in the May 10 letter, it is essential that power factors on the transmission and distribution systems be improved as soon as possible to avoid unacceptable voltage sags this summer.

If you have any questions, please contact my office at (270) 846-7040.

Sincerely,

A handwritten signature in cursive script that reads "Mark".

Mark C. Shults
Customer Service Manager
Kentucky



Tennessee Valley Authority, 6045 Russellville Road, Bowling Green, Kentucky 42101-7319

File

July 29, 1999

Mr. David Callis, Executive Vice President and
and General Manager
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083

Dear David:

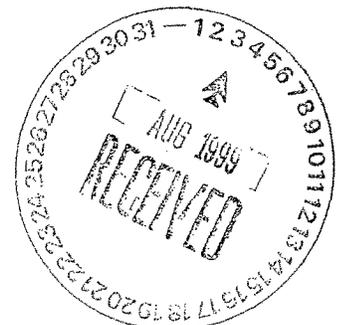
Enclosed is fully executed Forward Supported Power (FSP) agreement, ~~TV-52337A~~,
Supplement No. 55, for Tri-County Electric Membership Corporation.

If you should have any questions, please feel free to call our office at (270) 846-7040.

Sincerely,

Mark C. Shults
Customer Service Manager
Kentucky

Enclosure





Tennessee Valley Authority, Post Office Box 292409, Nashville, Tennessee 37229-2409

April 1, 1999

TV-52337A
Supp. No. 55

Mr. Melvin Grace, President
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083-0040

Dear Mr. Grace:

As a supplement to the economy surplus power (ESP) programs offered by TVA, you may choose to offer an enhancement to that program called forward supported power (FSP) to your customers that are currently being supplied with ESP. Under this FSP arrangement, TVA would endeavor to make forward purchases as described in the enclosures to this letter for those ESP customers electing the greater reliability that would be afforded by FSP.

This offering is fully described in the enclosed draft letter agreement (which will amend the power supply contract providing for the supply of ESP to participating customers) and the enclosures entitled "Forward Supported Power Guidelines (Distributor-Served Customers, April 1999)" and "ESP Pricing Confidentiality Provisions (April 1999)." In accordance with the provisions of Guideline 3, participating customers may elect or withdraw from FSP for any month (FSP Month) by notifying your system and TVA at least 10 business days prior to the beginning of that month.

If your system wishes to participate in this offering, please sign the enclosed three duplicate originals of this letter and return two of them to TVA. Upon return of this letter, individual letter agreements (in the form of the enclosed draft letter) will be forwarded for execution by your system and your ESP customers.

Mr. Melvin Grace
Page 2
April 1, 1999

Please note that by signing this letter, the wholesale billing provisions associated with the supply of ESP under each ESP contract will be deemed to be amended in the respects necessary to provide that for wholesale billing purposes any FSP energy supplied to participating customers will be treated as if it were ESP energy.

Sincerely,



W. Terry Boston
Manager, Pricing
Customer Service and Marketing

Enclosures

Accepted and agreed to as of
the date first above written.

**TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION**

By 
President

<<<Addressed to ESP customers>>>

Dear _____:

_____ (Distributor) and TVA are pleased to offer forward supported power (FSP) as an optional enhancement to the economy surplus power (ESP) provided for under the power supply contract numbered TV _____ and dated _____ (ESP Contract).

Detailed contract provisions regarding the FSP option are set forth in Enclosure A to this letter, entitled "Forward Supported Power Guidelines (Distributor-Served Customers, April 1999)," and in Enclosure B to this letter, entitled "ESP Pricing Confidentiality Provisions (April 1999)." The FSP option will be available to Company beginning with electric usage measured from meter readings scheduled to occur after May 1, 1999. In accordance with the provisions of Guideline 3, Company may elect or withdraw from FSP for any month (FSP Month) by notifying Distributor and TVA at least 10 business days prior to the beginning of that month. For any FSP Month, TVA would endeavor to purchase forward power options (Forwards) in accordance with Guideline 4.1 for periods of anticipated tight power supply. Accordingly, TVA's ability to require FSP customers to suspend their takings in any such month would be subject to the restrictions in Guideline 4.2.

Following the implementation of FSP, Forwards will not otherwise be purchased by TVA for the purpose of providing for the reliability of ESP load and no additional amount to reflect the cost of Forwards will be included in the incremental cost used to determine the hourly ESP energy charges paid by customers not selecting FSP. Accordingly, during periods of tight power supply, there could be an increased suspension risk for those ESP customers that have not elected the FSP option for those periods.

The hourly energy charge to be paid by all ESP customers in any hour will continue to reflect TVA's actual hourly incremental cost per kWh of providing ESP to all consumers during that hour based on either (a) TVA's cost of generating the top 100 MW increment of ESP load from TVA's resources or (b) the cost of power purchased to serve the top 100 MW increment of ESP load, as applicable in any hour. In addition to the hourly ESP price otherwise provided for under their contracts, in accordance with Guideline 5 and for any FSP Month, FSP customers would also pay an additional amount (FSP Charge) to reflect the cost of Forwards.

In conjunction with the implementation of FSP, TVA also plans to begin providing additional information via the system used to provide ESP price estimates (System). This additional information will be available to all ESP customers with access to the System, without regard to whether a customer enters into the umbrella FSP arrangements provided for by this letter or to whether a customer doing so selects FSP in any particular month. Because of the increased sensitivity of such planned additional information, access to the System after June 1, 1999, will require a customer's agreement to the revised confidentiality provisions set forth in Enclosure B.

If Company believes it might be interested in FSP for any month, the YES box at the end of this letter should be checked and three duplicate originals of this letter duly executed on behalf of Company and returned to Distributor. Thereafter, for any months covered by an enrollment form submitted in accordance with the provisions of Enclosure A, the enrollment form, together with this letter and its enclosures (as said enclosures may be modified, revised or replaced), will

supplement and amend the ESP Contract in the respects necessary to provide for the obligations of the parties with respect to FSP.

Note that merely returning the executed letter agreement marked YES will not in itself obligate Company to pay any FSP Charges for any month and that such an obligation will arise only under the enrollment form. However, if Company does not wish to enter into even the umbrella agreement to allow for possibly later activating FSP via an enrollment form, please check the NO box and return a duly executed copy to acknowledge Company's agreement to the revised ESP pricing confidentiality obligations set forth in Enclosure B. (Checking NO will not prevent Company from executing an umbrella agreement for FSP at a later date so long as such agreements are still being made available at that time by both TVA and Distributor.)

Sincerely,

TENNESSEE VALLEY AUTHORITY

W. Terry Boston
Manager, Pricing
Customer Service and Marketing

{ INSERT DISTRIBUTOR NAME }

{Name/Title}

YES, Company would like the option to select FSP arrangements. Accordingly, the signature of its authorized agent below shall be deemed to confirm its agreement to the supplementation and amendment of the ESP Contract in the respects necessary to reflect the terms and conditions set forth in this letter, Enclosure A, and Enclosure B.

NO, Company does not desire the option of selecting FSP. Accordingly, the signature of its authorized agent below shall be deemed to confirm its agreement to the supplementation and amendment of the ESP Contract to reflect the revised ESP pricing confidentiality provisions set forth in Enclosure B as a condition of continued access to the pricing System but shall not be deemed to supplement or amend the ESP Contract to provide for FSP.

{INSERT CUSTOMER NAME}

By: _____
Title:

FORWARD SUPPORTED POWER GUIDELINES
(Distributor-Served Customers, April 1999)

GUIDELINE 1 - GUIDELINE APPLICABILITY

The customer that is a party to the forward supported power (FSP) letter agreement (FSP Agreement) with which these Guidelines are an enclosure (which customer is referred to in said letter and below as "Company"), may elect the FSP option of the economy surplus power (ESP) program in accordance with and subject to the terms and conditions set forth in these Guidelines and said agreement. ESP is made available to Company by the Distributor referred to in said letter under arrangements with the Tennessee Valley Authority (referred to in said letter and below as "TVA").

GUIDELINE 2 - DEFINITION OF TERMS

As used in these Guidelines:

2.1 "ESP Contract" shall mean the power supply contract, as amended, which is identified by number and date in the FSP Agreement to which these Guidelines are an enclosure.

2.2 "FSP Agreement" shall mean the letter agreement to which these Guidelines are an enclosure, including, without limitation, these Guidelines and all other enclosures referenced in said letter.

2.3 "Month" shall mean the monthly billing period provided for under Company's ESP Contract; provided, however, that upon at least 60 days' notice to Company, TVA may change the definition of Month for all purposes of applying these Guidelines from and after the effective date of said notice.

2.4 "FSP Enrollment Form" shall mean the document to be used by Company to elect FSP for any FSP Month under Guideline 3.1 below. The FSP Enrollment Form shall be substantially in the form of the enrollment form attached as Exhibit A to these Guidelines, as said attached form may be revised or replaced by TVA from time to time upon at least 60 days' notice to Company.

2.5 "FSP Withdrawal Form" shall mean the document to be used by Company under Guideline 3.2 to withdraw from its election of FSP for any Month. The FSP Withdrawal Form shall be substantially in the form of the withdrawal form attached as Exhibit B to these Guidelines, as said attached form may be revised or replaced by TVA from time to time upon at least 60 days' notice to Company.

2.6 "Business Days" shall mean all days except Saturdays and Sundays and any weekdays that are observed as Federal holidays.

2.7 "FSP Month" shall mean any Month for which an FSP election is effective under the provisions of Guidelines 3 and 6 below.

GUIDELINE 3 - ENROLLMENT IN FSP

3.1 Election of FSP. Company shall elect FSP for a specific ESP option for any Month or Months through an FSP Enrollment Form sent to TVA via such means specified in said form and received by TVA at least 10 Business Days prior to the first Month for which said election is to be effective. At the same time, Company shall also provide the FSP Enrollment Form to Distributor via the means designated by Distributor for that purpose. Upon confirmation by both Distributor and TVA that the election is timely and otherwise in accordance with the requirements of the FSP Agreement (which confirmation shall be sent by FAX to the other parties), the provisions of the FSP Agreement, including, without limitation, Guidelines 4 and 5 below, will supplement and amend the ESP Contract in the respects necessary to provide for the obligations of the parties with respect to FSP during any Months so elected by Company.

3.2 Withdrawal of FSP Election. Similarly, Company may elect to withdraw its FSP election for a specific ESP option for any Month or Months through an FSP Withdrawal Form sent to TVA via a means specified in said form and received by TVA at least 10 Business Days prior to the first Month for which said withdrawal for that ESP option is to be effective. Upon confirmation by both TVA and Distributor that the withdrawal is timely and otherwise in accordance with the requirements of the FSP Agreement (which confirmation shall be by the same means provided for confirmation in 3.1 above), the election made for any such Months under 3.1 above shall deemed to be of no force and effect.

GUIDELINE 4 - FORWARD PURCHASES FOR RELIABILITY OF FSP LOAD

4.1 Forwards. TVA will purchase forward power options (Forwards) for those periods of anticipated tight power supply where TVA deems it appropriate to do so in order to decrease the probability of a need to suspend the availability of ESP to customers electing FSP for the such periods.

4.2 Suspensions. Accordingly, notwithstanding the suspension provisions of the ESP Contract, for any FSP Month, the ESP available to Company shall:

(a) only be suspended in a power supply emergency and

(b) only after (or if necessary due to extreme conditions, at the same time that) TVA has sought to require the suspension of ESP other than that for which an election of FSP is then in effect.

GUIDELINE 5 - FSP BILLING

5.1 Hourly ESP Charges. For any FSP Month, Company's hourly charges for ESP energy may also include additional charges (FSP Charges) as determined by TVA under this paragraph to reflect the cost of Forwards. The FSP Charge for any hour will be determined by allocating the additional cost determined by TVA to result from each Forward over the critical hours for which the Forward is purchased, using the spot-market pricing curve projected for those hours by TVA. For any Month for which an FSP election is effective under Guideline 3 above, TVA will endeavor to include the amount of the FSP Charge

component, if any, to be included in the ESP energy price for each hour in the weekly, daily, and hourly price estimates made available to Company to the extent that Forwards have been purchased prior to the time that a particular price estimate is given.

5.2 Resale of Forwards. To the extent that the power supply resources represented by any Forward reflected in an FSP Charge are later resold, credits will be applied to the bills of the customers that paid the charge to appropriately reflect TVA's determination of its net margin from the resale. The amount of each customer's share of such net margin will be a pro rata portion based on each customer's actual ESP takings during the period for which such Forward was purchased.

GUIDELINE 6 - TERMINATION OF FSP AGREEMENT

Distributor or TVA may terminate the FSP Agreement at any time upon 6 months' notice. From and after the effective date of any such notice, any election of FSP made by Company under Guideline 3 above shall be of no further force and effect.

GUIDELINE 7 - OTHER ESP CONTRACT PROVISIONS

Except as expressly modified by any provision of the FSP Agreement, including, without limitation, the provisions of these Guidelines, the provisions of Company's ESP Contract shall remain in full force and effect.

FSP Enrollment Form

<p>FAX to TVA at: TVA Real Time Pricing Manager (423) 751- 4607</p>	<p>Mail to: TVA Power Business Center 1101 Market Street Chattanooga, TN 37402 Attn: Real Time Pricing Manager</p>
<p>(or such different person or number as TVA may designate by notice to Company and Distributor)</p> <p>At the same time this form should also be sent to Distributor via the means designated by Distributor.</p>	

In accordance with Guideline 3.1 of the FSP Agreement supplementing and amending the ESP Contract numbered _____ and dated _____, and subject to the other provisions of said FSP Agreement, the Company on whose behalf this form has been executed by the authorized agent signing below desires to elect FSP under said agreement (a) for all of the Option(s) _____ available under its ESP Contract and (b) for the Months indicated by the block checked below (check and complete only one):

- The Month beginning as of the first meter-reading time under the ESP Contract falling at least 10 Business Days after the date that this notice is received by Distributor and TVA, and for all Months thereafter.
- The Month beginning as of the first meter-reading time under the ESP Contract falling at least 10 Business Days after the date that this notice is received by Distributor and TVA, and for all Months thereafter through the meter-reading time on _____ (mm/dd/yy).
- The Month(s) beginning as of the meter-reading time(s) on _____

 (mm/dd for each such Month) each year, effective with the first such Month beginning as of the first meter-reading time under the ESP Contract falling at least 10 Business Days after the date that this notice is received by Distributor and TVA.

(Check and complete only one box above. Where both ESP Option B and ESP Option C are available under the ESP Contract, FSP may be elected for either one or both Options. If different Months are to be elected for each Option, a separate form should be used for each Option.)

Confirmation of receipt of this form should be provided to Company at fax number (____) _____ - _____. (Note: Company should not be considered to have elected FSP until confirmation by FAX from TVA and Distributor has been received. If confirmation is not promptly received, contact TVA's Real Time Pricing Manager at (423) 751-7412.)

It is expressly recognized that the election(s) made above (1) will become effective upon confirmation by TVA in accordance with Guideline 3.1 of the FSP Agreement and (2) is subject to (a) withdrawal by Company under Guideline 3.2 of the FSP Agreement or (b) termination by

Distributor or TVA under Guideline 6 of the FSP Agreement (to the extent, if any, that said termination provisions are applicable to any Month for which Company elects FSP by this form).

Company's authorized agent:

Print: _____
_____ (Agent's name & title)
for _____
_____ Company's name)

Sign: _____ Date _____

FSP Withdrawal Form

FAX to TVA at: TVA Real Time Pricing Manager (423) 751- 4607	Mail to: TVA Power Business Center 1101 Market Street Chattanooga, TN 37402 Attn: Real Time Pricing Manager
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(or such different person or number as TVA may designate by notice to Company and Distributor)
At the same time this form should also be sent to Distributor via the means designated by Distributor.

In accordance with Guideline 3.2 of the FSP Agreement supplementing and amending the ESP Contract numbered _____ and dated _____, and subject to the other provisions of said FSP Agreement, the Company on whose behalf this form has been executed by the authorized agent signing below desires to withdraw the FSP election previously made under said agreement (a) for all of the Option(s) _____ available under its ESP Contract and (b) for the Months indicated by the block checked below (check and complete only one):

The Month beginning as of the first meter-reading time under the ESP Contract falling at least 10 Business Days after the date that this notice is received by Distributor and TVA, and for all Months thereafter.

The Month(s) beginning as of the meter-reading time(s) on _____

(mm/dd/yy), effective with the first such Month beginning as of the first meter-reading time under the ESP Contract falling at least 10 Business Days after the date that this notice is received by Distributor and TVA.

(Check and complete only one box above. Where both ESP Option B and ESP Option C are available under the ESP Contract, FSP may have been elected for either one or both Options. If FSP election withdrawal is to be made for different Months for each Option, a separate form should be used for each Option.)

Confirmation of receipt of this form should be provided to Company at fax number (____) ____-____. (Note: Company should not be considered to have elected FSP until confirmation by FAX from TVA and Distributor has been received. If confirmation is not promptly received, contact TVA's Real Time Pricing Manager at (423) 751-7412.)

Company's authorized agent:

Print: _____

for _____

(Agent's name & title)
Company's name)

Sign: _____ Date _____

ESP PRICING CONFIDENTIALITY PROVISIONS

(APRIL 1999)

From and after the effective date of the letter agreement with which these Provisions are enclosed, such Provisions shall apply to provide for obligations of the customer that is a party to such agreement (which customer is referred to in said agreement and below as "Company") with respect to maintaining the confidentiality of certain information, proprietary to Tennessee Valley Authority (TVA), as described in 1(c) below.

1. As used in these Provisions:

(a) "ESP Contract" shall mean the contract, as amended, which is identified by number and date in the letter agreement with which these Provisions are enclosed and under which economy surplus power (ESP) is made available to Company.

(b) "System" shall mean the computer bulletin board system or such other system designated by TVA in accordance with the provisions of the ESP Contract for the purpose of making available ESP, and if applicable forward supported power (FSP), price estimates to Company.

(c) "Proprietary Information" shall mean any and all ESP or FSP pricing and related information, including, without limitation, projected estimates of ESP and FSP prices, projected forecasts of TVA's power system operations, and other forecasts relative to potential suspensions of ESP and FSP disclosed by TVA to Company whether via the System or otherwise.

2. As a condition of access to the System and in consideration of TVA's making Proprietary Information available to Company:

(a) except as may be required by law, Company agrees not to divulge Proprietary Information to third parties without the written consent of TVA, and

(b) Company further agrees not to use the Proprietary Information disclosed to it by TVA (i) to compete with TVA or (ii) for any purpose other than those set forth in the ESP Contract and for otherwise planning Company's utilization of ESP or FSP.

3. Notwithstanding section 2 above, Company may disclose, after having given TVA written notice five working days before the disclosure, Proprietary Information to its contractors so long as the disclosure (a) is not to a competitor of TVA; (b) is made subject to a nondisclosure agreement entered into by Company's contractor and those employees of the contractor who will have access to the Proprietary Information, which agreement is subject to TVA's approval; (c) is made solely on a "need to know" basis; (d) is made subject to a restriction that Company's contractor and the contractor's employees use the Proprietary Information solely in performing work for Company in connection with Company's evaluation of the Proposed FSP Arrangements; and (e) is made subject to the requirement that all copies of the Proprietary Information be returned to Company upon conclusion of the contractor's work for Company. Company

will make reasonable efforts (consistent, however, with its requirements) to minimize the amount of any such information disclosed to its contractors.

4. In the event that Company is legally required to disclose any Proprietary Information to others, Company shall endeavor to secure the agreement of such other party to maintain the information in confidence. In the event that Company is unable to secure such agreement, Company shall notify TVA with reasonable promptness so that TVA may join Company in the pursuit of such an agreement of confidence, work with such other party to revise the information in a manner consistent with its interests and the interests of the other party, or take any other action it deems appropriate.
5. Company shall afford Proprietary Information the same security and care in handling and storage as Company provides for its own confidential or proprietary information and data.
6. The foregoing obligations of Company shall terminate if and when, but only to the extent that, such Proprietary Information (a) is or shall become publicly known through no fault of Company, (b) is in company's possession as supported by written records prior to receipt of said Proprietary Information from TVA, or (c) is disclosed to Company by a third party who is legally free to disclose such Proprietary Information.
7. TVA makes no representations or warranties to Company concerning the Proprietary Information made available. TVA shall have no obligation or liability to Company for or as a result of the furnishing of any Proprietary Information. Company agrees that if it elects to rely on any of the information, it does so at its sole risk.
8. It is acknowledged that money damages may be an inadequate remedy for breach of this Company's obligations with respect to Proprietary Information. Accordingly, Company agrees in advance to the granting of injunctive or other equitable relief in favor of TVA without proof of actual damages.
9. Company's obligations with respect to Proprietary Information shall inure to the benefit of, and shall be binding upon, Company and TVA, and, as applicable, their respective subsidiaries, successors and assigns. In addition, Company's obligations with respect to Proprietary Information shall be binding upon any and all directors, officers, and employees of Company and Company shall secure the compliance by all of the foregoing with all of the terms and conditions of obligations with respect to Proprietary Information required to be observed or performed hereunder.
10. It is recognized that Company may have previously entered into other confidentiality or nondisclosure arrangements with TVA that continue to be applicable to some or all of the Proprietary Information. In the event of any conflict between such prior arrangements and these Provisions, these Provisions shall control.



Tennessee Valley Authority, 6045 Russellville Road, Bowling Green, Kentucky 42101-7319

May 6, 2000



Mr. David Callis, Executive Vice President
and General Manager
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083

Dear David:

Enclosed is a fully executed original of the Industrial Service Policy Agreement, TV-52337A, Supplement No. 56, dated February 1, 1999, for Tri-County Electric Membership Corporation.

If you have any questions, please feel free to call me at (270) 846-7042.

Sincerely,

A handwritten signature in cursive script that reads 'Mark'.

Mark C. Shults
Customer Service Manager
Kentucky

Enclosure

AGREEMENT
Between
TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION
And
TENNESSEE VALLEY AUTHORITY

DATE: February 1, 1999

TV-52337A, Supp. No. 56

THIS AGREEMENT, made and entered into between TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION (Distributor), a cooperative corporation created and existing under and by virtue of the laws of the State of Tennessee, and TENNESSEE VALLEY AUTHORITY (TVA), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended;

W I T N E S S E T H:

WHEREAS, TVA and Distributor have entered into a contract dated July 18, 1979, as amended (Power Contract), under which Distributor purchases its entire requirements for electric power and energy from TVA for resale; and

WHEREAS, section 2 of the Power Contract, as such section may have heretofore been amended and supplemented, covers arrangements with respect to service to certain consumers of electricity; and

WHEREAS, the parties wish to amend the Power Contract to change the provisions of section 2 in order to implement certain alternative arrangements for service to such consumers;

NOW, THEREFORE, for and in consideration of the premises and of the mutual agreements set forth below, and subject to the Tennessee Valley Authority Act of 1933, as amended, the parties mutually agree as follows:

SECTION 1 - EFFECTIVE DATE

This agreement shall become effective as of the date first above written (Effective Date) and, subject to the provisions of section 7 below, shall continue in effect for the term of the Power Contract.

SECTION 2 - ALTERNATIVE ARRANGEMENTS

During the term of this agreement, in lieu of the provisions of sections 2(b) and 2(c) of the Power Contract, the alternative arrangements set out in this agreement shall apply.

SECTION 3 - SERVICE BY DISTRIBUTOR

Distributor shall be entitled to use the power made available under the Power Contract to serve all consumers except those TVA is entitled to serve directly as provided in section 4 below. However, notwithstanding the provisions of section 4, Distributor shall remain entitled to serve all consumers it was serving as of the Effective Date.

SECTION 4 - SERVICE BY TVA

4.1 Consumers Served by TVA. TVA shall be entitled to serve directly the following consumers:

- (a) any consumer to whom the resale rate schedules specified in section 5(b) of the Power Contract (or other resale rate arrangements agreed to by TVA) are not applicable,
- (b) any Federal installations excepting those with loads less than 5,000 kilowatts served from a general delivery point,
- (c) any existing consumer being served by TVA directly in accordance with section 2 of the Power Contract immediately prior to the Effective Date, and
- (d) any new consumer that begins taking electric service after the Effective Date if the consumer's Projected Monthly Base Energy Amount (as determined in 4.2 below) exceeds the sum of 15 million kilowatthours plus the amount determined by multiplying 1,250 kilowatthours times the applicable number of residential consumers of Distributor (as determined in 4.3 below).

4.2 Projected Monthly Base Energy Amount. The Projected Monthly Base Energy Amount for any new consumer shall be the lesser of (i) the consumer's projection of its highest expected average monthly energy use in kilowatthours or (ii) 547.5 hours multiplied by the consumer's projection of its highest expected monthly demand. Such projections shall be made by the consumer at the earliest feasible time during discussions regarding the supply of power to such consumer. Further, these projections shall reflect the energy and demand amounts expected by the consumer when its production facilities are in full operation, but in no event later than 36 months after initial service to the consumer. Both TVA and Distributor shall have the right to participate in discussions with the consumer involving establishment of such projections, and either may request from the consumer such data and other information as it considers desirable in support of the consumer's projections. Such projections shall become accepted as the Projected Monthly Base Energy Amount only after TVA and Distributor agree that such projections are realistic, which agreement shall not be unreasonably withheld.

4.3 Determination of Applicable Number of Residential Consumers. If TVA provides no transmission facilities (except such metering facilities, tap point or loop connection point facilities, communication facilities, and manual or sectionalizing switches as are determined by TVA to be necessary) to serve a new consumer, the number of

residential consumers used in the computation in 4.1(d) above shall be the total number of residential consumers that were being served by Distributor as of the June 30 immediately preceding the date of such computation. Otherwise, the number of residential consumers used in that computation shall be only the residential consumers, if any, that were being served by Distributor as of the immediately preceding June 30 with energy received from TVA at the delivery point through which Distributor would receive the energy for such new consumer if it were served by Distributor.

SECTION 5 - SUPPLY TO CONSUMERS OF 5,000 KILOWATTS OR MORE

The supply of power by TVA to Distributor for resale to any consumer which has a supply of 5,000 kilowatts or more of power other than that furnished by Distributor under the resale rate schedules specified in section 5(b) of the Power Contract, and the contract for such resale between Distributor and such consumer, shall be subject to such special arrangements as TVA may reasonably require.

SECTION 6 - TRANSFER OF CONSUMERS

The party entitled to serve a new consumer, as provided under sections 3 and 4 of this agreement, shall continue to be entitled to serve the consumer during the full term of this agreement. Transfer between TVA and Distributor of service to a consumer shall be made only upon specific request by Distributor and upon agreement among TVA, Distributor, and the consumer.

SECTION 7 - TERMINATION

On the date of receipt by TVA of any notice of Power Contract termination provided by Distributor under the section of the Power Contract entitled "Term of Contract," this agreement shall automatically terminate with respect to the entitlement of service to new consumers initiating service on and after such date and the provisions of sections 2(b) and 2(c) of the Power Contract, as they were effective immediately prior to the Effective Date, shall become automatically reinstated with respect to any such consumers and shall continue in effect for the then remaining term of the Power Contract. Notwithstanding anything in this agreement to the contrary, until the end of the term of the Power Contract TVA and Distributor shall each be entitled to continue serving all existing consumers being served by them on such date of receipt of notice of Power Contract termination.

SECTION 8 - POWER CONTRACT AFFIRMED

The Power Contract, as supplemented and amended by this agreement, is ratified and confirmed as the continuing obligation of the parties.

IN WITNESS WHEREOF, the parties have caused this agreement to be executed by their duly authorized officers, as of the day and year first above written.

Attest:

**TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION**

Carl Lorus
Secretary

By Mel Sprave
President

TENNESSEE VALLEY AUTHORITY

By Terry Boston
Manager, Pricing
Customer Service and Marketing

Tri-County Electric
Membership Corporation

405 College Street
P.O. Box 40
Lafayette, TN 37083-0040

Telephone: (615) 666-2111
Toll Free: 1-(800) 369-2111
Fax: (615) 688-2141

February 1, 1999

Mr. Mark Shults
Customer Service Manager
Kentucky
Tennessee Valley Authority
6045 Russellville Road
Bowling Green, KY 42101

RE: Agreement TV-52337A, Supp. No. 56

Dear Mark:

Please find enclosed three executed agreements for the amended power contract referenced above.

If I may be of additional assistance, please feel free to call.

Sincerely,

David M. Callis

DAVID M. CALLIS
Executive Vice-President
and General Manager

By LK

Enclosures (3)



Tennessee Valley Authority, 6045 Russellville Road, Bowling Green, Kentucky 42101-7319

*Laura,
Please mail
contract to
TETCO
Thanks,
Jan 2000*

January 26, 2000

Mr. David Callis, Executive Vice President
and General Manager
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083

Dear David:

Enclosed are two fully executed originals of Power Supply Contract 00PCG-260588 dated October 31, 1999, covering arrangements associated with the supply of firm and supplemental power for resale to ~~Texas Eastern Transmission Corporation~~. Please retain one original for your records and forward the other to Texas Eastern Transmission Corporation.

Also enclosed is a fully executed original of the associated Wholesale Agreement TV-52337A, Supplement No 57, dated October 31, 1999, for your records.

If you should have any questions, please feel free to call me at (270) 846-7042.

Sincerely,

Mark C. Shults
Customer Service Manager
Kentucky

Enclosures

AGREEMENT

between

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

and

TENNESSEE VALLEY AUTHORITY

Date: October 31, 1999 TV-52337A, Supp. No. 57

THIS AGREEMENT, made and entered into between TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION (Distributor), a cooperative corporation created and existing under and by virtue of the laws of the State of Tennessee, and TENNESSEE VALLEY AUTHORITY (TVA), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended;

WITNESSETH:

WHEREAS, under Power Contract TV-52337A, dated July 18, 1979, as amended (Power Contract), electric power and energy are supplied by TVA at wholesale and purchased by Distributor for resale; and

WHEREAS, TVA, Distributor, and Texas Eastern Transmission Corporation (Company) have entered into a contract of even date herewith (Company Contract) covering arrangements under which TVA will make available to Distributor for resale to Company a supply of firm power and of supplemental power for operation of Company's gas compressor station near Tompkinsville, Kentucky; and

WHEREAS, the parties wish to supplement and amend the Power Contract and to enter into such other arrangements as are necessary between TVA and Distributor with respect to Distributor providing service to Company under the Company Contract;

NOW, THEREFORE, for and in consideration of the premises and of the mutual agreements set forth below, and subject to the Tennessee Valley Authority Act of 1933, as amended, the parties mutually agree as follows:

SECTION 1 - TERM OF AGREEMENT

This agreement shall become effective as of the effective date of the Company Contract, and shall continue in effect until expiration or termination of the Company Contract, or of the Power Contract, or until supplemental power is no longer available under the Company Contract, whichever first occurs.

SECTION 2 - BILLING DATA

Data obtained from the TVA Metering Installation referred to in the Company Contract will be used by Distributor for the purposes of determining the power and energy taken by Company and by TVA for determining applicable adjustments for Distributor's wholesale bill. Accordingly, TVA will supply Distributor as soon as practicable after Company's scheduled meter-reading date the information regarding (a) the amounts of firm power taken and (b) the amounts of supplemental power scheduled, the times supplemental power was scheduled, and the price for supplemental power, so that Distributor may calculate Company's bill for firm and supplemental power and energy. In order to facilitate TVA's preparation of the bill to Distributor for power and energy made available under the Power Contract, each month Distributor shall furnish to TVA a copy of Distributor's bill to Company for power and energy made available under the Company Contract when it is rendered.

SECTION 3 - ADJUSTMENTS TO DISTRIBUTOR'S WHOLESAL BILLING

In calculating the wholesale bill each month for Distributor, the following steps will be taken with respect to Company:

3.1 Firm Power and Energy. Distributor will be billed demand and energy charges as provided in the wholesale rate schedule (Wholesale Schedule), which is contained in the Schedule of Rates and Charges attached to and made a part of the Power Contract, for any firm power and energy resold under the Company Contract; provided, however, that for the purposes of calculating said charges, the terms "metered onpeak demand" and "metered offpeak demand" in the Wholesale Schedule shall be deemed to refer to the "onpeak metered demand" and "offpeak metered demand" as determined in accordance with the Determination of Onpeak and Offpeak Demands and Energy Amounts section of the time-of-day resale rate schedule applicable for billing Company, except that in making such determination, the load metered in kW during any 30-consecutive-minute period beginning or ending on a clock hour of the month shall first be adjusted by deducting therefrom the kW amount, if any, of supplemental power (not to exceed such metered kW amount) scheduled during that period.

3.2 Supplemental Power and Energy. (a) The total dollar amount of base demand and energy charges calculated under the Wholesale Schedule shall be increased by adding thereto an amount equal to (i) Distributor's monthly charges to Company for supplemental power and energy (as determined under the Company Contract) divided by (ii) a factor of 1.03 to reflect losses.

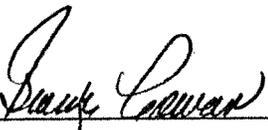
(b) The amounts added to the base charges of the wholesale bill pursuant to (a) above shall also be added to the "sum of all charges" used for the distribution loss calculation under the section entitled "Distribution Loss Charge" of the Wholesale Schedule. In the event the supplemental energy amount deemed taken by Company under the Company Contract in any month exceeds the metered amount of Company's total energy takings for the month, the total amount of energy resold by Distributor to Company during that month shall be reduced by the amount of said excess for the purpose of determining the Loss Factor under said Distribution Loss Charge section.

SECTION 4 - AFFIRMATION OF POWER CONTRACT

The Power Contract, as supplemented and amended by this agreement, shall be the continuing obligation of the parties.

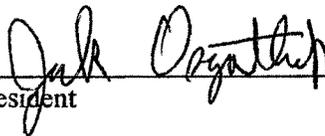
IN WITNESS WHEREOF, the parties have caused this agreement to be executed by their duly authorized representatives, as of the day and year first above written.

Attest:



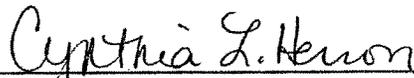
Secretary

**TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION**

By 

President

TENNESSEE VALLEY AUTHORITY

By 

Manager, Pricing
Customer Service and Marketing

Tri-County Electric Membership Corporation

405 College Street
P.O. Box 40
Lafayette, TN 37083-0040

Telephone: (615) 666-2111
Toll Free: 1-(800) 369-2111
Fax: (615) 688-2141

December 1, 1999

Mr. Mark Shults
Customer Service Manager - KY
Tennessee Valley Authority
6045 Russellville Road
Bowling Green, KY 42101-7319

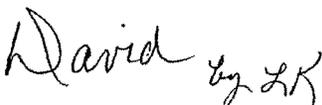
RE: TV-52337A

Dear Mark:

Please find enclosed four (4) partially executed original agreements between Tri-County Electric Membership Corporation and TVA regarding resale of power for operation of Texas Eastern Transmission Corporation gas compressor station near Tompkinsville, Kentucky.

If additional information is needed, please advise.

Sincerely,



DAVID M. CALLIS
Executive Vice President
and General Manager

DMC/lk

Enclosures (4)



Tennessee Valley Authority, 6045 Russellville Road, Bowling Green, Kentucky 42101-7319

*Kama,
Please file
8/10/00*

August 8, 2000

Mr. David Callis, Executive Vice President
and General Manager
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083

Dear David:

Enclosed is a fully executed Wholesale Energy to Market Agreement, TV-52337A,
Supplement No. 58, dated April 3, 2000, for Tri-County Electric Membership
Corporation.

If you have any questions, please give me a call at (270) 846-7042.

Sincerely,

Mark C. Shults
Customer Service Manager
Kentucky

Enclosure



**WHOLESALE ENERGY TO MARKET
AGREEMENT
Between
TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION
And
TENNESSEE VALLEY AUTHORITY**

Date: April 3, 2000

TV-52337A, Supp. No. 58

THIS AGREEMENT, made and entered into between TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION (Distributor), a cooperative corporation created and existing under and by virtue of the laws of the State of Tennessee, and TENNESSEE VALLEY AUTHORITY (TVA), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended (TVA Act);

WITNESSETH:

WHEREAS, TVA and Distributor have entered into a contract dated July 18, 1979, as amended (Power Contract), under which Distributor purchases its entire requirements for electric power and energy from TVA for resale; and

WHEREAS, the power and energy supplied by TVA to Distributor emanates primarily from TVA-owned generation but at times is supplemented by short-term purchases of power and energy by TVA from suppliers outside its system and delivered to TVA at specific locations of interchange of such system with the systems of certain other utilities; and

WHEREAS, TVA and Distributor wish to cooperate in a test program (Test Program) under which (a) on a week-by-week basis Distributor may at its expense arrange for the purchase, and delivery to TVA at one or more of such locations of interchange, of power and energy for use on the TVA system to supplement TVA-owned generation and (b) in consideration for such purchase for the TVA system of such power and energy and its delivery to the TVA system Distributor will receive certain credits against its wholesale power bill from TVA; and

WHEREAS, the parties wish to supplement the Power Contract in the respects necessary to implement the Test Program;

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants herein contained and subject to the provisions of the TVA Act, the parties agree as follows:

SECTION 1 - DEFINITION OF TERMS

As used in this agreement:

1.1 "Outside Supplier" shall mean any entity that has, or is able to obtain, electric power supply resources which could be purchased for use on the TVA electric power system.

1.2 "Purchased Block" shall mean a block of not less than 25,000 kilowatts (any Purchased Block over 25,000 kilowatts shall be in one or more 1,000-kilowatt increments above such amount) of electric power that may be purchased by Distributor for delivery to the TVA system during a period each day Monday through Friday beginning at 6:00 AM for energy accounting hour ending 7:00 AM and ending at 10:00 PM for energy accounting hour ending 10:00 PM. Under this agreement, no purchase by Distributor for any week shall exceed 12,026 kilowatts, which represents (a) 5 percent of the average weekly energy taken by Distributor from TVA during the TVA fiscal year beginning October 1, 1997, divided by (b) 80 hours. The times specified in this definition and elsewhere in this agreement shall mean Central Standard Time or Central Daylight Time, whichever is currently effective. It is recognized that this definition of Purchased Block will be modified, as provided in the Program Guidelines defined in 1.8 below, for weeks that include North American Electric Reliability Council holidays, and may also be modified from time to time in accordance with the provisions of section 6 below. It is also recognized that if the amount set out in the second sentence above is less than 25,000 kilowatts, Distributor may only participate in the Test Program as part of an Aggregate Group in accordance with section 7 below.

1.3 "Interconnection Point" shall mean the point of interconnection of TVA's electric power system and the electric power system of any other utility through which a Purchased Block arranged by Distributor under the Test Program is to be delivered to the TVA system.

1.4 "Transmission Path" shall mean the specific electric transmission facilities over which a Purchased Block arranged by Distributor under the Test Program is to be delivered through the Interconnection Point to the TVA system.

1.5 "System Value(s)" shall mean an amount(s) (expressed in cents per kilowatt-hour) that TVA determines each week to reflect the value to the TVA system of Distributor purchasing a Purchased Block(s) from an Outside Supplier for use on the TVA system the following week. Such values may be expressed as decreasing amounts for successive megawatt blocks of power in such total amount as is determined by TVA to be appropriate each week.

1.6 "Undelivered Energy" shall mean any undelivered portion of the scheduled energy in a Purchased Block that Distributor has arranged for any hour.

1.7 "Replacement Cost" shall mean the amount charged by TVA to be paid by Distributor for TVA's cost, including lost opportunity cost, of supplying power and energy to replace any Undelivered Energy. Such Replacement Cost for each kWh of Undelivered Energy shall be the highest amount, if any, by which:

(a) the market price per kWh (as determined by TVA in a commercially reasonable manner) for the Undelivered Energy, or

(b) the revenue lost by TVA (acting in a commercially reasonable manner), expressed as a cost per kWh, as a result of interrupting a previously arranged sale to provide the Undelivered Energy, including any damages paid by TVA as a result of interrupting the sale,

exceeds the System Value which would have been credited to Distributor if the Undelivered Energy had been delivered.

1.8 "Program Guidelines" shall mean such detailed standards, procedures, and other guidelines as may from time to time be furnished or approved by TVA to ensure the proper and efficient operation of the Test Program. In the event of any conflict between the provisions of the Program Guidelines and the provisions of this agreement, the provisions of this agreement shall control.

1.9 "Information System" shall mean the procedure or system specified in the Program Guidelines for communicating information between TVA and Distributor in connection with operation of the Test Program.

1.10 "Test Program Agreement" shall mean both (a) this agreement and (b) an agreement between TVA and any other distributor of TVA power which (i) provides for such distributor's participation in the Test Program and (ii) contains provisions in the form of those specified in section 7 below (Aggregate Provisions) under which distributors may participate in the Test Program on an aggregate basis.

1.11 "Aggregate Group" shall mean two or more distributors of TVA power that have entered into Test Program Agreements with TVA and that have further elected to form a group so as to participate from time to time in the Test Program on an aggregate basis as provided for in accordance with the Aggregate Provisions.

1.12 "Aggregate Group Amount" shall mean a kW amount equal to the portion of the allocation set out in the second sentence in subsection 1.2 above which Distributor assigns to an Aggregate Group. It is expressly recognized that if Distributor elects to participate in two Aggregate Groups, the sum of the Aggregate Group Amounts assigned by Distributor to those groups shall not be greater than said allocation.

1.13 "Remaining Individual Amount" shall mean a kW amount equal to the kW amount, if any, which remains after any then-effective Aggregate Group Amounts are deducted from the allocation set out in the second sentence in subsection 1.2 above.

1.14 "Purchase Agent" shall mean the specific distributor within an Aggregate Group appointed by the Aggregate Group under the Aggregate Provisions to act as its legal agent to carry out the activities of, and to act for and legally bind, the Aggregate Group and each distributor member of the Aggregate Group under the distributor's Test Program Agreement. In lieu of a distributor member of the Aggregate Group being appointed as the Purchase Agent, TVA and the distributor members of an Aggregate Group may agree to the appointment of a Purchase Agent from outside the Aggregate Group through appropriate contractual arrangements.

1.15 "Purchase Group" shall mean the specific distributors of an Aggregate Group that are involved for a particular week in a purchase, as such specific distributors are designated by the Purchase Agent under the provisions of sections 3 and 7 below.

1.16 "Participation Amount" shall mean the kW amount to be used for each distributor member of a Purchase Group in determining the ratio to be applied for prorating any applicable credits and debits under item (c) of subsection 7.2 below. Unless a lesser amount is specified by the Purchase Agent under item (b) of said subsection, a group member's Participation Amount shall be deemed to be the full amount of the member's Aggregate Group Amount for the Aggregate Group from which the Purchase Group is created.

SECTION 2 - SYSTEM VALUE

Each week during the term of this agreement, TVA shall, not later than 1:00 PM on Thursday of the week and by use of the Information System, inform Distributor of the amount of the System Value that will be applicable for the following week to any Purchased Block for which arrangements are made by Distributor in accordance with the provisions of this agreement.

It is recognized that the System Value reflects information which is proprietary to TVA, the public release of which, or use for purposes other than the Test Program, could cause competitive harm to TVA and hinder TVA in carrying out the purposes of the TVA Act. Accordingly, as a condition of participating in the Test Program, Distributor:

(a) shall access the Information System only in accordance with the Program Guidelines,

(b) shall not use the System Value information provided by TVA under this section 2 for any purpose other than determining if it wishes to arrange to provide a Purchased Block to TVA for the following week, and

(c) shall maintain the confidentiality of such System Value information in accordance with the provisions of the attached "System Value Confidentiality Attachment" which is made a part of this agreement and the Power Contract.

SECTION 3 - DISTRIBUTOR PURCHASE OF PURCHASED BLOCK

If Distributor wishes to arrange for the delivery of a Purchased Block to the TVA system for the next week in exchange for the System Value specified by TVA under section 2 above, it shall:

(a) promptly make arrangements at its expense for the purchase, transmission, and delivery of that Purchased Block, and

(b) by use of the Information System notify TVA of those arrangements.

The notices to TVA under item (b) shall include the name and address of the Outside Supplier, the size in kilowatts of the Purchased Block, and such information regarding

Transmission Path, Interconnection Point, and other aspects of the arrangements as TVA may reasonably require, all as specified in the Program Guidelines.

It is expressly recognized and agreed that with respect to any arrangements made by Distributor for a Purchased Block:

- (i) except as may be otherwise provided in Program Guidelines, such arrangements shall include only a single Outside Supplier and a single Interconnection Point,
- (ii) Distributor shall be solely responsible for arranging for the purchase of the Purchased Block and for its transmission to the TVA system, including, without limitation, arranging for delivery of the Purchased Block to the TVA system through an Interconnection Point where TVA has the capability to receive delivery of the Purchased Block (considering such other deliveries as may already be scheduled by TVA and others for delivery at such points and consistent with TVA's Transmission Service Guidelines),
- (iii) Distributor shall be solely responsible for paying the purchase price of the power and energy represented by a Purchased Block and for all other costs associated with the purchase of the Purchased Block and its transmission to the TVA system, and
- (iv) TVA shall assume no liability to the Outside Supplier or to any transmission provider.

SECTION 4 - TRANSFER OF OWNERSHIP TO TVA

Upon delivery of power and energy represented by a Purchased Block to the TVA system at an Interconnection Point, such power and energy shall become the property of TVA, and title shall pass to TVA without further action of TVA or Distributor.

SECTION 5 - ADJUSTMENTS TO DISTRIBUTOR'S WHOLESALE BILLING

In calculating the wholesale bill each month for Distributor, the following steps will be taken with respect to each hour of any month for which Distributor has agreed under section 3 above to arrange for the delivery of a Purchased Block to TVA:

5.1 System Value Credit. A credit shall be applied to the wholesale bill equal to (a) the applicable System Value multiplied by (b) the amount of the Purchased Block in kilowatt-hours scheduled and actually delivered to the TVA system in that hour.

5.2 Undelivered Energy. For any scheduled but Undelivered Energy for which TVA incurs a Replacement Cost, a debit shall be applied to the wholesale bill equal to (a) the amount in kilowatt-hours of Undelivered Energy for the hour multiplied by (b) the amount of the Replacement Cost for that hour.

SECTION 6 - ADDITIONS AND CHANGES TO THE TEST PROGRAM

By either (a) mutual agreement of the parties evidenced in writing or (b) at least 60 days' written notice from TVA, additions to and changes in the Test Program as provided for above may be made to:

- (a) provide for additional Purchased Block offerings to be made each week covering different hours and/or different days,
- (b) revise the hours and/or days of any Purchased Block offering to be made each week,
- (c) revise the kilowatt amount of any Purchased Block,
- (d) increase the maximum kilowatt amount applicable to any purchase by Distributor in a week, and/or
- (e) revise the time deadline provided for under section 2 or section 3 above; provided, however, that unless made by the mutual agreement of the parties, no such revision shall result in there being less than 1 hour between said deadlines.

SECTION 7 - AGGREGATE PROVISIONS

7.1 Aggregate Participation by Distributors. It is recognized that, in lieu of, or in addition to, individual participation by Distributor in the Test Program, Distributor may wish to participate in up to two Aggregate Groups. In such event, and for each Aggregate Group in which Distributor elects to participate, Distributor shall so notify TVA in writing and shall provide TVA:

- (a) the names of the other distributors in the Aggregate Group,
- (b) a designation of the Aggregate Group Amount assigned by the Distributor to the Aggregate Group, and
- (c) the name of the Purchase Agent.

Distributor may change the Aggregate Group Amount originally assigned by the Distributor under (b) above by a notice given within the time period for such notice specified by TVA in the Program Guidelines; provided, however, that the notice period so specified shall be no longer than 14 calendar days. In addition, it is expressly recognized and agreed that Distributor:

- (i) shall not participate in more than two Aggregate Groups at any one time, and
- (ii) may only participate individually (in addition to participation in either one or two Aggregate Groups) to the extent of its Remaining Individual Amount and only if its Remaining Individual Amount is sufficient to fulfill the minimum kilowatt requirements of a Purchased Block provided for in subsection 1.2 above.

7.2 Aggregate Groups. During such time that Distributor is a member of an Aggregate Group (and for each such group):

(a) for the purpose of (i) fulfilling the minimum kilowatt requirements of a Purchased Block provided for in subsection 1.2 above and (ii) determining the maximum amount that may be purchased in a specific week under the Test Program, Aggregate Group Amounts assigned to the Aggregate Group by each distributor member of the Purchase Group shall be combined,

(b) at the time of the Purchase Agent's notification to TVA of arrangements for delivery of a Purchased Block under the provisions of section 3 of this Test Program Agreement, the Purchase Agent shall specify, in such manner as may be provided for in the Program Guidelines, (i) the specific distributors of the Aggregate Group that will constitute the Purchase Group for that Purchased Block and (ii) for any distributors so participating based on less than their full Aggregate Group Amount, the lesser Participation Amount to be used for that distributor, and

(c) with respect to any Purchased Block, any applicable credits and debits provided for in section 5 of the Test Program Agreements shall be computed by TVA for the entire Purchase Group and prorated among the distributor members of the Purchase Group in a ratio equal to (i) the distributor member's Participation Amount divided by (ii) the sum of the Participation Amounts for all members of the Purchase Group.

It is recognized that, at least at the present time, TVA may administratively be able to accommodate having only one Purchase Group per Aggregate Group each week, with one Participation Amount per each member of that group. Accordingly, except to the extent that TVA may otherwise later provide in Program Guidelines, it is expressly recognized that the specifications to be made under item (b) above shall be so limited.

7.3 Purchase Agent Authority. If Distributor becomes a part of an Aggregate Group under 7.1 above, Distributor:

(a) shall remain a part of that Aggregate Group, and

(b) with respect to the Aggregate Group Amount assigned by Distributor to said group, may only act under the Test Program Agreement through the actions of the Purchase Agent appointed under 7.1 above for the Aggregate Group

until the effective date of any written notification by Distributor to TVA that Distributor will no longer be a part of that Aggregate Group. Further, it is expressly recognized and agreed that, with respect to the Aggregate Group Amount assigned by Distributor to said group:

(i) except as provided in item (c) of subsection 7.2 above, all actions referred to in this agreement as being the right or responsibility of Distributor shall instead be the right or responsibility of the Purchase Agent on behalf of the Aggregate Group and each member of the Aggregate Group,

(ii) the Purchase Agent shall have full and complete legal authority to act for and bind the Aggregate Group and each member of the Aggregate Group with respect to such rights and responsibilities,

(iii) Distributor agrees to be bound by the actions of the Purchase Agent, including, without limitation, each notification form submitted by the Purchase Agent under item (b) of 7.2 above, and

(iv) notwithstanding the provisions of section 8 of this agreement, the Operating Representative designated by the Purchase Agent shall be the Operating Representative for the Aggregate Group, the Purchase Group, and each distributor member of those groups.

SECTION 8 - OPERATING REPRESENTATIVES

TVA's Operating Representative for administration of this agreement shall be the Executive Vice President, Customer Service and Marketing, or a designee. Except as otherwise provided in section 7 with respect to an Aggregate Group and a Purchase Group, Distributor's Operating Representative for administration of this agreement shall be the manager of its electric system or a designee. Subject to the provisions of this agreement, the Power Contract, and applicable law, the Operating Representatives shall be authorized to agree upon such incidental administrative arrangements as are appropriate for the efficient and expeditious implementation of this agreement.

SECTION 9 - TERM OF AGREEMENT

9.1 Agreement Term. This agreement shall become effective as of the date first above written. Unless sooner terminated as provided below, it shall continue in effect until the expiration or termination of the Power Contract.

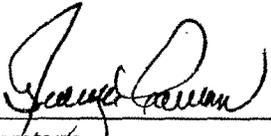
9.2 Termination of Agreement. Either party may terminate this agreement effective as of April 7, 2001, or as of anytime thereafter, by giving written notice to the other party at least 3 months prior to the effective date of the notice.

SECTION 10 - AFFIRMATION OF POWER CONTRACT

The Power Contract, as supplemented by this agreement, is hereby ratified and confirmed as the continuing obligation of the parties.

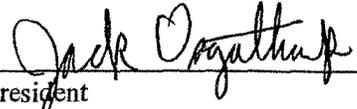
IN WITNESS WHEREOF, the parties have caused this agreement to be executed by their duly authorized representatives, as of the day and year first above written.

Attest:



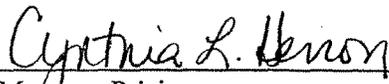
Secretary

**TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION**

By 

President

TENNESSEE VALLEY AUTHORITY

By 

Manager, Pricing
Customer Service and Marketing

System Value Confidentiality Attachment

The provisions in this attachment shall apply to provide for Distributor's obligations with respect to maintaining the confidentiality of System Value information.

1. Except as may be otherwise required by law, as a condition of participation in the Test Program, and in consideration of TVA's making System Value information available to Distributor or to a Purchase Agent, Distributor agrees not to divulge System Value information to third parties without the written consent of TVA.
2. In the event that Distributor is legally required to disclose any System Value information to another party, Distributor shall notify TVA with reasonable promptness so that TVA may join Distributor in the pursuit of an agreement of confidence with such other party, work with such other party to revise the information in a manner consistent with TVA's interests and the interests of the other party, or take any other action TVA deems appropriate.
3. The foregoing obligations of Distributor shall terminate if and when, but only to the extent that, such System Value information is or shall become publicly known through no fault of Distributor. Accordingly, it is expressly recognized and agreed that the obligations of the parties under this attachment shall survive any expiration or termination of the Test Program Agreement until all of Distributor's obligations with respect to any System Value information so terminates.
4. It is acknowledged that money damages may be an inadequate remedy for breach of Distributor's obligations with respect to System Value information. Accordingly, without waiving any right not expressly waived by this sentence, Distributor agrees in advance to the granting of injunctive or other equitable relief in favor of TVA if TVA can make each and every showing required for such injunctive or equitable relief, except that TVA need not demonstrate that it suffered actual money damages before being entitled to injunctive or equitable relief.
5. Distributor's obligations with respect to System Value information shall inure to the benefit of, and shall be binding upon, Distributor and TVA, and, as applicable, their respective subsidiaries, successors and assigns. In addition, Distributor's obligations with respect to System Value information shall be binding upon any Purchase Agent for Distributor, as well as all directors, officers, and employees of Distributor, and Distributor shall secure the compliance by all of the foregoing with all of the terms and conditions of obligations with respect to System Value information required to be observed or performed hereunder.

Tri-County Electric
Membership Corporation

405 College Street
P.O. Box 40
Lafayette, TN 37083-0040

Telephone: (615) 666-2111
Toll Free: 1-(800) 369-2111
Fax: (615) 688-2141

March 30, 2000

Mr. Mark Shults
Customer Service Manager
Tennessee Valley Authority
6045 Russellville Road
Bowling Green, KY 42101-7319

Dear Mark:

Enclosed are three (3) partially executed agreements regarding the Wholesale to Market Test Program between Tri-County Electric Membership Corporation and TVA.

Please return one fully executed agreement for our file.

If additional information is needed, please advise.

Sincerely,



DAVID M. CALLIS
Executive Vice President and
General Manager

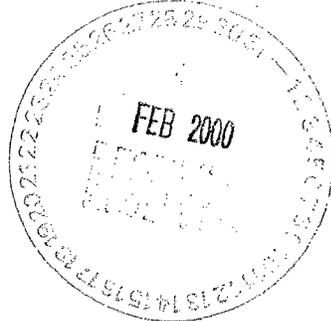
DMC/lk

Enclosures (3)



Tennessee Valley Authority, 6045 Russellville Road, Bowling Green, Kentucky 42101-7319

February 25, 2000



Mr. David Callis, Executive Vice President & General Manager
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083

Dear David:

Enclosed are four original agreements which frame the cooperation between Tri-County Electric Membership Corporation and TVA in the **Wholesale to Market Test Program**.

I use the term '*cooperation*' because this is not a TVA program in the traditional sense. Upon request, TVA is permitting Tri-County Electric Membership Corporation and your agents to buy power on TVA's behalf. In this role as a purchaser for TVA, participating distributors have certain responsibilities spelled out in the enclosed agreement. TVA has structured this test program to be an extremely safe and enjoyable learning experience for participating distributors, and I encourage you to participate.

If needed, I will be happy to meet in person with you or your board at your earliest convenience to explain the criteria of this program. It is anticipated that distributors could start making purchases by April 6. By executing the enclosed agreements, Tri-County Electric Membership Corporation is not obligated financially nor required to participate in trading activities.

Please return three executed originals of the enclosed agreements to me for further handling.

Thank you for your consideration and happy trading.

Sincerely,

Mark C. Shults
Customer Service Manager
Kentucky

Enclosures



Tennessee Valley Authority, 6045 Russellville Road, Bowling Green, Kentucky 42101-7319



May 18, 2001

Mr. Paul Thompson, Executive Vice President
and General Manager
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083

Dear Paul:

Enclosed please find a fully executed original of letter agreement TV-52337A, Supplement No. 59, dated March 15, 2001, covering the electronic payment of wholesale power invoices by Tri-County Electric Membership Corporation.

If you have any questions, please feel free to contact me at (270) 846-7040.

Sincerely,

A handwritten signature in black ink, appearing to read "Myron".

Myron N. Callaham
Senior Customer Service Manager
Kentucky

Enclosure

File

Tri-County Electric Membership Corporation

405 College Street
P.O. Box 40
Lafayette, TN 37083-0040

Telephone: (615) 666-2111
Fax: (615) 666-5009

April 26, 2001

Mr. Myron N. Callaham
KY Senior Customer Service Manager
Tennessee Valley Authority
6045 Russellville Road
Bowling Green, KY 42101-7319

RE: Electronic Payments

Dear Myron:

Enclosed please find two executed originals of the above referenced Agreement TV-52337A. Please return a fully executed copy for our files.

If additional information is needed, please advise.

Sincerely,



LAURA L. KIRBY
Administrative Assistant for
Paul Thompson
Executive Vice President and General Manager

Enclosures (2)



Tennessee Valley Authority, 6045 Russellville Road, Bowling Green, Kentucky 42101-7319

April 3, 2001

Mr. Paul Thompson, Interim Executive Vice President
and General Manager
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083

Dear Paul:

Enclosed are two duplicate originals of a letter agreement covering arrangements for Tri-County Electric Membership (TCEMC) to participate in a program under which TCEMC will make electronic payments of its monthly wholesale power invoice.

Upon execution of the agreements by TCEMC, please return both duplicate original agreements to me for further handling. A fully executed original agreement will be returned to you for your records.

Sincerely,

A handwritten signature in cursive script that reads 'Myron'.

Myron N. Callahan
Senior Customer Service Manager
Kentucky

Enclosures



Tennessee Valley Authority, Post Office Box 292409, Nashville, Tennessee 37229-2409

March 15, 2001

TV-52337A
Supp. No. 59

Mr. Boyd Alexander, President
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083-0040

Dear Mr. Alexander:

This will confirm the arrangements developed between representatives of Tri-County Electric Membership Corporation (Distributor), and Tennessee Valley Authority (TVA) with respect to amending the wholesale power contract dated July 18, 1979, as amended (Power Contract), between the parties to provide for electronic payment of Distributor's monthly wholesale power bill.

It is understood and agreed that effective with the March 2001 wholesale billing month:

1. Definition of Terms. For the purposes of this agreement:
 - a. The time shall be Eastern Standard Time or Eastern Daylight Time, whichever is then applicable.
 - b. A business day shall be any day except Saturday, Sunday, or a weekday that is observed by TVA as a Federal holiday.
 - c. Federal holidays currently include New Year's Day, Martin Luther King's Birthday, Presidents' Day, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans' Day, Thanksgiving Day, and Christmas Day.
 - d. The Due Date for payment of the wholesale power bill shall be 15 calendar days after TVA's meter reading date or 7 calendar days after the date of the bill, whichever is later.
 - e. For the purpose of applying the late payment charges under section 5 of this agreement, the last date for electronic bill payment shall be the first business day that falls at least 17 calendar days after the Due Date.
 - f. For the purpose of applying the early payment credit under section 6 of this agreement, the last date for electronic bill payment shall be 17 calendar days after the due date.

Mr. Boyd Alexander

Page 2

March 15, 2001

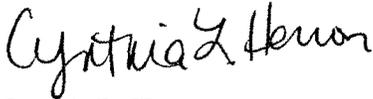
- g. TVA's average short-term interest rate shall be determined in the same manner set out in the first paragraph of the section headed "Billing" of the Schedule of Terms and Conditions of the Power Contract.
 - h. The section headed "Billing" of the Schedule of Terms and Conditions of the Power Contract shall be called the "Billing Section."
2. Electronic Payment of Wholesale Bill. Distributor agrees to pay its wholesale bill to TVA using one of the electronic payment methods approved by TVA. There are currently two methods available: Automatic Clearing House (ACH) Credit and ACH Debit. Distributor will inform TVA of the method it selects, and TVA will supply Distributor with detailed instructions on using the method selected. Distributor may change to any other TVA-approved method upon 30 days' notice. A third payment method, Fedwire Transfer, is only to be used on an emergency basis. If Distributor is currently using this method, unless otherwise agreed by TVA, Distributor will promptly arrange for the conversion from the Fedwire Transfer method to one of the above ACH payment methods following execution of this agreement.
 3. All Invoice Items Covered. The provisions of this agreement will apply to all items shown on the monthly wholesale power invoice, whether or not such items are directly related to payment for power and energy used in the monthly billing period.
 4. When Payment Is Considered Received. Payment will be considered to have been received by TVA on a particular business day if (a) the electronic fund transfer to TVA's account is effective that day and (b) Distributor notifies TVA, in the manner specified by TVA, of the pending electronic payment by no later than 12:00 p.m. on the preceding business day. Otherwise, the business day following the date that the transfer is effective will be considered to be the date of payment for all purposes of this agreement.
 5. Late Charge. To any amount not considered received on or before the last date for electronic bill payment, there shall be added an additional charge. This charge shall be equal to the sum of (a) \$150 and (b) an amount calculated by applying TVA's average short-term interest rate to the unreceived portion of the bill for each day of the period from the Due Date to the date payment in full is considered received.
 6. Early Payment Credit. If payment is considered received by TVA at least 5 calendar days prior to the last date for electronic bill payment, TVA will allow Distributor an early payment credit. Such credit will be determined by applying TVA's average short-term interest rate to the amount of the early payment for each day of the period (not to exceed 25 days) from the date payment was considered received to the last date for electronic bill payment. Distributor may deduct the amount of this credit from its wholesale power bill. In such case, Distributor will send a credit advice showing how the credit amount was calculated.

Mr. Boyd Alexander
Page 3
March 15, 2001

7. Term of Agreement. This agreement shall remain in effect for the term of the Power Contract, unless terminated by either party upon 30 days' prior written notice.
8. Suspension of Certain Existing Billing Provisions. During the term of this agreement certain provisions of the Billing Section are suspended. Those provisions are the first four sentences of the first paragraph and the entire second paragraph. In the event this agreement is terminated under section 7 above, the suspended provisions will be automatically reinstated.
9. Power Contract Affirmed. Except as expressly provided otherwise under this agreement, the provisions of the Billing Section shall remain in full force and effect. The Power Contract, as supplemented and amended by this agreement, is hereby ratified and confirmed as the continuing obligation of the parties.

If this letter satisfactorily sets forth our understandings, please have a duly authorized representative execute each of the three duplicate originals on behalf of Distributor and return them to the TVA customer service center. Upon execution by TVA, this letter shall be a binding agreement, and a fully executed original will be returned to you.

Very truly yours,



Cynthia L. Herron
Manager, Contracts and Pricing
Customer Service and Marketing

Accepted and agreed to as of
the date first above written.

**TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION**

By 
Title: PRESIDENT



Tennessee Valley Authority, 6045 Russellville Road, Bowling Green, Kentucky 42101-7319

July 12, 2001



Mr. Paul Thompson, Executive Vice President
and General Manager
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083

Dear Paul:

Enclosed please find a fully executed original Wholesale Energy To Market
Amendatory Agreement, TV-52337A, Supplement No. 60, dated May 29, 2001, for Tri-
County Electric Membership Corporation.

If you have any questions, please feel free to call me at (270) 846-7041.

Sincerely,

Myron N. Callaham
Senior Customer Service Manager
Kentucky

Enclosure

WETM AMENDATORY AGREEMENT
Between
TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION
And
TENNESSEE VALLEY AUTHORITY

Date: May 29, 2001

TV-52337A, Supp. No. 60

THIS AGREEMENT, made and entered into between TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION (Distributor), a cooperative corporation created and existing under and by virtue of the laws of the State of Tennessee, and TENNESSEE VALLEY AUTHORITY (TVA), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended (TVA Act);

W I T N E S S E T H:

WHEREAS, TVA and Distributor have entered into a contract dated July 18, 1979, as amended (Power Contract), under which Distributor purchases its entire requirements for electric power and energy from TVA for resale; and

WHEREAS, TVA and Distributor have also entered into a Wholesale Energy to Market Agreement dated April 3, 2000 (WETM Agreement); and

WHEREAS, the parties wish to supplement and amend the WETM Agreement in the respects necessary to provide for force majeure relief under the conditions set forth in the new section 10 of the WETM Agreement provided for by section 3 below; and

WHEREAS, the parties also wish to supplement and amend the WETM Agreement in the respects necessary to provide for a credit to reflect damages sustained by Distributor for a failure by TVA to accept delivery which is not an excused failure under said new section 10 or which is not otherwise caused by Distributor or any agent acting for Distributor, said credit to be applicable under the conditions set forth in the new section 11 of the WETM Agreement also provided for by said section 3 below;

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants herein contained and subject to the provisions of the TVA Act, the parties agree as follows:

1. **ADDITIONAL WETM AGREEMENT DEFINITIONS.** Section 1 of the WETM Agreement is hereby amended by adding the following additional definitions:

1.17 "Transmission Provider" shall mean any entity transmitting or transporting all or a portion of a Purchased Block.

1.18 "Firm Transmission" shall mean arrangements for firm transmission under the Transmission Provider's tariff applicable to such arrangements.

1.19 "Scheduled Firm Transmission" shall mean arrangements for the delivery of a Purchased Block or a portion thereof which:

(a) are arranged for by Distributor in accordance with the provisions of item (ii) in the last paragraph of section 3 of this agreement, and

(b) include both (i) Firm Transmission over all Transmission Providers' systems from the generation source to the Interconnection Point and (ii) TVA capability to accept delivery at the Interconnection Point on a firm basis.

1.20 "Scheduled Firm Interconnection Point" shall mean arrangements for the delivery of a Purchased Block or a portion thereof which:

(a) are arranged for by Distributor in accordance with the provisions of item (ii) in the last paragraph of section 3 of this agreement, and

(b) include TVA capability to accept delivery at the Interconnection Point on a firm basis, whether or not transmission to the Interconnection Point is Scheduled Firm Transmission.

It is expressly recognized and agreed that no TVA obligation to accept delivery at an Interconnection Point shall be deemed to arise under this agreement except to the extent that such delivery arrangements include a Scheduled Firm Interconnection Point.

1.21 "Transmission Service Guidelines" and "TVA's Transmission Service Guidelines" shall mean the Tennessee Valley Authority Transmission Service Guidelines or any successor TVA tariff of general applicability.

1.22 "Sales Price" (as used in calculating the amount, if any, of a credit applicable under section 11 of this agreement) shall mean:

(a) the price (expressed in cents per kilowatt hour) at which Distributor, acting in a commercially reasonable manner, resells (if at all) any electric energy not received by TVA, reduced by additional transmission charges, if any, incurred by Distributor to effect such resale, less any costs Distributor avoids as a consequence of TVA's failure to take delivery, or

(b) absent any such sale, the market price for such quantity of substitute or replacement electric energy delivered at the Scheduled Firm Interconnection Point during the applicable period of delivery as determined by Distributor in a commercially reasonable manner;

provided, however, in no event shall the Sales Price include any penalties, ratcheted demand or similar charges or any stranded costs.

2. REPLACEMENT COST DEFINITION. Section 1 of the WETM Agreement is hereby further amended by replacing subsection 1.7 with the following language:

1.7 "Replacement Cost" (as used in calculating the amount, if any, of a debit to Distributor's wholesale bill for Undelivered Energy in accordance with subsection 5.2) shall mean the amount by which:

(a) the revenue lost by TVA (acting in a commercially reasonable manner), expressed in cents per kWh, as a result of interrupting a previously arranged sale to provide the Undelivered Energy, including any damages paid by TVA as a result of interrupting the sale, or

(b) (absent any such interruption as set forth in (a) above) the market price per kWh (as determined by TVA in a commercially reasonable manner) for the Undelivered Energy,

exceeds the System Value, which would have been credited to Distributor if the Undelivered Energy had been delivered. It is expressly recognized and agreed that nothing in this subsection 1.7 shall be construed to require TVA to interrupt a previously arranged sale as the preferred method of obtaining energy to replace Undelivered Energy.

3. NEW WETM AGREEMENT SECTIONS. The WETM Agreement is hereby amended to (1) renumber Section 10 as Section 12 and (2) add the following new Sections 10 and 11:

SECTION 10 FORCE MAJEURE RELIEF

10.1 Scheduled Firm Transmission. To the extent that Distributor has first completed arrangements for Scheduled Firm Transmission, (a) Distributor may be relieved of its obligation to deliver energy as provided for in 10.2 or 10.4 below and (b) TVA may be relieved of its obligation to accept delivery of energy as provided for in 10.3 or 10.4 below. It is expressly recognized and agreed that no such relief shall be based on (i) the loss of TVA's markets, (ii) TVA's inability economically to use or resell any portion of the Purchased Block arranged hereunder, (iii) the loss or failure of Distributor's supply, (iv) Distributor's ability to sell any portion of the Purchased Block arranged hereunder at a price greater than the applicable System Value, or (v) loss, interruption, or curtailment of transmission except as provided in subsections 10.2 and 10.3 below.

10.2 Distributor Relief. To the extent that any undelivered portion of a Purchased Block for which Scheduled Firm Transmission has been arranged is not delivered due to a loss, interruption, or curtailment of Firm Transmission caused by an event which excuses performance by the Transmission Provider under a "force majeure" provision, an "uncontrollable forces" provision, or a similar provision in the Transmission Provider's tariff, Distributor shall be excused from its obligation to deliver such energy and any such undelivered portion shall be deemed not to be Undelivered Energy for purposes of applying the provisions of subsections 1.6, 1.7, and 5.2 of this agreement.

10.3 TVA Relief. To the extent that any failure by TVA to accept delivery of any portion of a Purchased Block for which Scheduled Firm Transmission has been arranged is due to a cause which would excuse TVA from accepting delivery under the Force Majeure provisions of the Transmission Service Guidelines in effect on the date that such Scheduled Firm Transmission arrangements are completed by Distributor, TVA shall be excused from its obligation to accept such delivery.

10.4. Distributor or TVA Relief. In addition to the relief afforded by subsections 10.2 or 10.3, either party may be excused from performance to the extent said party is prevented from completing its performance by an event or circumstance not anticipated as of the date when Scheduled Firm Transmission arrangements are completed, which event or circumstance is not within the reasonable control of, or the result of the negligence of, said party and which by the exercise of due diligence said party is unable to overcome or avoid or cause to be avoided.

10.5 Relief Process. Either party may seek relief from the other party as provided for in subsections 10.1, 10.2, 10.3 and 10.4 above by notifying the other party as soon as practicable after the beginning of an event or circumstance that the party seeking relief believes to be an event or circumstance entitling the party to relief under this section 10.

SECTION 11- TVA FAILURE TO ACCEPT DELIVERY

11.1 Distributor Credit. To the extent that TVA fails to take delivery of any portion of a Purchased Block as to which Distributor has completed arrangements with TVA for a Scheduled Firm Interconnection Point and unless such failure by TVA is excused under subsection 10.3 or 10.4 above or is caused by Distributor or any agent acting for Distributor with respect to the Purchased Block, in lieu of the System Value Credit which would have been applicable for delivered energy under the provisions of subsection 5.1 of this agreement, distributor shall be entitled to a credit, if any, equal to the product of:

(a) the amount of energy not so taken

multiplied by

(b) the positive difference, if any, obtained by subtracting the Sales Price from the applicable System Value.

11.2 Distributor Claim. If Distributor believes that it is due a credit under 11.1 above, as soon as practicable after the end of the period for which it is claimed that TVA failed to accept delivery, Distributor shall notify TVA in writing of the amount of the credit which it claims is due, which notice shall include a written statement explaining in reasonable detail the calculation of such amount.

11.3 Exclusive Remedy. The remedy set forth above in this section 11:

(a) shall be the sole and exclusive remedy of Distributor for the failure of TVA to accept delivery of a Purchased Block, or any portion thereof, and

(b) Distributor waives all rights to seek or collect any other damages for such failure.

4. **WETM AGREEMENT SECTION 5.** Section 5 of the WETM Agreement is amended in the respects necessary to expressly recognize that

(a) the remedy set forth in subsection 5.2 of the WETM Agreement shall be the sole and exclusive remedy of TVA for Undelivered Energy, and

(b) TVA waives all rights to seek or collect any other damages for Undelivered Energy.

5. **AMENDATORY AGREEMENT TERM.** This agreement shall become effective as of the date first above written. It shall continue in effect until the expiration or termination of the WETM Agreement.

IN WITNESS WHEREOF, the parties have caused this agreement to be executed by their duly authorized representatives, as of the day and year first above written.

Attest:

**TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION**

Ray Good
Secretary

By [Signature]
President

TENNESSEE VALLEY AUTHORITY

By Cynthia A. Kenon
Manager, Pricing
Customer Service and Marketing

**Tri-County Electric
Membership Corporation**

405 College Street
P.O. Box 40
Lafayette, TN 37083-0040

Telephone: (615) 666-2111
Fax: (615) 666-5009

March 29, 2001

Mr. Myron N. Callaham
KY Senior Customer Service Manager
Tennessee Valley Authority
6045 Russellville Road
Bowling Green, KY 42101-7319

RE: Wholesale Energy to Market Agreement

Dear Myron:

Please find enclosed two executed duplicate originals of the agreement amending the Wholesale Energy to Market Agreement. Please return a fully executed copy for our files.

Sincerely,



LAURA L. KIRBY
Administrative Assistant

For Paul Thompson
Interim General Manager



Tennessee Valley Authority, 6045 Russellville Road, Bowling Green, Kentucky 42101-7319

March 5, 2001

Mr. Paul Thompson, Interim Executive Vice President & General Manager
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083

Dear Paul:

Enclosed are three duplicate originals of an agreement amending the Wholesale Energy to Market agreement to include the following:

- A replacement subsection 1.7 (Replacement Cost definition) which provides that Replacement Costs are not calculated on the higher of the two methods set out in (a) and (b), but rather whichever method is applicable.
- A new section 10 to include Force Majeure relief under certain conditions.
- A new section 11 which provides for a credit to reflect damages sustained by a distributor should TVA fail to take delivery of any portion of a Purchased Block that is not an excused failure.

Upon execution by Tri-County Electric Membership Corporation, please return two duplicate originals to me for completion. A fully executed original will be returned to you for Tri-County Electric Membership Corporation's files.

Sincerely,

A handwritten signature in black ink that reads "Myron N. Callahan". The signature is fluid and cursive, with a long horizontal flourish at the end.

Myron N. Callahan
Senior Customer Service Manager
Kentucky

Enclosures

Please file
8/2/2001 PT



Tennessee Valley Authority, 6045 Russellville Road, Bowling Green, Kentucky 42101-7319



July 30, 2001

Mr. Paul Thompson, Executive Vice President
and General Manager
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083

Dear Paul:

Enclosed please find a fully executed original of letter agreement TV-52337A,
Supplement No. 61, dated March 20, 2001, covering the *energy right*® Small
Commercial Pilot Program six-month extension for Tri-County Electric Membership
Corporation.

If you have any questions, please feel free to contact me at (270) 846-7040.

Sincerely,

A handwritten signature in cursive script that reads 'Myron'.

Myron N. Callaham
Senior Customer Service Manager
Kentucky

Enclosure



Tennessee Valley Authority, Post Office Box 292409, Nashville, Tennessee 37229-2409

March 20, 2001

TV-52337A, Supp. No. *61*
(Reference TV-52337A, Supp. No. 53)

Mr. Boyd Alexander, President
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083-0040

Dear Mr. Alexander:

Under a contract numbered TV-52337A, Supplement No. 53, and dated December 10, 1998, as amended (Pilot Agreement), Tri-County Electric Membership Corporation (Distributor) and Tennessee Valley Authority (TVA) participate in an *energy right*® Small Commercial Pilot Program (Pilot). This confirms the agreement reached between the parties concerning a 6-month extension of the Pilot. The extension shall be effective as of March 31, 2001.

The parties agree to amend the Pilot Agreement to provide that the Pilot shall continue in effect until the earliest of the following:

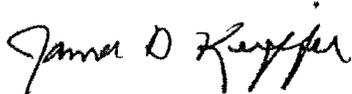
- 1) September 30, 2001;
- 2) the effective date of an early termination by either party in accordance with Section 2(B) of the Pilot Agreement;
- 3) the effective date of any new small commercial program offered by TVA (whether or not Distributor elects to participate in the new program); or
- 4) the effective date on which Distributor begins participating in any other pilot or program offered by TVA (including the then-current residential program) that includes incentives or matching funds for small commercial customers for heat pumps, night-time lighting, or electric water heaters.

Except as provided for by this letter, the provisions of the Pilot Agreement remain unchanged.

Mr. Boyd Alexander
Page 2
March 20, 2001

If this correctly states our agreement, please so indicate by having a duly authorized representative execute each of the two enclosed originals on behalf of Distributor and return the signed originals to us for further processing. We will return a fully executed original to you for your files.

Sincerely,



James D. Keiffer
Senior Vice President, Marketing

TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION

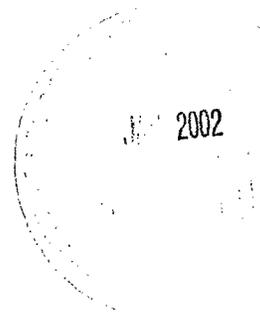
By: 
President

Jan. 14, 2002
Laura,
Please file.
Thanks,
Paul



Tennessee Valley Authority, 6045 Russellville Road, Bowling Green, Kentucky 42101-7319

January 10, 2002



Mr. Paul Thompson, Executive Vice President
and General Manager
Tri-County electric Member Corporation
Post Office Box 40
Lafayette, Tennessee 37083

Dear Paul:

Enclosed please find a fully executed original of the Enhanced Security Deposit Program Agreement, TV-52337A, Supplement No. 63, dated December 7, 2001, for Tri-County Electric Membership Corporation's records.

If you have any questions, please feel free to contact me at (270) 846-7040.

Sincerely,

Myron N. Callaham
Senior Customer Service Manager
Kentucky

Enclosure

Please see
File



Tennessee Valley Authority, Post Office Box 292409, Nashville, Tennessee 37229-2409

October 1, 2001

Per report 20010098
TV-52337A, Supp. No. *64*
(Reference TV-52337A, Supp. No. 53)

Dr. James E. Carter, President
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083-0040

Dear Dr. Carter:

Under a contract numbered TV-52337A, Supplement No. 53, and dated December 10, 1998, as amended (Pilot Agreement), Tri-County Electric Membership Corporation (Distributor) and Tennessee Valley Authority (TVA) participate in an *energy right*® Small Commercial Pilot Program (Pilot). This confirms the agreement reached between the parties concerning an extension of the Pilot. The extension shall be effective as of October 1, 2001.

The parties agree to amend the Pilot Agreement to provide that the Pilot shall continue in effect until the earliest of the following:

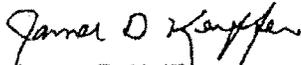
- 1) March 31, 2002;
- 2) the effective date of an early termination by either party in accordance with Section 2(B) of the Pilot Agreement;
- 3) the effective date of any new small commercial program offered by TVA (whether or not Distributor elects to participate in the new program); or
- 4) the effective date on which Distributor begins participating in any other pilot or program offered by TVA (including the then-current residential program) that includes incentives or matching funds for small commercial customers for heat pumps, night-time lighting, or electric water heaters.

Except as provided for by this letter, the provisions of the Pilot Agreement remain unchanged.

Dr. James E. Carter
Page 2
October 1, 2001

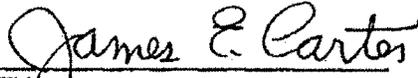
If this correctly states our agreement, please so indicate by having a duly authorized representative execute each of the two enclosed originals on behalf of Distributor and return the signed originals to us for further processing. We will return a fully executed original to you for your files.

Sincerely,



James D. Keiffer
Senior Vice President, Marketing

TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION

By: 
Title: Board President

**Tri-County Electric
Membership Corporation**

405 College Street
P.O. Box 40
Lafayette, TN 37083-0040

Telephone: (615) 666-2111
Toll Free: 1-(800) 369-2111
Fax: (615) 688-2141

April 25, 2002

Mr. Myron N. Callaham
Senior Customer Service Manager - Kentucky
Tennessee Valley Authority
6045 Russellville Road
Bowling Green, KY 42101-7319

RE: Outdoor Lighting Rate

Dear Myron:

Please find enclosed one executed duplicate original of the above referenced Agreement (Reference TV-52337A, Supp. No. 65). We have kept one duplicate original for our files.

If additional information is needed, please advise.

Sincerely,



PAUL THOMPSON
Executive Vice President and General Manager
Tri-County Electric Membership Corporation

LK

Enclosure



Tennessee Valley Authority, 6045 Russellville Road, Bowling Green, Kentucky 42101-7319

April 1, 2002

Mr. Paul Thompson, Executive Vice President
and General Manager
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083

Dear Paul:

Enclosed are two duplicate originals of a standard-form resale rate schedule substitution agreement to provide for the substitution of Schedule LS (July 2002) for Schedule LS (October 1997, R1). This substitution will be effective for bills rendered for Tri-County Electric Membership Corporation's (TCEMC) revenue months beginning with the July 2002 revenue month.

Please note that in an effort to meet customer requests to shorten contract turn around time, TVA has already signed the enclosed proposed contract agreement. If TCEMC wishes to accept and enter into the proposed agreement, please have a duly authorized representative sign both duplicate originals on behalf of TCEMC and return one fully signed original to my office by May 23. If we do not receive the signed agreement from TCEMC by May 23, TVA's offer to enter into the proposed arrangements shall be withdrawn and of no further force and effect.

If you have any questions, please feel free to contact me at (270) 846-7040.

Sincerely,

Myron N. Callahan
Myron N. Callahan
Senior Customer Service Manager
Kentucky

Enclosures

04/25/2002
Laura,
Please mail (1) copy
of the contract to
Myron Callahan.
Thanks,
Paul
04/25/2002
LK



March 28, 2002

RESALE RATE SCHEDULE SUBSTITUTION AGREEMENT
Between
TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION (DISTRIBUTOR)
And
TENNESSEE VALLEY AUTHORITY (TVA)

Distributor and TVA agree to substitute the new resale rate schedule specified in (a) below, a copy of which is attached, for the resale rate schedule specified in (b) below, which is now in effect under provisions of Power Contract TV-52337A, dated July 18, 1979, as amended (Power Contract), between TVA and Distributor. This substitution is to be effective for all bills rendered from resale meter readings taken for revenue months of Distributor beginning with the July 2002 revenue month.

- (a) New resale rate schedules:
Outdoor Lighting Rate--Schedule LS (July 2002)
- (b) Existing resale rate schedules:
Outdoor Lighting Rate--Schedule LS (October 1997, R1)

It is understood that, upon execution of this agreement by TVA and Distributor, all references in the Power Contract to the existing resale rate schedule specified in (b) above, or to any predecessor schedules, shall be deemed to refer to the appropriate new resale rate schedule specified in (a) above.

**TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION**

By 
Title: Tri-County EMC Board President

Rate schedule substitution agreed to as of the date first above written.

TENNESSEE VALLEY AUTHORITY

By 
Manager, Contracts and Pricing
Customer Service and Marketing
For

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

OUTDOOR LIGHTING RATE--SCHEDULE LS

(July 2002)

Availability

Available for service to street and park lighting systems, traffic signal systems, athletic field lighting installations, and outdoor lighting for individual customers.

Service under this schedule is for a term of not less than 1 year.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

Adjustment

The energy charge in Part A and Part B of this rate schedule shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA. (In addition, the energy charge in Part A and Part B of this rate schedule shall be increased or decreased to correspond to increases or decreases determined by TVA in the value of the hydro generation benefit allocated to residential customers.)

PART A--CHARGES FOR STREET AND PARK LIGHTING SYSTEMS, TRAFFIC SIGNAL SYSTEMS, AND ATHLETIC FIELD LIGHTING INSTALLATIONS

I. Energy Charge: 4.500¢ per kWh per month

II. Facility Charge

The annual facility charge shall be 15 percent of the installed cost to Distributor's electric system of the facilities devoted to street and park lighting service specified in this Part A. Such installed cost shall be recomputed on July 1 of each year, or more often if substantial changes in the facilities are made. Each month, one-twelfth of the then total annual facility charge shall be billed to the customer. If any part of the facilities has not been provided at the electric system's expense or if the installed cost of any portion thereof is reflected on the books of another municipality or agency or department, the annual facility charge shall be adjusted to reflect properly the remaining cost to be borne by the electric system.

Traffic signal systems and athletic field lighting installations shall be provided, owned, and maintained by and at the expense of the customer, except as Distributor may agree otherwise in accordance with the provisions of the paragraph next following in this section II.

The facilities necessary to provide service to such systems and installations shall be provided by and at the expense of Distributor's electric system, and the annual facility charge provided for first above in this section II shall apply to the installed cost of such facilities.

^{*} Incorporates June 1993 Hydro Realignment Adjustments and adjustments set out in October 1997 Adjustment Addendum

When so authorized by policy duly adopted by Distributor's governing board, traffic signal systems and athletic field lighting installations may be provided, owned, and maintained by Distributor's electric system for the customer's benefit. In such cases Distributor may require reimbursement from the customer for a portion of the initial installed cost of any such system or installation and shall require payment by the customer of a facility charge sufficient to cover all of Distributor's costs (except reimbursed costs), including appropriate overheads, of providing, owning, and maintaining such system or installation; provided that, for athletic field lighting installations, such facility charge shall in no case be less than 12 percent per year of such costs. Said facility charge shall be in addition to the annual facility charge on the facilities necessary to provide service to such system or installation as provided for in the preceding paragraph. Replacement of lamps and related glassware for traffic signal systems and athletic field lighting installations provided under this paragraph shall be paid for under the provisions of paragraph A in Section IV.

III. Customer Charge - Traffic Signal Systems and Athletic Field Lighting Installations.

Distributor shall apply a uniform monthly customer charge of \$3.50 for service to each traffic signal system or athletic field lighting installation.

IV. Replacement of Lamps and Related Glassware - Street and Park Lighting

Customer shall be billed and shall pay for replacements as provided in paragraph A below, which shall be applied to all service for street and park lighting.

A. Distributor shall bill the customer monthly for such replacements during each month at Distributor's cost of materials, including appropriate storeroom expense.

B. Distributor shall bill the customer monthly for one-twelfth of the amount by which Distributor's cost of materials, including appropriate storeroom expense, exceeds the product of 3 mills multiplied by the number of kilowatthours used for street and park lighting during the fiscal year immediately preceding the fiscal year in which such month occurs.

Metering

For any billing month or part of such month in which the energy is not metered or for which a meter reading is found to be in error or a meter is found to have failed, the energy for billing purposes for that billing month or part of such month shall be computed from the rated capacity of the lamps (including ballast) plus 5 percent of such capacity to reflect secondary circuit losses, multiplied by the number of hours of use.

Revenue and Cost Review

Distributor's costs of providing service under Part A of this rate schedule are subject to review at any time and from time to time to determine if Distributor's revenues from the charges being applied are sufficient to cover its costs. (Such costs, including applicable overheads, include, but are not limited to, those incurred in the operation and maintenance of the systems provided and those resulting from depreciation and payments for taxes, tax equivalents and interest.) If any such review discloses that revenues are either less or more than sufficient to cover said costs, Distributor shall revise the above facility charges so that revenues will be sufficient to cover said costs. Any such revision of the annual facility charge provided for first above in section II of Part A of this rate schedule shall be by agreement between Distributor and TVA.

PART B--CHARGES FOR OUTDOOR LIGHTING FOR INDIVIDUAL CUSTOMERS

Charges Per Fixture Per Month

(a) <u>Type of Fixture</u>	<u>Lamp Size</u>		<u>Rated kWh</u>	<u>Facility Charge</u>
	<u>(Watts)</u>	<u>(Lumens)</u>		
Mercury Vapor or Incandescent	175	7,650	70	\$ 5.17
	400	19,100	155	\$ 7.83
High Pressure Sodium	100	8,550	42	\$ 7.81
	200	18,900	82	\$ 12.91
	250	22,500	105	\$ 11.36
	400	45,000	165	\$ 12.35
Metal Halide	400	45,000	165	\$ 10.21
	1,000	125,000	398	\$ 14.81

(b) Energy Charge: For each lamp size under (a) above, 4.500¢ per rated kWh per month

Additional Facilities

The above charges in this Part B are limited to service from a photoelectrically controlled standard lighting fixture installed on a pole already in place. If the customer wishes to have the fixture installed at a location other than on a pole already in place, Distributor may apply an additional monthly charge.

Lamp Replacements

Replacements of lamps and related glassware will be made in accordance with replacement policies of Distributor without additional charge to the customer.

Special Outdoor Lighting Installations

When so authorized by policy duly adopted by Distributor's governing board, special outdoor lighting installations (other than as provided for under Parts A and B above) may be provided, owned, and maintained by Distributor's electric system. In such cases Distributor may require reimbursement from the customer for a portion of the initial installed cost of any such installation and shall require payment by the customer of monthly charges sufficient to cover all of Distributor's costs (except reimbursed costs), including appropriate overheads, or providing, owning, and maintaining such installations, and making lamp replacements.

Service is subject of Rules and Regulations of Distributor.

Jan. 2002 meeting

Tri-County Electric Membership Corporation
Security Light Cost Analysis
December, 2001

Size	Type Light	Existing Rate	Average Install Cost	KWH Per Month	Energy Cost/Mo. @ 0.045/kWh	(A) Facility Cost Light	Total Monthly Cost	Monthly Loss per Light	Number Of Lights	Total Loss per Month	Proposed Monthly Charge	Rate Increase	Additional Revenue
175	MV	\$ 7.00	\$ 250.00	70	\$ 3.15	\$ 5.17	\$ 8.32	\$ (1.32)	7,610	\$ (10,045.20)	\$ 8.50	\$ 1.50	\$ 11,415.00
400	MV	11.00	382.50	155	6.98	7.83	14.81	(3.81)	3,111	(11,852.91)	15.00	4.00	12,444.00
100	HPS	7.50	284.38	42	1.89	7.81	9.70	(2.20)	1,123	(2,470.60)	10.00	2.50	2,807.50
200	HPS	9.75	476.88	82	3.69	12.91	16.60	(6.85)	1,490	(10,206.50)	17.00	7.25	10,802.50
250	HPS	10.75	418.75	105	4.73	11.36	16.09	(5.34)	26	(138.84)	16.50	5.75	149.50
400	HPS	13.25	456.25	165	7.43	12.35	19.78	(6.53)	23	(150.19)	20.00	6.75	155.25
400	MH	16.25	491.88	165	7.43	10.21	17.64	(1.39)	286	(397.54)	18.00	1.75	500.50
1000	MH	28.25	724.38	398	17.91	14.81	32.72	(4.47)	43	(192.21)	33.00	4.75	204.25
Monthly Loss - Lights:										(35,453.99)			38,478.50
										x 12 months			x 12 months
Annual Loss:										\$ (425,447.88)			\$ 461,742.00

(A) See individual calculation sheets for detail of Facility Charge

* (MV) Mercury Vapor (5-10 yr. life)
* (HPS) High Pressure Sodium (2yr life)

Tri-County Electric
Membership Corporation

405 College Street
P.O. Box 40
Lafayette, TN 37083-0040

Telephone: (615) 666-2111
Toll Free: 1-(800) 369-2111
Fax: (615) 688-2141

August 29, 2002

Mr. Myron N. Callaham
Senior Customer Service Manager - Kentucky
Tennessee Valley Authority
6045 Russellville Road
Bowling Green, KY 42101-7319

RE: Resale Rate Schedule Substitution Agreement

Dear Myron:

Please find enclosed one (1) executed duplicate original of the above referenced Agreement (Reference TV-52337A, Supp. No. 66). As stated this agreement will be effective with the September 2002 revenue month.

If additional information is needed, please advise.

Sincerely,



LAURA L. KIRBY
Administrative Assistant

For Paul Thompson
Executive Vice President and General Manager
Tri-County Electric Membership Corporation

Enclosure

August 8, 2002

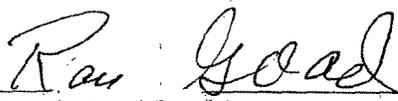
RESALE RATE SCHEDULE SUBSTITUTION AGREEMENT
Between
TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION (DISTRIBUTOR)
And
TENNESSEE VALLEY AUTHORITY (TVA)

Distributor and TVA agree to substitute the new resale rate schedules specified in (a) below, copies of which are attached, for the resale rate schedules specified in (b) below, which are now in effect under provisions of Power Contract TV-52337A, date July 18, 1979, as amended (Power Contract), between TVA and Distributor. This substitution is to be effective for all bills rendered from resale meter readings taken for revenue months of Distributor beginning with the September 2002 revenue month.

- (a) New resale rate schedules:
Residential Rate--Schedule RS (September 2002)
General Power Rate--Schedule GSA (September 2002)
- (b) Existing resale rate schedules:
Residential Rate--Schedule RS (October 1997, R1)
General Power Rate--Schedule GSA (October 1997, R1)

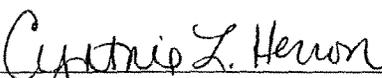
It is understood that, upon execution of this agreement by TVA and Distributor, all references in the Power Contract to the existing resale rate schedules specified in (b) above, or to any predecessor schedules, shall be deemed to refer to the appropriate new resale rate schedules specified in (a) above.

**TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION**

By 
Title: Board President

Rate schedule substitution agreed to as of
the date first above written.

TENNESSEE VALLEY AUTHORITY

By 
Manager, Contracts and Pricing
Customer Service and Marketing

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

RESIDENTIAL RATE--SCHEDULE RS

(September 2002)*

Availability

This rate shall apply only to electric service to a single-family dwelling (including its appurtenances if served through the same meter), where the major use of electricity is for domestic purposes such as lighting, household appliances, and the personal comfort and convenience of those residing therein.

Character of Service

Alternating current, single-phase, 60 hertz. Power shall be delivered at a service voltage available in the vicinity or agreed to by Distributor. Multiphase service shall be supplied in accordance with Distributor's standard policy.

Base Charges

Customer Charge: \$14.98 per month, less

Hydro Allocation Credit: \$2.48 per month

Energy Charge: First 300 kWh per month at 6.300¢ per kWh

Next 700 kWh per month at 6.000¢ per kWh

Additional kWh per month at 5.700¢ per kWh

Adjustment

The base energy charge shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA. (In addition, the base energy charge and the hydro allocation credit shall be increased or decreased to correspond to increases or decreases determined by TVA in the value of the hydro generation benefit allocated to residential customers.)

Minimum Monthly Bill

The base customer charge, as reduced by the hydro allocation credit, constitutes the minimum monthly bill for all customers served under this rate schedule except those customers for which a higher minimum monthly bill is required under Distributor's standard policy because of special circumstances affecting Distributor's cost of rendering service.

* Incorporates June 1993 Hydro Realignment Adjustments and adjustments set out in October 1997 Adjustment Addendum.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

Single-Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and metering point, and at a single voltage.

Service is subject to Rules and Regulations of Distributor.

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

GENERAL POWER RATE--SCHEDULE GSA

(September 2002)*

Availability

This rate shall apply to the firm power requirements (where a customer's contract demand is 5,000 kW or less) for electric service to commercial, industrial, and governmental customers, and to institutional customers including, without limitation, churches, clubs, fraternities, orphanages, nursing homes, rooming or boarding houses, and like customers. This rate shall also apply to customers to whom service is not available under any other resale rate schedule.

Character of Service

Alternating current, single- or three-phase, 60 hertz. Power shall be delivered at a service voltage available in the vicinity or agreed to by Distributor.

Base Charges

1. If (a) the higher of (i) the customer's currently effective contract demand, if any, or (ii) its highest billing demand during the latest 12-month period is not more than 50 kW and (b) customer's monthly energy takings for any month during such period do not exceed 15,000 kWh:

Customer Charge: \$17.50 per delivery point per month

Energy Charge: First 300 kWh per month at 7.250¢ per kWh

Next 600 kWh per month at 6.750¢ per kWh

Additional kWh per month at 6.500¢ per kWh

2. If (a) the higher of (i) the customer's currently effective contract demand or (ii) its highest billing demand during the latest 12-month period is greater than 50 kW but not more than 1,000 kW or (b) the customer's billing demand is less than 50 kW and its energy takings for any month during such period exceed 15,000 kWh:

Customer Charge: \$50.00 per delivery point per month

Demand Charge: First 50 kW of billing demand per month, no demand charge

Excess over 50 kW of billing demand per month, at \$10.25 per kW

Energy Charge: First 15,000 kWh per month at 6.700¢ per kWh

Additional kWh per month at 3.300¢ per kWh

* Incorporates June 1993 Hydro Realignment Adjustments and adjustments set out in October 1997 Adjustment Addendum.

3. If (a) the higher of the customer's currently effective contract demand or (b) its highest billing demand during the latest 12-month period is greater than 1,000 kW:

Customer Charge: \$100.00 per delivery point per month

Demand Charge: First 1,000 kW of billing demand per month, at \$10.25 per kW

Next 1,500 kW of billing demand per month, at \$11.00 per kW

Excess over 2,500 kW of billing demand per month, at \$11.50 per kW,
plus an additional

\$11.50 per kW per month for each kW, if any, of the amount by which the
customer's billing demand exceeds the higher of 2,500 kW or its contract
demand

Energy Charge: 3.400¢ per kWh per month

Adjustment

The base demand and energy charges shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA. (In addition, such charges shall be increased or decreased to correspond to increases or decreases determined by TVA in the value of the hydro generation benefit allocated to residential customers.)

Determination of Demand

Distributor shall meter the demands in kW of all customers having loads in excess of 50 kW. The metered demand for any month shall be the highest average during any 30-consecutive-minute period of the month of the load metered in kW. The measured demand for any month shall be the higher of the highest average during any 30-consecutive-minute period of the month of (a) the load metered in kW or (b) 85 percent of the load in kVA plus an additional 10 percent for that part of the load over 5,000 kVA, and such measured demand shall be used as the billing demand, except that the billing demand for any month shall in no case be less than 30 percent of the higher of the currently effective contract demand or the highest billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule shall not be less than the sum of (a) the base customer charge, (b) the base demand charge, as adjusted, applied to the customer's billing demand, and (c) the base energy charge, as adjusted, applied to the customer's energy takings; provided, however, that, under 2 of the Base Charges, the monthly bill shall in no event be less than the sum of (a) the base customer charge and (b) 20 percent of the portion of the base demand charge, as adjusted, applicable to the second block (excess over 50 kW) of billing demand, multiplied by the higher of the customer's currently effective contract demand or its highest billing demand established during the preceding 12 months.

Distributor may require minimum bills higher than those stated above.

Seasonal Service

Customers who contract for service on a seasonal basis shall be limited to 2,500 kW and shall pay the above charges, as adjusted, plus an additional seasonal use charge equal to (1) 1.33¢ per kWh per month under 1 of the Base Charges, (2) the sum of 1.33¢ per kWh for the first 15,000 kWh per month and \$4.00 per kW per month of billing demand in excess of 50 kW under 2 of the Base Charges, and (3) \$4.00 per kW per month of billing demand under 3 of the Base Charges. Consistent with Distributor's standard policy, the customer may arrange for seasonal testing of equipment during offpeak hours.

For such customers, the minimum bill provided for above shall not apply. Distributor may require additional charges to provide recovery of costs for customer-specific distribution facilities.

Contract Requirement

Distributor may require contracts for service provided under this rate schedule. Customers whose demand requirements exceed 50 kW shall be required to execute contracts and such contracts shall be for an initial term of at least 1 year. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and Distributor shall not be obligated to supply power in greater amount at any time than the customer's currently effective contract demand. If the customer uses any power other than that supplied by Distributor under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as provided under the power contract between Distributor and TVA.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

Single-Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and metering point, and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery and metering point and at each different voltage shall be separately metered and billed.

Service is subject to Rules and Regulations of Distributor.



Tennessee Valley Authority, 6045 Russellville Road, Bowling Green, Kentucky 42101-7319

August 12, 2002

Mr. Paul Thompson, Executive Vice President
and General Manager
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083

Dear Paul:

Enclosed are two duplicate originals of a standard-form resale rate schedule substitution agreement to provide for the substitution of Schedule RS (September 2002) for Schedule RS (October 1997, R1) and Schedule GSA (September 2002) for Schedule GSA (October 1997, R1). This substitution will be effective for bills rendered for Tri-County Electric Membership Corporation's (TCEMC) revenue months beginning with the September 2002 revenue month.

Please note that in an effort to shorten contract turnaround times, TVA has tentatively executed the enclosed agreement which will go into effect September 2002. In order for the contract to be legally effective, it is necessary for one signed copy be returned to TVA by October 9, 2002. If this is not possible, please let us know as soon as you can so that we can work together on other arrangements.

Upon execution of the agreement, please retain one fully executed duplicate original for TCEMC's records and return one fully executed duplicate original to me.

If you have any questions, please give Hugh Meyer a call at (270) 846-7042.

Sincerely,

A handwritten signature in black ink that reads "Myron N. Callaham". The signature is written in a cursive style with a large, stylized 'C' at the end.

Myron N. Callaham
Senior Customer Service Manager
Kentucky

Enclosures



Tennessee Valley Authority, 845 Russellville Road, Bowling Green, Kentucky 38901-7809

September 17, 2003

09/22/2003
Laura,
Please file a copy of
the Power Supply Contract &
Wholesale Billing Adjustment. Give
Tammy a copy of the Power Supply &
Contract to deliver to A.O. Smith &
copy for her records.
Thanks
JAW
09/23/03
JK



Mr. Paul Thompson, Executive Vice President
and General Manager
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083

Dear Paul:

Enclosed are two fully executed originals of Power Supply contract 00027235 dated July 13, 2003, covering supply of firm power and Variable Price Interruptible power (VPI). Please keep one original for Tri-County Electric Membership Corporation's records and forward the other original to A. O. Smith Electrical Products Company. *file*

Also enclosed is a fully executed original of the Wholesale Billing Adjustment Agreement, TV-52337A, Supplement No. 67, dated July 13, 2003.

If you have any questions, please contact Hugh Meyer at (270) 846-7042.

Sincerely,

Myron N. Callaham
Senior Customer Service Manager
Kentucky

Enclosures

AGREEMENT
Between
TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION
And
TENNESSEE VALLEY AUTHORITY

Date: July 13, 2003

TV-52337A, Supp. No. 67

THIS AGREEMENT, made and entered into between TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION (Distributor), a cooperative corporation created and existing under and by virtue of the laws of the State of Tennessee, and TENNESSEE VALLEY AUTHORITY (TVA), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended;

W I T N E S S E T H:

WHEREAS, TVA and Distributor have entered into a contract dated July 18, 1979, as amended (Power Contract), under which Distributor purchases its entire requirements for electric power and energy from TVA for resale; and

WHEREAS, TVA, Distributor, and A. O. Smith Electrical Products Company (Company) have entered into a contract of even date herewith (Company Contract) covering arrangements under which TVA will make available to Distributor for resale to Company a supply of firm power and of variable price interruptible power (VPI) for operation of Company's plant near Scottsville, Kentucky; and

WHEREAS, the parties wish to supplement and amend the Power Contract and to enter into such other arrangements as are necessary between TVA and Distributor with respect to Distributor providing service to Company under the Company Contract;

NOW, THEREFORE, for and in consideration of the premises and of the mutual agreements set forth below, and subject to the Tennessee Valley Authority Act of 1933, as amended, the parties mutually agree as follows:

SECTION 1 - TERM OF AGREEMENT

This agreement shall become effective as of the effective date of the Company Contract, and shall continue in effect until expiration or termination of the Company Contract, or of the Power Contract, or until VPI is no longer available under the Company Contract, whichever first occurs.

SECTION 2 - BILLING DATA

Data obtained from the metering facilities referred to in section 4 of this agreement will be used (a) by Distributor for the purposes of determining the power and energy taken by Company and (b) by TVA for determining applicable adjustments for Distributor's wholesale bill. Accordingly, TVA will supply Distributor by the fourth working day following Company's scheduled meter-reading date the information regarding the amounts of VPI deemed to have been taken by Company, the times this VPI was taken, the price for this VPI, and such other information as may be necessary so that Distributor may be able to calculate Company's bill under the Company Contract. In order to facilitate TVA's preparation of the bill to Distributor for power and energy made available under the Power Contract, each month Distributor shall furnish to TVA a copy of Distributor's bill to Company for power and energy made available under the Company Contract when it is rendered and such other information related to Company's power and energy takings as TVA may require.

SECTION 3 - ADJUSTMENTS TO DISTRIBUTOR'S WHOLESALE BILLING

In calculating the wholesale bill each month for Distributor, the following steps will be taken with respect to Company:

3.1 Wholesale Schedule Demand and Energy Charges. Distributor will be billed demand and energy charges as provided in the wholesale rate schedule (Wholesale Schedule), which is contained in the Schedule of Rates and Charges attached to and made a part of the Power Contract, for any excess billing demands established under the Company Contract and for any energy treated as firm energy that is resold under the Company Contract; provided, however, that for the purposes of calculating said charges for any month in which Company is deemed to have taken any VPI energy under the Company Contract, the term "metered demand" in the Wholesale Schedule shall be deemed to refer to an amount equal to any billing demand for excess power (as that demand is calculated under the Company Contract).

3.2 Adjustment to Base Charges. (a) The total dollar amount of base demand and energy charges calculated under the Wholesale Schedule shall be increased by adding thereto an amount equal to Distributor's monthly (i) charge to Company for VPI energy under section 6.3 of the Company Contract and (ii) per kW charge to Company under subsection 6.2.2 of the Company Contract (as both charges are determined under the Company Contract and adjusted to reflect losses as provided in (b) below).

(b) The loss adjustment provided for in (a) above shall be made by dividing the charge to be adjusted by 1.03.

(c) The amount added to the base charges of the wholesale bill pursuant to (a) above shall also be added to the "sum of all charges" used for the distribution loss calculation under the section entitled "Distribution Loss Charge" of the Wholesale Schedule.

3.3 Administrative Costs Charge. An amount equal to the charge billed to Company in accordance with subsection 6.2.1 of the Company Contract will be included as part of the wholesale bill.

3.4 Suspension Tier 3 Monthly Charge. If Article III of the Company Contract provides for Suspension Tier 3, an amount equal to the charge billed to Company in accordance with subsection 6.2.3 of the Company Contract will be included as part of the wholesale bill.

3.5 Credit for Distributor Margin. In order to enable Distributor to recover more adequately the cost of making VPI available to Company, TVA will apply a credit to the wholesale bill derived by multiplying 40 cents times the highest VPI Demand established under the Company Contract during the month.

SECTION 4 - METERING FACILITIES

4.1 Revenue Meter. Under previous power supply arrangements with Company, Distributor and TVA arranged to replace the revenue meter in Distributor's former metering facilities with a solid-state type revenue meter (Replacement Meter) capable of remote telephone access. Distributor, at its expense, provided the equipment and materials and performed the work necessary to install the Replacement Meter, which was provided by TVA at its expense. TVA will continue to provide the Replacement Meter for Distributor's use in determining the amounts of power and energy associated with VPI. Distributor shall continue to test, calibrate, operate, maintain, repair, and replace all facilities in the metering installation, except that TVA shall provide any necessary replacements for the Replacement Meter.

4.2 Distributor Responsibility. Distributor will not use the Replacement Meter for any purpose other than as specifically provided in this agreement unless it first obtains TVA's written agreement. Distributor shall reimburse TVA for any damage to the Replacement Meter caused by the negligence or other wrongful act or omission of Distributor or its agents or employees and shall promptly return the Replacement Meter to TVA upon expiration or termination of this agreement. The obligations of this paragraph shall survive such expiration or termination until they are discharged.

4.3 Telephone Circuit for Remote Access. To allow remote access to the metering data recorded by the Replacement Meter, Distributor, at its expense shall continue to provide and maintain, or to cause the provision and maintenance of, a telephone circuit connected (through a modem furnished by TVA at its expense) to the Replacement Meter. The telephone circuit shall be installed in accordance with guidelines furnished or approved by TVA. TVA agrees to permit Distributor remote access through the telephone circuit to the metering data, and TVA will provide Distributor any information necessary for the exercise of such access. Distributor will require equipment not provided by TVA to exercise such access and TVA will assist Distributor in determining the equipment to be utilized; however, the acquisition of such equipment shall be the sole responsibility of Distributor. The use of the telephone circuit and access to the metering data will be coordinated by

TVA's and Distributor's operating representatives to ensure unrestricted access by TVA for data retrieval purposes during such periods as specified by TVA.

IN WITNESS WHEREOF, the parties have caused this agreement to be executed by their duly authorized representatives, as of the day and year first above written.

**TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION**

By Paul Thompson
Title:
Exec. V.P. & Gen. Mgr.

TENNESSEE VALLEY AUTHORITY

By Cynthia L. Heras
General Manager, Contracts and Pricing
Customer Service and Marketing



Tennessee Valley Authority, 604 Russellville Road, Bowling Green, Kentucky 42101-7319

January 13, 2004

*Jan. 15, 2004
Laura,
Please file.
Thanks
Paul*



#68
#69

Mr. Paul Thompson, Executive Vice President
and General Manager
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083

Dear Paul:

Enclosed please find one fully executed original of Agreement TV-52337A, Supplement No. 68, Enhanced Growth Credit Program, and Supplement No. 69, Small Manufacturing Bill Credit Agreement for Tri-County Electric Membership Corporation's files. Both Agreements are effective October 1, 2003.

If you have any questions regarding the enclosed agreements, please give Hugh Meyer a call at (270) 846-7042.

Sincerely,

Myron N. Callahan
General Manager
Customer Service
Kentucky

Enclosures

AGREEMENT
Between
TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION
And
TENNESSEE VALLEY AUTHORITY

Effective Date: October 1, 2003 TV-52337A, Supp. No. 68

THIS AGREEMENT, made and entered into between TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION (Distributor), a cooperative corporation created and existing under and by virtue of the laws of the State of Tennessee, and TENNESSEE VALLEY AUTHORITY (TVA), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended (TVA Act);

W I T N E S S E T H:

WHEREAS, TVA and Distributor have entered into a contract dated July 18, 1979, as amended (Power Contract), under which Distributor purchases its entire requirements for electric power and energy from TVA for resale; and

WHEREAS, the parties wish to supplement and amend the Power Contract in the respects necessary to revise the Enhanced Growth Credit Program in the respects necessary to provide for expanded credits to customers which qualify for participation in the Program on or after October 1, 2003;

NOW, THEREFORE, for and in consideration of the premises and of the mutual agreements set forth below, and subject to the TVA Act, the parties mutually agree as follows:

SECTION 1 - EGCP AGREEMENT AMENDED

(a) Under an agreement numbered TV-52337A, Supp. No. 39, and dated May 5, 1994 (EGCP Agreement), TVA and Distributor are participating in an Enhanced Growth Credit Program (Program) to encourage the fuller and better balanced development of the resources of the region by applying credits against the electric bills of certain eligible new and expanding general power customers of Distributor. The parties wish to revise the Program in the respects necessary to provide for expanded credits to customers which qualify for participation in the Program on or after October 1, 2003. Accordingly, effective as of said date, the EGCP Agreement is amended as follows:

(i) Unless otherwise specified, terms appearing in (ii) and (iii) below shall have the meaning set out in the EGCP Agreement.

(ii) The definition of Customer provided in Guideline 1.1 of the EGCP Participation Agreement Guidelines attached to and made a part of the EGCP

Agreement (Guidelines) shall be deemed to also refer to any customer of Distributor purchasing power under Standard Manufacturing Service Schedules MSB, MSC, or MSD, or Time-of-Day Manufacturing Service Schedules TMSB, TMSC, or TMSD.

(iii) Guideline 4 of the Guidelines is amended by adding the following new Guidelines 4.4 and 4.5:

4.4 Declining 8 Year Credit Option. If this credit option is selected, Distributor shall apply the following schedule of credit amounts in calculating the credits to be applied under a Participation Agreement entered into on or after October 1, 2003. Such credits will be applied for an 8-year period beginning with the first month in which the Customer qualifies for a credit under 2.2(c) or 3.2(c) above:

\$6.00 per kW for the first 12-consecutive-month period.

\$5.25 per kW for the second 12-consecutive-month period.

\$4.50 per kW for the third 12-consecutive-month period.

\$3.75 per kW for the fourth 12-consecutive-month period.

\$3.00 per kW for the fifth 12-consecutive-month period.

\$2.25 per kW for the sixth 12-consecutive-month period.

\$1.50 per kW for the seventh 12-consecutive-month period.

\$0.75 per kW for the eighth 12-consecutive-month period.

4.5 Flat 4 Year Credit Option. If this credit option is selected, Distributor will apply a credit amount of \$6.00 per kW in calculating the credits to be applied under a Participation Agreement entered into on or after October 1, 2003. Such credits will be applied for a 4-year period beginning with the first month in which the Customer qualifies for a credit under 2.2(c) or 3.2(c) above.

(iv) Any reference to Guideline 4.2 or 4.3 appearing in the Guidelines shall be deemed to also refer to Guideline 4.4 or 4.5.

(b) It is expressly recognized and agreed that Distributor will continue to apply the credit amounts provided for in Guideline 4.2 or 4.3 to any Customer which is eligible to receive credits under a Participation Agreement entered into prior to October 1, 2003. It is further expressly recognized and agreed that in the event of any Power Contract termination notice, TVA will be obligated to pay all credits provided for by any then-existing Participation Agreement until the earlier of (i) the end of the credit period provided for by Guideline 4.2, 4.3, 4.4, or 4.5 (as applicable under said Participation Agreement) or (ii) the end of the Power Contract.

SECTION 2 - TERM

Except as otherwise specifically provided herein, this agreement shall become effective as of the Effective Date first above written, and shall continue in effect until expiration of the Power Contract, or any renewal, extension, or replacement thereof.

SECTION 3 - POWER CONTRACT AFFIRMED

Except as expressly set out above, nothing in this agreement shall affect the other terms of the Power Contract.

IN WITNESS WHEREOF, the parties have caused this agreement to be executed by their duly authorized representatives, as of the day and year first above written.

**TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION**

By James E. Carter
Title: *President*

TENNESSEE VALLEY AUTHORITY

By Cynthia L. Heron
General Manager, Contracts and Pricing
Customer Service and Marketing



Tennessee Valley Authority, 6045 Russellville Road, Bowling Green, Kentucky 42101-7319

January 13, 2004

*Jan. 15, 2004
Laura,
Please file.
Thanks
Saul*



*#68
#69*

Mr. Paul Thompson, Executive Vice President
and General Manager
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083

Dear Paul:

Enclosed please find one fully executed original of Agreement TV-52337A, Supplement No. 68, Enhanced Growth Credit Program, and Supplement No. 69, Small Manufacturing Bill Credit Agreement for Tri-County Electric Membership Corporation's files. Both Agreements are effective October 1, 2003.

If you have any questions regarding the enclosed agreements, please give Hugh Meyer a call at (270) 846-7042.

Sincerely,

Myron N. Callahan
General Manager
Customer Service
Kentucky

Enclosures

AGREEMENT
Between
TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION
And
TENNESSEE VALLEY AUTHORITY

Effective Date: October 1, 2003 TV-52337A, Supp. No. 69

THIS AGREEMENT, made and entered into between TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION (Distributor), a cooperative corporation created and existing under and by virtue of the laws of the State of Tennessee, and TENNESSEE VALLEY AUTHORITY (TVA), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended (TVA Act);

WITNESSETH:

WHEREAS, TVA and Distributor have entered into a contract dated July 18, 1979, as amended (Power Contract), under which Distributor purchases its entire requirements for electric power and energy from TVA for resale; and

WHEREAS, the parties wish to supplement and amend the Power Contract in the respects necessary to provide for revised and extended manufacturing credits for small manufacturing loads;

NOW, THEREFORE, for and in consideration of the premises and of the mutual agreements set forth below, and subject to the TVA Act, the parties mutually agree as follows:

SECTION 1 – REVISED GSA AND TGSA MANUFACTURING CREDITS

1.1 Previous Agreement. It is recognized that the agreement numbered TV-52337A, Supp. No. 37, and dated June 1, 1994, as supplemented and amended by an agreement numbered TV-52337A, Supp. No. 52, and dated October 1, 1997 (Manufacturing Credit Agreement), is due to terminate and be of no further force and effect after Distributor's September 2003 revenue month. Notwithstanding that scheduled termination, it is agreed that said Manufacturing Credit Agreement shall continue in effect for the limited purpose provided for below in this section 1.

1.2 Revised Credits. (a) Notwithstanding the scheduled termination of the Manufacturing Credit Agreement, it shall be deemed amended in the respects necessary to provide that effective with Distributor's October 2003 revenue month:

- (i) the Manufacturing Credit Agreement shall continue to apply, in its entirety, to provide for the revised Expanded Credits specified in (ii) and (iii) below;

(ii) only customers served under Part 3 of either Schedule GSA or Time-of-Day Schedule TGSA shall be deemed to be Expanded Eligible Accounts eligible for the revised Expanded Credits; and

(iii) section 3a of the Manufacturing Credit Agreement shall be replaced with the following:

3a. Allowance of Expanded Credit. Notwithstanding anything in the Power Contract (including the Schedule of Rates and Charges) that may be construed to the contrary, beginning with Distributor's October 2003 revenue month (as that term is defined in Wholesale Power Rate--Schedule WS of the Schedule of Rates and Charges), Distributor shall apply a credit against the electric bill of each Expanded Eligible Account as provided below. Allowance of the Expanded Credit shall continue until implementation of the next Rate Change as provided for in the section of the Power Contract's Schedule of Terms and Conditions headed "Adjustment and Change of Wholesale Rate and Resale Rates." Distributor may, at its option, provide monthly credit amounts as a direct cash payment.

(a) Application of Credit. Except as provided in the next paragraph with respect to accounts taking time-of-day service, the dollar amount of the Expanded Credit applicable to each Expanded Eligible Account shall be equal to the sum of:

(i) \$1.38 per kW multiplied by the first 1,000 kW of metered demand applicable in calculating the firm billing demand determined for the customer's monthly bill;

(ii) \$1.63 per kW multiplied by any amount in excess of 1,000 kW of such metered demand; and

(iii) 0.54¢ per kWh multiplied by the firm energy determined for the customer's monthly bill;

provided, however, that no Expanded Credit shall be applied in any month in which the customer's metered demand for that account does not exceed 1,000 kW.

The dollar amount of the Expanded Credit applicable to each Expanded Eligible Account taking time-of-day service shall be equal to the sum of:

(i) \$1.52 per kW multiplied by the metered onpeak demand applicable in calculating the firm billing demand determined for the customer's monthly bill;

(ii) \$0.16 per kW multiplied by each kW of metered offpeak demand applicable in calculating such firm billing demand (which shall be the kW amount, if any, by which the metered offpeak demand exceeds the metered onpeak demand);

(iii) 0.708¢ per kWh multiplied by the firm onpeak energy determined for the customer's monthly bill; and

(iv) 0.433¢ per kWh multiplied by the firm offpeak energy determined for the customer's monthly bill;

provided, however, that no Expanded Credit shall be applied in any month in which the customer's metered demand for that account does not exceed 1,000 kW.

(b) Application of Other Credits. The customer's bill shall be reduced by the amount of the Expanded Credit prior to the application of any credits applicable under the Growth Credit Program, or any comparable program, for which the customer may be eligible.

(b) It is expressly recognized that effective with Distributor's October 2003 revenue month, no credits other than the revised Expanded Credits provided for above in this section 3 shall be applicable under the Manufacturing Credit Agreement.

SECTION 2 - TERM

Except as otherwise specifically provided herein, this agreement shall become effective as of the Effective Date first above written, and shall continue in effect until expiration of the Power Contract, or any renewal, extension, or replacement thereof.

SECTION 3 - POWER CONTRACT AFFIRMED

Except as expressly set out above, nothing in this agreement shall affect the other terms of the Power Contract.

IN WITNESS WHEREOF, the parties have caused this agreement to be executed by their duly authorized representatives, as of the day and year first above written.

**TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION**

By James E. Carter
Title: President

TENNESSEE VALLEY AUTHORITY

By Cynthia L. Henon
General Manager, Contracts and Pricing
Customer Service and Marketing

**Tri-County Electric
Membership Corporation**

405 College Street
P.O. Box 40
Lafayette, TN 37083-0040

Telephone: (615) 666-2111
Toll Free: 1-(800) 369-2111
Fax: (615) 688-2141

September 25, 2003

Mr. Myron N. Callahan
General Manager – Customer Service – Kentucky
Tennessee Valley Authority
6045 Russellville Road
Bowling Green, KY 42101-7319

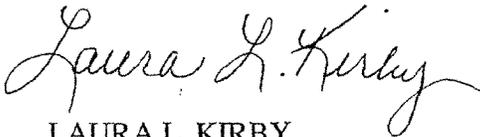
RE: Enhanced Growth Credit Program Agreement
And Manufacturing Credit Agreement

Dear Myron:

Please find enclosed two executed duplicate originals of the above referenced Agreements (Reference TV-52337A, Supp. No. ____). Please return an original of each for our files.

If additional information is needed, please advise.

Sincerely,



LAURA L. KIRBY
Administrative Assistant

For Paul Thompson
Executive Vice President and General Manager
Tri-County Electric Membership Corporation

Enclosures (4)



Tennessee Valley Authority, 6045 Russellville Road, Bowling Green, Kentucky 42101-7319

02/19/2004

Laura,

Please file.

February 12, 2004

Thanks,
Call

Mr. Paul Thompson, Executive Vice President
and General Manager
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083

Dear Paul:

Enclosed please find a fully executed original of Resale Rate Substitution Agreement (GSA October 2003, R1) and an amendment to the Enhanced Growth Credit Program Agreement TV-52337A, Supplement No. 70, dated October 1, 2003.

If you have any questions regarding the attached, please give Hugh Meyer a call at (270) 846-7042.

Sincerely,

Myron N. Callahan

Myron N. Callahan
General Manager
Customer Service
Kentucky

Enclosure

AGREEMENT
Between
TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION
And
TENNESSEE VALLEY AUTHORITY

Effective Date: October 1, 2003, as amended by TV-52337A, Supp. No. 70

THIS AGREEMENT, made and entered into between TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION (Distributor), a cooperative corporation created and existing under and by virtue of the laws of the State of Tennessee, and TENNESSEE VALLEY AUTHORITY (TVA), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended (TVA Act);

WITNESSETH:

WHEREAS, TVA and Distributor have entered into a contract dated July 18, 1979, as amended (Power Contract), under which Distributor purchases its entire requirements for electric power and energy from TVA for resale; and

WHEREAS, the parties wish to substitute Distributor's General Power Rate-Schedule GSA to provide for a change in the kVA percentage used to calculate measured demand; and

WHEREAS, the parties further wish to supplement and amend the Power Contract in the respects necessary to revise the Enhanced Growth Credit Program in association with this change in Schedule GSA; to

NOW, THEREFORE, for and in consideration of the premises and of the mutual agreements set forth below, and subject to the TVA Act, the parties mutually agree as follows:

SECTION 1 - SUBSTITUTION OF RESALE RATE SCHEDULE GSA

Distributor and TVA agree to substitute the new resale rate schedule specified in (a) below, a copy of which is attached, for the resale rate schedule specified in (b) below, which, as adjusted, is now in effect as a part of the Schedule of Rates and Charges attached to and made a part of the Power Contract. This substitution is to be effective for all bills rendered from resale meter readings taken for revenue months of Distributor beginning with the October 2003 revenue month. It is expressly recognized that the adjustments set forth in the Adjustment Addendum to said Schedule of Rates and Charges dated October 1, 2003, and entitled "Environmental Adjustment," shall continue to apply to the charges provided for by the attached schedule specified in (a) below.

(a) New resale rate schedule:
General Power Rate--Schedule GSA (October 2003, R1)

(b) Existing resale rate schedule:
General Power Rate--Schedule GSA (October 2003)

It is understood that, upon execution of this agreement by TVA and Distributor, all references in the Power Contract to the existing resale rate schedule specified in (b) above, or to any predecessor schedules, shall be deemed to refer to the appropriate new resale rate schedule specified in (a) above.

SECTION 2 - EGCP AGREEMENT AMENDED

2.1 EGCP Amendment. Under an agreement numbered TV-52337A, Supp. No. 39, and dated May 5, 1994, as amended (EGCP Agreement), TVA and Distributor are participating in an Enhanced Growth Credit Program (Program) to encourage the fuller and better balanced development of the resources of the region by applying credits against the electric bills of certain eligible new and expanding general power customers of Distributor. The parties wish to revise the Program in accordance with the change in the kVA percentage used to calculate measured demand under Distributor's Schedule GSA. Accordingly, effective as of October 1, 2003, the EGCP Agreement is amended as provided in this Section 2.

2.2 Definition of Terms. Unless otherwise specified, terms appearing in this Section 2 shall have the meaning set out in the EGCP Agreement.

2.3 Credit Amounts for Existing Customers. For any customer served under Distributor's General Power Rate--Schedule GSA that is eligible to receive Retail Credits under a Participation Agreement entered into prior to October 1, 2003 (Existing GSA Customer), notwithstanding the Retail Credits applicable under the EGCP Agreement, such Participation Agreement, and the provisions of the section headed "Determination of Demand" of the new resale rate schedule specified in 1(a) above, the provisions in (a) and (b) below shall be applicable in determining the Wholesale Credit to which Distributor shall be entitled each month. For the sole purpose of calculating such Wholesale Credit:

(a) the billing demand used to determine the Actual Firm Demand of any such Existing GSA Customer shall be deemed to be the higher of the highest average during any 30-consecutive-minute period of the month of (i) the load metered in kW or (ii) 85 percent of the load in kVA plus an additional 10 percent for that part of the load over 5,000 kVA, and

(b) the amount of Retail Credits deemed to have been applied by Distributor to any such Existing GSA Customer shall be calculated using the Actual Firm Demand determined under (a) above.

2.4 Credit Amounts for New Customers. As applicable to Customers which qualify for participation in the Program on or after October 1, 2003, Guideline 1.5.1 of the EGCP Participation Agreement Guidelines attached to and made a part of the EGCP Agreement (Guidelines) shall be deemed to be revised as follows:

1.5.1 Standard Service. Except as provided in the next paragraph with respect to Customers served under General Power Rate--Schedule GSA, under a Power Supply Contract with a Standard Service Schedule, "Actual Firm Demand" shall mean an amount equal to the highest billing demand for firm power in any month computed under the Power Supply Contract but without regard to the exception language (Demand Ratchet) set out in the section headed "Determination of Demand" of that rate schedule.

Under a Power Supply Contract served under General Power Rate--Schedule GSA, "Actual Firm Demand" shall mean an amount equal to the highest metered demand for firm power in any month computed under the Power Supply Contract.

2.5 Term. This agreement shall continue in effect until expiration of the Power Contract, or any renewal, extension, or replacement thereof.

SECTION 3 - POWER CONTRACT AFFIRMED

Except as expressly set out above, nothing in this agreement shall affect the other terms of the Power Contract.

IN WITNESS WHEREOF, the parties have caused this agreement to be executed by their duly authorized representatives, as of the day and year first above written.

**TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION**

By Paul Thompson
Title:
Executive V.P. & General Manager

TENNESSEE VALLEY AUTHORITY

By Cynthia L. Hewitt
General Manager, Contracts and Pricing
Customer Service and Marketing

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

GENERAL POWER RATE--SCHEDULE GSA

(October 2003, R1)

Availability

This rate shall apply to the firm power requirements (where a customer's contract demand is 5,000 kW or less) for electric service to commercial, industrial, and governmental customers, and to Institutional customers including, without limitation, churches, clubs, fraternities, orphanages, nursing homes, rooming or boarding houses, and like customers. This rate shall also apply to customers to whom service is not available under any other resale rate schedule.

Character of Service

Alternating current, single- or three-phase, 60 hertz. Power shall be delivered at a service voltage available in the vicinity or agreed to by Distributor.

Base Charges

1. If (a) the higher of (i) the customer's currently effective contract demand, if any, or (ii) its highest billing demand during the latest 12-month period is not more than 50 kW and (b) customer's monthly energy takings for any month during such period do not exceed 15,000 kWh:

Customer Charge: \$17.50 per delivery point per month

Energy Charge: First 300 kWh per month at 7.321¢ per kWh

Next 600 kWh per month at 6.821¢ per kWh

Additional kWh per month at 6.571¢ per kWh

2. If (a) the higher of (i) the customer's currently effective contract demand or (ii) its highest billing demand during the latest 12-month period is greater than 50 kW but not more than 1,000 kW or (b) the customer's billing demand is less than 50 kW and its energy takings for any month during such period exceed 15,000 kWh:

Customer Charge: \$50.00 per delivery point per month

Demand Charge: First 50 kW of billing demand per month, no demand charge

Excess over 50 kW of billing demand per month, at \$10.50 per kW

Energy Charge: First 15,000 kWh per month at 6.771¢ per kWh

Additional kWh per month at 3.339¢ per kWh

3. If the higher of (a) the customer's currently effective contract demand or (b) its highest billing demand during the latest 12-month period is greater than 1,000 kW:

Customer Charge: \$100.00 per delivery point per month

Demand Charge: First 1,000 kW of billing demand per month, at \$10.43 per kW

Next 1,500 kW of billing demand per month, at \$11.46 per kW

Excess over 2,500 kW of billing demand per month, at \$11.96 per kW,
plus an additional

\$11.96 per kW per month for each kW, if any, of the amount by which the
customer's billing demand exceeds the higher of 2,500 kW or its contract
demand

Energy Charge: 3.439¢ per kWh per month

Adjustment

The base demand and energy charges shall be increased or decreased in accordance with the
current Adjustment Addendum published by TVA. (In addition, such charges shall be increased or
decreased to correspond to increases or decreases determined by TVA under Adjustment 2 or
Adjustment 4 of the wholesale power rate schedule applicable under contractual arrangements between
TVA and Distributor.)

Determination of Demand

Distributor shall meter the demands in kW of all customers having loads in excess of 50 kW. The
metered demand for any month shall be the highest average during any 30-consecutive-minute period of
the month of the load metered in kW. The measured demand for any month shall be the higher of the
highest average during any 30-consecutive-minute period of the month of (a) the load metered in kW or
(b) 93 percent of the load in kVA plus an additional 2 percent for that part of the load over 5,000 kVA, and
such measured demand shall be used as the billing demand, except that the billing demand for any month
shall in no case be less than 30 percent of the higher of the currently effective contract demand or the
highest billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule shall not be less than the sum of (a) the base customer
charge, (b) the base demand charge, as adjusted, applied to the customer's billing demand, and (c) the
base energy charge, as adjusted, applied to the customer's energy takings; provided, however, that, under
2 of the Base Charges, the monthly bill shall in no event be less than the sum of (a) the base customer
charge and (b) 20 percent of the portion of the base demand charge, as adjusted, applicable to the
second block (excess over 50 kW) of billing demand, multiplied by the higher of the customer's currently
effective contract demand or its highest billing demand established during the preceding 12 months.

Distributor may require minimum bills higher than those stated above.

Seasonal Service

Customers who contract for service on a seasonal basis shall be limited to 2,500 kW and shall
pay the above charges, as adjusted, plus an additional seasonal use charge equal to (1) 1.33¢ per kWh
per month under 1 of the Base Charges, (2) the sum of 1.33¢ per kWh for the first 15,000 kWh per month
and \$4.00 per kW per month of billing demand in excess of 50 kW under 2 of the Base Charges, and

(3) \$4.00 per kW per month of billing demand under 3 of the Base Charges. Consistent with Distributor's standard policy, the customer may arrange for seasonal testing of equipment during offpeak hours.

For such customers, the minimum bill provided for above shall not apply. Distributor may require additional charges to provide recovery of costs for customer-specific distribution facilities.

Contract Requirement

Distributor may require contracts for service provided under this rate schedule. Customers whose demand requirements exceed 50 kW shall be required to execute contracts and such contracts shall be for an initial term of at least 1 year. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and Distributor shall not be obligated to supply power in greater amount at any time than the customer's currently effective contract demand. If the customer uses any power other than that supplied by Distributor under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as provided under the power contract between Distributor and TVA.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

Single-Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and metering point, and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery and metering point and at each different voltage shall be separately metered and billed.

Service is subject to Rules and Regulations of Distributor.

405 College Street
P. O. Box 40
Lafayette, TN 37083-0040

Tri-County
Electric
Membership Corporation
www.tcemc.org

Telephone: (615) 666-2111
Toll Free: 1-800-369-2111
Fax: (615) 688-2141

January 19, 2004

Mr. Myron N. Callaham
General Manager – Customer Service – Kentucky
Tennessee Valley Authority
6045 Russellville Road
Bowling Green, KY 42101-7319

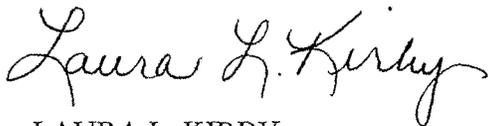
RE: Substitution Agreement for Schedule GSA
And changes in the Enhanced Growth Credit Program

Dear Myron:

Please find enclosed two executed duplicate originals of the above referenced Agreement (Reference TV-52337A, Supp. No.70). Please return an original for our files.

If additional information is needed, please advise.

Sincerely,



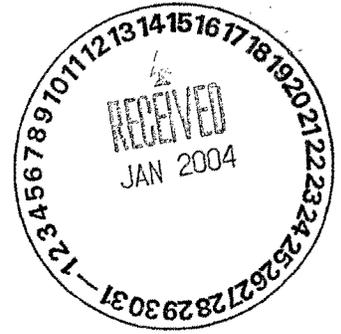
LAURA L. KIRBY
Administrative Assistant

For Paul Thompson
Executive Vice President and General Manager
Tri-County Electric Membership Corporation

Enclosures (2)



Tennessee Valley Authority, 6045 Russellville Road, Bowling Green, Kentucky 42101-7319



January 12, 2004

Mr. Paul Thompson, Executive Vice President
and General Manager
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083

Dear Paul:

Enclosed are two duplicate originals of a proposed agreement providing for the substitution of Schedule GSA (October 2003, R1) for Schedule GSA (October 2003) to change the kVA percentage used to calculate measured demand. This substitution will be effective for bills rendered for Tri-County Electric Membership Corporation's (TCEMC) revenue months beginning with the October 2003 revenue month.

The proposed agreement also implements associated changes in the Enhanced Growth Credit Program. Specifically, the revisions limit TVA's obligation for Wholesale Credits to the amount TVA would have paid if TCEMC had not implemented the replacement Schedule GSA (October 2003, R1). Please note that TCEMC may be obligated to pay Retail Credits under an existing Participation Agreement with a GSA customer that are greater than the amount of Retail Credits that will be deemed to have been paid for the purpose of determining TCEMC's Wholesale Credit.

Also enclosed are two copies of an updated schedule GSA, which incorporates the increase in resale charges specified in the October 2003 Adjustment Addendum. Please note that this version is for TCEMC's convenience only and is not an official schedule replacement.

Upon execution of the agreements by TCEMC, please return both duplicate originals to me for further handling.

If you have any questions regarding the enclosed, please give Hugh Meyer a call at (270) 846-7042.

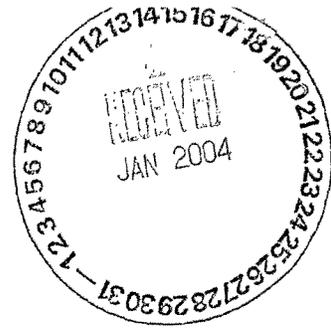
Sincerely,

Myron N. Callahan
General Manager
Customer Service
Kentucky

Enclosures



Tennessee Valley Authority, 6045 Russellville Road, Bowling Green, Kentucky 42101-7319



January 12, 2004

Mr. Paul Thompson, Executive Vice President
and General Manager
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083

Dear Paul:

Enclosed are two duplicate originals of a proposed agreement providing for the substitution of Schedule GSA (October 2003, R1) for Schedule GSA (October 2003) to change the kVA percentage used to calculate measured demand. This substitution will be effective for bills rendered for Tri-County Electric Membership Corporation's (TCEMC) revenue months beginning with the October 2003 revenue month.

The proposed agreement also implements associated changes in the Enhanced Growth Credit Program. Specifically, the revisions limit TVA's obligation for Wholesale Credits to the amount TVA would have paid if TCEMC had not implemented the replacement Schedule GSA (October 2003, R1). Please note that TCEMC may be obligated to pay Retail Credits under an existing Participation Agreement with a GSA customer that are greater than the amount of Retail Credits that will be deemed to have been paid for the purpose of determining TCEMC's Wholesale Credit.

Also enclosed are two copies of an updated schedule GSA, which incorporates the increase in resale charges specified in the October 2003 Adjustment Addendum. Please note that this version is for TCEMC's convenience only and is not an official schedule replacement.

Upon execution of the agreements by TCEMC, please return both duplicate originals to me for further handling.

If you have any questions regarding the enclosed, please give Hugh Meyer a call at (270) 846-7042.

Sincerely,

Myron N. Callahan
General Manager
Customer Service
Kentucky

Enclosures

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

GENERAL POWER RATE--SCHEDULE GSA

(October 2003, R1)

Availability

This rate shall apply to the firm power requirements (where a customer's contract demand is 5,000 kW or less) for electric service to commercial, industrial, and governmental customers, and to institutional customers including, without limitation, churches, clubs, fraternities, orphanages, nursing homes, rooming or boarding houses, and like customers. This rate shall also apply to customers to whom service is not available under any other resale rate schedule.

Character of Service

Alternating current, single- or three-phase, 60 hertz. Power shall be delivered at a service voltage available in the vicinity or agreed to by Distributor.

Base Charges

1. If (a) the higher of (i) the customer's currently effective contract demand, if any, or (ii) its highest billing demand during the latest 12-month period is not more than 50 kW and (b) customer's monthly energy takings for any month during such period do not exceed 15,000 kWh:

Customer Charge: \$17.50 per delivery point per month

Energy Charge: First 300 kWh per month at 7.675¢ per kWh

Next 600 kWh per month at 7.175¢ per kWh

Additional kWh per month at 6.925¢ per kWh

2. If (a) the higher of (i) the customer's currently effective contract demand or (ii) its highest billing demand during the latest 12-month period is greater than 50 kW but not more than 1,000 kW or (b) the customer's billing demand is less than 50 kW and its energy takings for any month during such period exceed 15,000 kWh:

Customer Charge: \$50.00 per delivery point per month

Demand Charge: First 50 kW of billing demand per month, no demand charge

Excess over 50 kW of billing demand per month, at \$10.97 per kW

Energy Charge: First 15,000 kWh per month at 7.125¢ per kWh

Additional kWh per month at 3.538¢ per kWh

* Incorporates adjustments set out in October 2003 Adjustment Addendum (Environmental Adjustment)

3. If the higher of (a) the customer's currently effective contract demand or (b) its highest billing demand during the latest 12-month period is greater than 1,000 kW:

Customer Charge: \$100.00 per delivery point per month

Demand Charge: First 1,000 kW of billing demand per month, at \$10.90 per kW

Next 1,500 kW of billing demand per month, at \$12.06 per kW

Excess over 2,500 kW of billing demand per month, at \$12.56 per kW, plus an additional

\$12.56 per kW per month for each kW, if any, of the amount by which the customer's billing demand exceeds the higher of 2,500 kW or its contract demand

Energy Charge: 3.638¢ per kWh per month

Adjustment

The base demand and energy charges shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA. (In addition, such charges shall be increased or decreased to correspond to increases or decreases determined by TVA under Adjustment 2 or Adjustment 4 of the wholesale power rate schedule applicable under contractual arrangements between TVA and Distributor.)

Determination of Demand

Distributor shall meter the demands in kW of all customers having loads in excess of 50 kW. The metered demand for any month shall be the highest average during any 30-consecutive-minute period of the month of the load metered in kW. The measured demand for any month shall be the higher of the highest average during any 30-consecutive-minute period of the month of (a) the load metered in kW or (b) 93 percent of the load in kVA plus an additional 2 percent for that part of the load over 5,000 kVA, and such measured demand shall be used as the billing demand, except that the billing demand for any month shall in no case be less than 30 percent of the higher of the currently effective contract demand or the highest billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule shall not be less than the sum of (a) the base customer charge, (b) the base demand charge, as adjusted, applied to the customer's billing demand, and (c) the base energy charge, as adjusted, applied to the customer's energy takings; provided, however, that, under 2 of the Base Charges, the monthly bill shall in no event be less than the sum of (a) the base customer charge and (b) 20 percent of the portion of the base demand charge, as adjusted, applicable to the second block (excess over 50 kW) of billing demand, multiplied by the higher of the customer's currently effective contract demand or its highest billing demand established during the preceding 12 months.

Distributor may require minimum bills higher than those stated above.

Seasonal Service

Customers who contract for service on a seasonal basis shall be limited to 2,500 kW and shall pay the above charges, as adjusted, plus an additional seasonal use charge equal to (1) 1.33¢ per kWh per month under 1 of the Base Charges, (2) the sum of 1.33¢ per kWh for the first 15,000 kWh per month and \$4.00 per kW per month of billing demand in excess of 50 kW under 2 of the Base Charges, and (3) \$4.00 per kW per month of billing demand under 3 of the Base Charges. Consistent with Distributor's standard policy, the customer may arrange for seasonal testing of equipment during offpeak hours.

For such customers, the minimum bill provided for above shall not apply. Distributor may require additional charges to provide recovery of costs for customer-specific distribution facilities.

Contract Requirement

Distributor may require contracts for service provided under this rate schedule. Customers whose demand requirements exceed 50 kW shall be required to execute contracts and such contracts shall be for an initial term of at least 1 year. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and Distributor shall not be obligated to supply power in greater amount at any time than the customer's currently effective contract demand. If the customer uses any power other than that supplied by Distributor under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as provided under the power contract between Distributor and TVA.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

Single-Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and metering point, and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery and metering point and at each different voltage shall be separately metered and billed.

Service is subject to Rules and Regulations of Distributor.

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

GENERAL POWER RATE--SCHEDULE GSA

(October 2003, R1)*

Availability

This rate shall apply to the firm power requirements (where a customer's contract demand is 5,000 kW or less) for electric service to commercial, industrial, and governmental customers, and to institutional customers including, without limitation, churches, clubs, fraternities, orphanages, nursing homes, rooming or boarding houses, and like customers. This rate shall also apply to customers to whom service is not available under any other resale rate schedule.

Character of Service

Alternating current, single- or three-phase, 60 hertz. Power shall be delivered at a service voltage available in the vicinity or agreed to by Distributor.

Base Charges

1. If (a) the higher of (i) the customer's currently effective contract demand, if any, or (ii) its highest billing demand during the latest 12-month period is not more than 50 kW and (b) customer's monthly energy takings for any month during such period do not exceed 15,000 kWh:

Customer Charge: \$17.50 per delivery point per month

Energy Charge: First 300 kWh per month at 7.675¢ per kWh

Next 600 kWh per month at 7.175¢ per kWh

Additional kWh per month at 6.925¢ per kWh

2. If (a) the higher of (i) the customer's currently effective contract demand or (ii) its highest billing demand during the latest 12-month period is greater than 50 kW but not more than 1,000 kW or (b) the customer's billing demand is less than 50 kW and its energy takings for any month during such period exceed 15,000 kWh:

Customer Charge: \$50.00 per delivery point per month

Demand Charge: First 50 kW of billing demand per month, no demand charge

Excess over 50 kW of billing demand per month, at \$10.97 per kW

Energy Charge: First 15,000 kWh per month at 7.125¢ per kWh

Additional kWh per month at 3.538¢ per kWh

* Incorporates adjustments set out in October 2003 Adjustment Addendum (Environmental Adjustment)

3. If the higher of (a) the customer's currently effective contract demand or (b) its highest billing demand during the latest 12-month period is greater than 1,000 kW:

Customer Charge: \$100.00 per delivery point per month

Demand Charge: First 1,000 kW of billing demand per month, at \$10.90 per kW

Next 1,500 kW of billing demand per month, at \$12.06 per kW

Excess over 2,500 kW of billing demand per month, at \$12.56 per kW, plus an additional

\$12.56 per kW per month for each kW, if any, of the amount by which the customer's billing demand exceeds the higher of 2,500 kW or its contract demand

Energy Charge: 3.638¢ per kWh per month

Adjustment

The base demand and energy charges shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA. (In addition, such charges shall be increased or decreased to correspond to increases or decreases determined by TVA under Adjustment 2 or Adjustment 4 of the wholesale power rate schedule applicable under contractual arrangements between TVA and Distributor.)

Determination of Demand

Distributor shall meter the demands in kW of all customers having loads in excess of 50 kW. The metered demand for any month shall be the highest average during any 30-consecutive-minute period of the month of the load metered in kW. The measured demand for any month shall be the higher of the highest average during any 30-consecutive-minute period of the month of (a) the load metered in kW or (b) 93 percent of the load in kVA plus an additional 2 percent for that part of the load over 5,000 kVA, and such measured demand shall be used as the billing demand, except that the billing demand for any month shall in no case be less than 30 percent of the higher of the currently effective contract demand or the highest billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule shall not be less than the sum of (a) the base customer charge, (b) the base demand charge, as adjusted, applied to the customer's billing demand, and (c) the base energy charge, as adjusted, applied to the customer's energy takings; provided, however, that, under 2 of the Base Charges, the monthly bill shall in no event be less than the sum of (a) the base customer charge and (b) 20 percent of the portion of the base demand charge, as adjusted, applicable to the second block (excess over 50 kW) of billing demand, multiplied by the higher of the customer's currently effective contract demand or its highest billing demand established during the preceding 12 months.

Distributor may require minimum bills higher than those stated above.

Seasonal Service

Customers who contract for service on a seasonal basis shall be limited to 2,500 kW and shall pay the above charges, as adjusted, plus an additional seasonal use charge equal to (1) 1.33¢ per kWh per month under 1 of the Base Charges, (2) the sum of 1.33¢ per kWh for the first 15,000 kWh per month and \$4.00 per kW per month of billing demand in excess of 50 kW under 2 of the Base Charges, and (3) \$4.00 per kW per month of billing demand under 3 of the Base Charges. Consistent with Distributor's standard policy, the customer may arrange for seasonal testing of equipment during offpeak hours.

For such customers, the minimum bill provided for above shall not apply. Distributor may require additional charges to provide recovery of costs for customer-specific distribution facilities.

Contract Requirement

Distributor may require contracts for service provided under this rate schedule. Customers whose demand requirements exceed 50 kW shall be required to execute contracts and such contracts shall be for an initial term of at least 1 year. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and Distributor shall not be obligated to supply power in greater amount at any time than the customer's currently effective contract demand. If the customer uses any power other than that supplied by Distributor under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as provided under the power contract between Distributor and TVA.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

Single-Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and metering point, and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery and metering point and at each different voltage shall be separately metered and billed.

Service is subject to Rules and Regulations of Distributor.



Tennessee Valley Authority, 6045 Russell Lee Road, Bowling Green, Kentucky 42101-7319

October 19, 2004

Mr. Paul Thompson, Executive Vice President
and General Manager
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083

Dear Paul:

Enclosed are two fully executed originals of TV-52337A, Supplement No. 71, which covers the supply of up to 0 kW of firm power and 7,250 kW of FPI to the A. O. Smith Electrical Products Company for the operation of its plant near Scottsville, Kentucky. Please deliver one copy to A. O. Smith Company for their files and retain one copy for Tri-County's files.

Also enclosed is a fully executed original covering the wholesale billing adjustments necessary for the supply of FPI to A. O. Smith Electrical Products Company for your files.

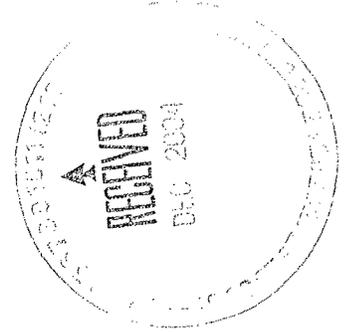
If you have any questions, please feel free to call Hugh A. Meyer at (270) 846-7042.

Sincerely,

Myron N. Callahan
General Manager
Customer Service
Kentucky

Enclosures

12/10/2004
Laura,
Please file & copy Tammy.
Thanks,
M



307

12/10/2004
Laura,
Please copy Glenn,
Tammy & file.
Thanks
[Signature]

AGREEMENT

Between

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

And

TENNESSEE VALLEY AUTHORITY

Date: December 13, 2004 TV-52337A, Supp. No. 71

THIS AGREEMENT, made and entered into between TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION (Distributor), a cooperative corporation created and existing under and by virtue of the laws of the State of Tennessee; and TENNESSEE VALLEY AUTHORITY (TVA), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended (TVA Act);

WITNESSETH:

WHEREAS, TVA and Distributor have entered into a contract dated July 18, 1979, as amended (Power Contract), under which Distributor purchases its entire requirements for electric power and energy from TVA for resale; and

WHEREAS, TVA and Distributor wish to cooperate in making Flat Price Interruptible Power (FPI) available to eligible general power customers of Distributor; and

WHEREAS, Distributor and TVA wish to supplement and amend the Power Contract and to enter into such other arrangements as are necessary between Distributor and TVA with respect to Distributor offering and providing FPI to such eligible customers;

NOW, THEREFORE, for and in consideration of the premises and of the mutual agreements set forth below, and subject to the TVA Act, the parties mutually agree as follows:

SECTION 1 - TERM OF AGREEMENT

This agreement shall become effective as of the date first above written and shall continue in effect until all obligations of the parties have been fulfilled.

SECTION 2 - COMPANY CONTRACTS

Distributor and TVA shall enter into a contract (Company Contract) with each customer (Company) to which Distributor resells a supply of FPI.



Handwritten notes:
James
12/10/2007
Please call
Toward & file
Toward & file

SECTION 3 - BILLING DATA

3.1 Metering Data. Data obtained from the metering facilities referred to in section 6 of this agreement will be used (a) by Distributor for the purposes of determining the power and energy taken by each Company and (b) by TVA for determining applicable adjustments for Distributor's wholesale bill.

3.2 Billing Data Supplied by Distributor. To facilitate TVA's preparation of the bill to Distributor for power and energy made available under the Power Contract, each month Distributor shall furnish to TVA a copy of Distributor's bill to each Company for power and energy made available under the applicable Company Contract when it is rendered and such other information related to each Company's power and energy takings as TVA may require. In addition, Distributor shall provide a monthly summary of the total amounts of FPI demand and FPI energy resold by Distributor in the month, including a listing of the associated charges, credits, and Credit Reduction Charges.

3.3 TVA Billing Analysis.

3.3.1 Analysis Provided by TVA. It is recognized that Distributor has requested that TVA perform certain monthly meter-reading services and billing data analysis (Billing Analysis) with respect to the amounts of power and energy supplied by Distributor to each Company. Accordingly, TVA will supply Distributor by the fourth working day following each Company's scheduled meter-reading date the information regarding the amounts of FPI deemed to have been taken by such Company and such other information as may be necessary for Distributor to calculate Company's bill under the Company Contract and to meet its obligations under 3.2 above.

3.3.2 Termination of Services. The Billing Analysis provided for under this section 3.3 may be terminated by TVA or Distributor at any time upon at least 30 days' written notice to the other party.

SECTION 4 - ADJUSTMENTS TO DISTRIBUTOR'S WHOLESALE BILLING

In calculating the wholesale bill each month for Distributor, the following steps will be taken with respect to the Company Contracts:

4.1 Demand and Energy Charges. Distributor will be billed demand and energy charges as provided in the wholesale rate schedule (Wholesale Schedule), which is contained in the Schedule of Rates and Charges attached to and made a part of the Power Contract, for the demand and the energy deemed to have been taken by each Company under its Company Contract.

4.2 FPI Credits. TVA will apply a credit to the wholesale power bill equal to the sum of the FPI credits applied to Company bills in accordance with the Company Contracts.

4.3 Credit Reduction Charges. An amount equal to the sum of the Credit Reduction Charges applied to Company bills in accordance with Company Contracts will be included as part of the wholesale bill.

4.4 Administrative Costs Charge: (a) For so long as TVA is providing Billing Analysis to Distributor under subsection 3.3 above, an amount equal to the Administrative Costs Charge billed to each Company (in accordance with each Company Contract) will be included as part of the wholesale bill.

(b) After any termination of Billing Analysis is effective under said subsection 3.3:

(i) an amount equal to the portion of the Administrative Costs Charge billed to each Company (in accordance with each Company Contract) which is for coverage of TVA's other costs other than the no longer applicable Billing Analysis costs will continue to be included as part of the wholesale bill, and

(ii) the amount of the total Administrative Costs Charge then allocated to reflect said portion (currently \$350) shall not be increased without a corresponding increase of the total Administrative Costs Charge applicable under the Company Contracts.

(c) TVA and Distributor also agree to coordinate, and to cooperate with each other to implement any increase of said total Administrative Costs Charge that the other party deems necessary to address any increase in its costs.

SECTION 5 - BILL CREDITS

5.1 Small Manufacturing Bill Credits. It is recognized that (a) under an agreement numbered TV-52337A, Supp. No. 69, and dated October 01, 2003 (Small Manufacturing Credit Agreement), TVA and Distributor are participating in a program (Small Manufacturing Credit Program) to provide for the application of credits to the electric bills of small manufacturing industries served under Part 3 of either Schedule GSA or Time-of-Day Schedule TGSA, as either may be modified, changed, replaced, or adjusted, and (b) some of the Companies may meet the eligibility requirements of the Small Manufacturing Credit Program. Accordingly, notwithstanding anything appearing in the Small Manufacturing Credit Agreement which might otherwise be construed to the contrary, as to each Company that otherwise meets the Small Manufacturing Credit Program eligibility requirements:

(a) the portion of the Company's bill for FPI power calculated using the Base Charges section of the Distributor's resale rate schedule shall be eligible for application of the credit provided by the Small Manufacturing Credit Agreement, and

(b) Company's bill shall be reduced by the amount of the FPI credits applied in accordance with the Company Contract before application of any credit provided by the Small Manufacturing Credit Agreement.

5.2 **Other Credit Programs.** It is expressly recognized and agreed that no other credits provided for under bill credit program agreements between TVA and Distributor are applicable to any Company's FPI takings under the Company Contracts.

SECTION 6 - METERING FACILITIES

6.1 **Revenue Meter.** It is recognized and agreed that Distributor is responsible for providing, installing, and maintaining the meters and associated equipment which in TVA's judgment are needed for determining the amounts of power and energy associated with FPI. Such metering facilities shall be solid-state type revenue meters (Revenue Meters) capable of remote telephone access. Distributor will, at its expense, provide the equipment and materials and perform the work necessary to install the Revenue Meters. Thereafter, Distributor shall test, calibrate, operate, maintain, repair, and replace all facilities in the metering installation.

6.2 **Remote Access.** In accordance with guidelines or specifications furnished or approved by TVA, Distributor shall provide or otherwise arrange for a telephone circuit and all other equipment necessary to allow remote access by TVA to the metering data recorded by the Revenue Meters under each Company Contract.

6.3 **Access by TVA.** Distributor agrees for TVA to have access to the data stored in the Revenue Meters through the telephone circuits and will provide to TVA any information necessary for the exercise of such access. Distributor further grants to TVA access to the metering facilities for the purpose of confirmation of the metering data being received by telephone. The use of the telephone circuits and access to the metering data will be coordinated by TVA's and Distributor's operating representatives to ensure unrestricted access by TVA for data retrieval purposes during such periods as specified by TVA.

IN WITNESS WHEREOF, the parties have caused this agreement to be executed by their duly authorized representatives, as of the day and year first above written.

**TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION**

By Paul Thompson
Title: Executive Vice President and General Manager

TENNESSEE VALLEY AUTHORITY

By Caroline G. Heron
General Manager, Contracts and Pricing
Customer Service and Marketing

**FIRM POWER AND FPI
POWER SUPPLY CONTRACT**

Date: December 13, 2004 of the Contract No. 00040622

THIS CONTRACT is made and entered into by and among the following parties:

COMPANY: A. O. SMITH ELECTRICAL PRODUCTS COMPANY, a division of
A. O. Smith Corporation
Legal Status: a corporation created and existing under and by virtue of the laws of
the State of Delaware
Mail Notices
to: Plant Engineer
at: A. O. Smith Electrical Products Company, 636 Holt Drive
Scottsville, Kentucky 42164
Telephone numbers for suspension notices: (270) 237-5060 is the number of the
dedicated line designated in accordance with subsection 6.3.3 below. Suspension
notices may also be given to (270) 618-0074, (270) 991-0975, and (270) 618-5516.

DISTRIBUTOR: TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION
Legal Status: a cooperative corporation created and existing under and by virtue of
the laws of the State of Tennessee
Mail Notices
to: Executive Vice President and General Manager
at: Tri-County Electric Membership Corporation, Post Office Box 40
Lafayette, Tennessee 37083-0040

TVA: TENNESSEE VALLEY AUTHORITY
Legal Status: a corporation created and existing under and by virtue of the
Tennessee Valley Authority Act of 1933, as amended (TVA Act)
Mail Notices
to: Executive Vice President, Customer Service and Marketing
at: Tennessee Valley Authority, Post Office Box 292409
Nashville, Tennessee 37229-2409

W I T N E S S E T H:

WHEREAS, Distributor purchases power from TVA for resale under Power
Contract TV-52337A, dated July 18, 1979, as amended; and

WHEREAS, Company has been purchasing power from Distributor under
Power Supply Contract 00027235, dated July 13, 2003, (2003 Contract), for the
operation of Company's motor manufacturing plant near Scottsville, Kentucky; and

WHEREAS, the parties wish to replace the 2003 Contract with a new contract under which specified amounts of firm power and Flat Price Interruptible Power (FPI) will be made available by Distributor to Company,

NOW, THEREFORE, for and in consideration of the premises and of the mutual agreements set forth below, and subject to the provisions of the TVA Act, the parties mutually agree as follows and enter into this contract consisting of the Articles and contract attachments listed in Article I below:

and the following:

1. COMPANY, a corporation organized under the laws of the State of Tennessee, with its principal office at 1000 North Main Street, Knoxville, Tennessee 37902, and its principal business office at 1000 North Main Street, Knoxville, Tennessee 37902, is hereby admitted to the membership of the Tennessee Electric Power Corporation (TEPCO) and shall be entitled to all the rights and privileges of membership therein.

2. COMPANY, a corporation organized under the laws of the State of Tennessee, with its principal office at 1000 North Main Street, Knoxville, Tennessee 37902, and its principal business office at 1000 North Main Street, Knoxville, Tennessee 37902, is hereby admitted to the membership of the Tennessee Electric Power Corporation (TEPCO) and shall be entitled to all the rights and privileges of membership therein.

3. COMPANY, a corporation organized under the laws of the State of Tennessee, with its principal office at 1000 North Main Street, Knoxville, Tennessee 37902, and its principal business office at 1000 North Main Street, Knoxville, Tennessee 37902, is hereby admitted to the membership of the Tennessee Electric Power Corporation (TEPCO) and shall be entitled to all the rights and privileges of membership therein.

4. COMPANY, a corporation organized under the laws of the State of Tennessee, with its principal office at 1000 North Main Street, Knoxville, Tennessee 37902, and its principal business office at 1000 North Main Street, Knoxville, Tennessee 37902, is hereby admitted to the membership of the Tennessee Electric Power Corporation (TEPCO) and shall be entitled to all the rights and privileges of membership therein.

5. COMPANY, a corporation organized under the laws of the State of Tennessee, with its principal office at 1000 North Main Street, Knoxville, Tennessee 37902, and its principal business office at 1000 North Main Street, Knoxville, Tennessee 37902, is hereby admitted to the membership of the Tennessee Electric Power Corporation (TEPCO) and shall be entitled to all the rights and privileges of membership therein.

ARTICLE I

1.01. This contract shall be governed by the laws of the State of Tennessee.

1.02. This contract shall be subject to the provisions of the Tennessee Valley Authority Act of 1933, as amended.

1.03. This contract shall be subject to the provisions of the Tennessee Valley Authority Act of 1933, as amended.

1.04. This contract shall be subject to the provisions of the Tennessee Valley Authority Act of 1933, as amended.

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CONTRACT CONTENTS

ARTICLE I

CONTRACT CONTENTS

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ARTICLE II DEFINITIONS

SECTION 2.1 - METER-READING TIME

"Meter-Reading Time" for any calendar month shall mean 0000 hours CST or CDT, whichever is currently effective, on the date specified in section 3.6 below, except that Distributor, after first obtaining TVA's concurrence, may change the time and date of the meter reading upon notice to Company and TVA.

SECTION 2.2 - FIRM CONTRACT DEMAND

"Firm Contract Demand" shall mean the amount of firm power made available under this contract.

SECTION 2.3 - BILLING PERIOD

"Billing Period" shall mean the period of time from the Meter-Reading Time in one calendar month to the Meter-Reading Time in the next calendar month used to determine the power and energy amounts for which Company is to be billed.

SECTION 2.4 - TOTAL DEMAND

"Total Demand" for each clock half-hour shall be the average amount during that half-hour of Company's load measured in kW.

SECTION 2.5 - RATE SCHEDULE

"Rate Schedule" shall mean the rate schedule attached to and made a part of this contract, as it may be modified, changed, replaced, or adjusted from time to time as provided under contractual arrangements between Distributor and TVA; provided, however, that effective with the Billing Period following any termination of the provisions of this contract covering the availability and supply of the total amount of FPI under any provision of this contract:

- (a) Rate Schedule shall mean the rate schedule (as modified, changed, replaced, or adjusted from time to time) applicable for service by Distributor to a customer with a contract demand equal to the Firm Contract Demand; and
- (b) Company shall be billed for firm power as provided for in that schedule, without regard to the provisions of section 5.1 and subsections 5.2.2, 5.2.3, 5.2.4, and 5.2.5 below.

SECTION 2.6 - FPI DEMAND

"FPI Demand" for any clock half-hour shall be the amount (up to and including the kW amount of FPI available in that half-hour), if any, by which the Total Demand for that half-hour exceeds the Firm Contract Demand.

SECTION 2.7 - EXCESS DEMAND

"Excess Demand" for any clock half-hour shall be the amount, if any, by which the Total Demand for that half-hour exceeds the aggregate amount of (a) the Firm Contract Demand and (b) the FPI Demand for that clock half-hour.

SECTION 2.8 - DEMAND RATCHET

"Demand Ratchet" shall mean the exception language set out in the section headed "Determination of Demand" of the Rate Schedule which establishes the level below which billing demand cannot fall.

SECTION 2.9 - 5-MINUTE PERIOD

"5-Minute Period" for any clock hour shall mean the first 5-consecutive-minute clock interval measured from the beginning of that hour and each 5-consecutive-minute clock interval thereafter in that hour.

SECTION 2.10 - SYSTEM

"System" shall mean the computer-based information system or other information system designated by TVA under Article VI of this contract.

SECTION 2.11 - PROPRIETARY INFORMATION

"Proprietary Information" shall mean any and all information related to projected forecasts of TVA's power system operations and other forecasts relative to potential suspensions of FPI disclosed by TVA to Company whether via the System or otherwise.

ARTICLE III
POWER AVAILABILITY, DELIVERY, AND CONTRACT TERM

SECTION 3.1 - AVAILABILITY OF POWER

Subject to the other provisions of this contract, including Distributor's General Power Rate--Schedule MSB:

(a) Distributor shall make available firm power to Company in the amount of the Firm Contract Demand specified in 3.2 below, and

(b) in addition to firm power, Distributor shall make available FPI in such amounts as TVA, in its judgment, is able to supply, up to and including the kW amount specified in 3.3 below.

SECTION 3.2 - FIRM CONTRACT DEMAND

0 kW Firm Contract Demand

SECTION 3.3 - FPI AVAILABILITY

7,250 kW of FPI

SECTION 3.4 - DELIVERY VOLTAGE

12,470 volts shall be the nominal delivery voltage for power made available under this contract, and such power shall be delivered at said nominal voltage, subject to the provisions of subsection 1.1 of the Terms and Conditions attached to this contract.

SECTION 3.5 - DELIVERY POINT

The point of delivery for power and energy made available under this contract shall be the point of interconnection between:

- (a) Customer's 12.47-kV facilities
- and
- (b) Distributor's 12.47-kV facilities.

SECTION 3.6 - EFFECTIVE DATE AND TERM

Effective Date: December 13, 2004

Final Billing Period: December 2009

For any calendar month, the Meter-Reading Time will be on:

- the 13th day of that month
- the first day of the following month

This contract shall become effective as of 0000 hours CST or CDT, whichever is currently effective, on said Effective Date. Except as otherwise provided, it shall continue in effect through the Meter-Reading Time for said final Billing Period, which shall be the first Meter-Reading Time that falls at least 5 years after the Effective Date.

ARTICLE IV
CONTRACT TERMINATION

This contract may be terminated:

- (a) by any party at any time upon at least 24 months' written notice, or
- (b) as provided in Article VI of this contract.

Further, it is also expressly recognized that this contract may be terminated by Distributor, or power supply from Distributor under this contract may be suspended; in accordance with the Rules and Regulations of Distributor.

ARTICLE V
BILLING PROVISIONS AND RATES

SECTION 5.1 - DETERMINATION OF BILLING AMOUNTS

For purposes of applying the charges for power and energy provided for by the Rate Schedule, power and energy billing amounts shall be determined as follows:

5.1.1 Billing Demand. The highest Total Demand in a Billing Period shall be the billing demand; provided, however, that the billing demand shall in no case be less than the amount calculated under the Demand Ratchet.

5.1.2 Energy. The total metered energy for a Billing Period shall be used for the purpose of applying the energy charge set out in the "Base Charges" section of the Rate Schedule. It is expressly recognized that this total metered energy amount will include the energy associated with all FPI Demands and any Excess Demands.

SECTION 5.2 - RATES

5.2.1 Monthly Payment of Charges. Company shall pay Distributor monthly for power and energy available under this contract. Each and every charge and payment provided for under this contract shall be separate and cumulative and except as otherwise provided shall be in accordance with the rates and provisions of the Rate Schedule.

5.2.2 Base Charges. For purposes of applying the charges set out in the section headed "Base Charges" of the Rate Schedule, if this section provides for an additional amount to be applied as a part of the demand charge to each kW "by which the customer's billing demand exceeds its contract demand," for purposes of this contract, this additional amount shall be applied to each kW of Company's highest Excess Demand established during a Billing Period.

5.2.3 FPI Credits. Notwithstanding 5.2.2 above:

(a) a monthly credit calculated under section 6.2 below based on Company's highest FPI Demand shall be applied to reduce Company's bill, and

(b) for any Billing Period during which Company fails to suspend its FPI in accordance with the requirements of this contract, Company's bill shall be increased by the applicable credit reduction charge provided for in said section 6.2.

5.2.4 Facilities Rental Charge. For purposes of applying the facilities rental charges provided for in the section headed "Facilities Rental Charge" of the Rate Schedule:

(a) the words "highest billing demand" shall be deemed to refer to the highest Total Demand, and

(b) the words "contract demand" shall be deemed to refer to the sum of (i) the Firm Contract Demand and (ii) the kW amount of FPI made available under this contract.

(It is recognized that said facilities rental charges will only be applicable if the delivery voltage provided for in this contract is not 161 kV or higher.)

5.2.5 Minimum Bill. In calculating the minimum monthly bill as provided for in the section headed "Minimum Bill" of the Rate Schedule:

(a) the base demand charge, as adjusted, referred to in item 2 shall be applied to the billing demand,

(b) the base energy charge, as adjusted, referred to in item 3 shall be applied to the total metered energy, and

(c) any applicable credits and charges referenced in 5.2.3 above shall be applied as provided for in section 6.2 below.

5.2.6 Conflicts. In the event of any conflict between the Rate Schedule and the body of this contract or the attached Terms and Conditions, either the body of this contract or the Terms and Conditions, as the case may be, shall control.

(c) In the event of any conflict between the Rate Schedule and the body of this contract or the attached Terms and Conditions, either the body of this contract or the Terms and Conditions, as the case may be, shall control.

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ARTICLE VI
FPI PROVISIONS

SECTION 6.1 - ADMINISTRATIVE COSTS CHARGE

To help recover administrative and other costs of making FPI available (Administrative Costs), Distributor's monthly power invoice to Company shall include, and Company shall pay, a monthly Administrative Costs Charge (currently \$700 for the first meter and \$50 for each additional meter at the delivery point identified in section 3.5 above). This charge shall be due and payable each month on the due date for the monthly power invoice. Not more frequently than annually, by at least 60 days' written notice to Company, TVA may increase or decrease the Administrative Costs Charge to reflect changes in TVA's or Distributor's Administrative Costs.

SECTION 6.2 - FPI CREDIT

6.2.1 Credit Amount. A credit of \$3.40 per kW of the highest FPI Demand established each month shall be applied to Company's bill.

6.2.2 Credit Reduction Charge: In each Billing Period during which Company fails to suspend its FPI takings as required under 6.3 below, a charge (Credit Reduction Charge) shall be applied to Company's bill in an amount equal to the sum of (a) and (b) below.

(a) \$3.40 per kW shall be applied to the highest kW amount (up to and including the kW amount of FPI availability specified in section 3.3 above) by which Company's average load exceeds its Firm Contract Demand during any 5-Minute Period of any suspension period in the Billing Period.

(b) For each suspension period in the Billing Period, \$3.40 per kW shall be applied to the kW amount equal to the sum of

(i) the highest kW amount (up to and including the kW amount of FPI availability specified in section 3.3 above) by which Company's average load during any 5-Minute Period of the suspension period exceeds its Firm Contract Demand and

(ii) the average kW amount (up to and including the kW amount of FPI availability specified in section 3.3 above) by which Company's average load during each 5-Minute Period of the suspension period exceeds its Firm Contract Demand.

It is expressly recognized that application of the Credit Reduction Charge shall be without prejudice to any other rights of Distributor or TVA which may arise due to any failure by Company to comply with an FPI suspension.

6.2.3 Adjustments. (a) Not more frequently than annually, by at least 60 days' written notice to Company, TVA may adjust:

(i) the credit amount provided for in 6.2.1 above,
(ii) the amount of the Credit Reduction Charge provided for in 6.2.2 above, or
(iii) both said credit amount and said Credit Reduction Charge,
to assure TVA of such cost recovery as the TVA Board determines to be necessary
to meet the then-existing circumstances; provided, however, that any such adjusted
amounts shall be applied to all customers to which FPI is made available.

(b) In the event that any annual decrease in the credit under (a)(i) above is more
than 12 percent, Company may terminate the provisions of this contract covering
the availability and supply of the total amount of FPI upon at least 15 days' written
notice to TVA prior to the effective date of such decrease.

(c) In the event that Company terminates the availability of FPI under (b) above,
Company will be allowed to replace such FPI by contracting for an equal amount of
any other type of power available at that time, subject to Distributor's and TVA's
standard terms and provisions then applicable for that type of power. It is expressly
recognized and agreed that while the provisions of this item (c) set forth a right of
Company to contract for replacement power:

(i) Company may elect to terminate FPI availability under (b) above without also
contracting for replacement power under this item (c), and

(ii) nothing in this item (c) shall be construed to obligate Company to so
contract with Distributor for any such replacement power.

SECTION 6.3 - SUSPENSIONS OF FPI AVAILABILITY

6.3.1 FPI Subject to Suspension by Notice. TVA may, at any time and from time to
time, suspend the availability of FPI upon 5 minutes' notice to Company. Any such
suspension shall become effective, and Company shall cease taking FPI, at the
expiration of the 5 minute notice period. Notwithstanding anything which may be
construed to the contrary, the availability of FPI remains at all times subject to the
provisions of the Terms and Conditions to this contract covering interference with
availability or use of power.

6.3.2 Suspension Periods. For billing purposes, each period of suspension shall
begin when the suspension becomes effective and shall end at the time notice is
given of the restoration of the availability of FPI; provided, however, that if such
notice is not given before the end of the Billing Period in which the suspension
period began, the suspension shall be deemed to end at the end of the Billing
Period and a new period of suspension shall be deemed to begin at the start of the
next Billing Period and continue until the time notice is given of the restoration of the
availability of FPI.

6.3.3 Telephone Line for Suspension Notices. Company shall at all times maintain,
in accordance with guidelines furnished or approved by TVA, a telephone line (or an

alternative system approved by TVA) dedicated to the receipt of notices under this paragraph. Such notices may be oral but shall be confirmed in writing.

SECTION 6.4 – POWER SYSTEM INFORMATION

(a) For Company's convenience, TVA may from time to time endeavor to provide Company with information related to projected forecasts of TVA's power system operations and other forecasts relative to potential suspensions of FPI availability via a System designated by TVA for obtaining access to such information or via other means. The System will be owned, operated, and maintained by TVA.

(b) For Company's access to the System, Company shall provide, at its expense, such software, hardware, or other equipment as may be necessary. In addition, Company shall be responsible for any telephone or other communications charges incurred in connecting to the System in the manner designated by TVA. Company shall access the System only in accordance with guidelines furnished or approved by TVA and shall use the System only in connection with obtaining information about FPI under this contract.

(c) Nothing in this section 6.4 shall restrict or limit TVA's right to suspend FPI provided for in section 6.3 above and TVA may suspend FPI under said section 6.3 without regard to whether or not a potential suspension has been projected. Further, the failure or inability for any reason of Company to access information about a potential suspension, through the System or otherwise, shall not alter Company's obligation to comply with any suspension of FPI.

(d) Neither Distributor nor TVA makes any statement, representation, claim, guarantee, assurance, or warranty of any kind whatsoever, including, but not limited to, representations or warranties, express or implied, of merchantability, fitness for a particular use or purpose, accuracy, or completeness, of any estimates, information, service, or equipment furnished or made available to Company under this section 6.4. Company hereby waives, and releases Distributor, the United States of America, TVA, and their directors, officers, agents, and employees from any and all claims, demands, or causes of action, including, without limitation, consequential damages, arising out of or in any way connected with any estimates, information, service, or equipment furnished or made available under this section.

SECTION 6.5 - TERMINATION OF FPI AVAILABILITY

It is recognized that the provisions of 6.3 above are the essence of this contract. It is accordingly expressly agreed that Distributor or TVA may terminate the provisions of this contract covering the availability and supply of the total amount of FPI at any time upon at least 7 days' written notice if Company (1) fails to cease taking FPI within the specified time period after receipt of a notice under 6.3, (2) fails to respond properly to a test of any system that would be utilized by TVA to suspend FPI in accordance with 6.3, or (3) fails to be ready and able at all times (a) to receive suspension notices under 6.3 and (b) to respond to those notices by ceasing its FPI takings within the specified time period.

ARTICLE VII

CONFIDENTIALITY PROVISIONS

SECTION 7.1 - CONFIDENTIALITY OF PROPRIETARY INFORMATION

As a condition of access to the System and in consideration of TVA's making Proprietary Information available to Company:

(a) except as may be required by law, Company agrees not to divulge Proprietary Information to third parties without the written consent of TVA, and

(b) Company further agrees not to use the Proprietary Information disclosed to it by TVA (i) to compete with TVA or (ii) for any purpose other than those set forth in Article VI of this contract and for otherwise planning Company's utilization of FPI;

provided, however, that it is expressly recognized and agreed that nothing herein shall be construed to prohibit Company from disclosing Proprietary Information to directors, officers, agents, and employees of Company who have a need to know such information for the purposes provided for hereunder, so long as the compliance of such directors, officers, agents, and employees is secured as required by the last paragraph of this section 7.1.

Company shall afford Proprietary Information the same security and care in handling and storage as Company provides for its own confidential or proprietary information and data. TVA makes no representations or warranties to Company concerning the Proprietary Information made available. TVA shall have no obligation or liability to Company for or as a result of the furnishing of any Proprietary Information. Company agrees that if it elects to rely on any of the information, it does so at its sole risk.

Company's obligations with respect to Proprietary Information shall inure to the benefit of, and shall be binding upon, Company and TVA, and, as applicable, their respective subsidiaries, successors and assigns. In addition, Company's obligations with respect to Proprietary Information shall be binding upon any and all directors, officers, attorneys, agents, and employees of Company and Company shall secure the compliance by all of the foregoing with all of the terms and conditions of obligations with respect to Proprietary Information required to be observed or performed hereunder.

SECTION 7.2 - DISCLOSURES TO COMPANY CONTRACTORS

Notwithstanding 7.1 above, Company may disclose, after having given TVA written notice five working days before the disclosure, Proprietary Information to its contractors so long as the disclosure (a) is not to a competitor of TVA, (b) is made subject to a nondisclosure agreement entered into by Company's contractor and those employees of the contractor who will have access to the Proprietary Information, which agreement is subject to TVA's approval, (c) is made solely on a "need to know" basis, (d) is made subject to a restriction that Company's contractor and the contractor's employees use the Proprietary Information solely in performing work for Company in connection with Company's use of FPI, and (e) is made subject to the requirement that all copies of the Proprietary Information be returned to Company upon conclusion of the contractor's

work for Company. Company will make reasonable efforts (consistent, however, with its requirements) to minimize the amount of any such information disclosed to its contractors.

SECTION 7.3 - DISCLOSURES REQUIRED BY LAW

In the event that Company is legally required to disclose any Proprietary Information to others, Company shall endeavor to secure the agreement of such other party to maintain the information in confidence. In the event that Company is unable to secure such agreement, Company shall notify TVA with reasonable promptness so that TVA may join Company in the pursuit of such an agreement of confidence, work with such other party to revise the information in a manner consistent with its interests and the interests of the other party, or take any other action it deems appropriate.

SECTION 7.4 - INJUNCTIVE RELIEF

It is acknowledged that money damages may be an inadequate remedy for breach of Company's obligations with respect to Proprietary Information. Accordingly, without waiving any right not expressly waived by this sentence, Company agrees in advance to the granting of injunctive or other equitable relief in favor of TVA if TVA can make each and every showing required for such injunctive or equitable relief, except that TVA need not demonstrate that it suffered actual monetary damages before being entitled to injunctive or equitable relief.

SECTION 7.5 - TERM OF ARTICLE VII OBLIGATIONS

The obligations of Company under this Article VII shall terminate if and when, but only to the extent that, such Proprietary Information (a) is or shall become publicly known through no fault of Company, (b) is in Company's possession as supported by written records prior to receipt of said Proprietary Information from TVA, or (c) is disclosed to Company by a third party who is legally free to disclose such Proprietary Information. Accordingly, it is expressly recognized and agreed that the obligations of the parties under this Article VII shall survive any expiration or termination of this contract until all of Company's obligations with respect to any Proprietary Information so terminate.

ARTICLE VIII
MISCELLANEOUS PROVISIONS

SECTION 8.1 - NOTICES

8.1.1 Persons to Receive Notice. Any notice required by this contract shall be deemed properly given if mailed, postage prepaid, to the persons specified at the beginning of this contract for each party.

8.1.2 Certain Notices May Be Oral. Notices between the authorized operating representatives of the parties may be oral, except for notice of termination under Articles IV or VI of this contract, which must be in writing. Notices that may be oral shall be confirmed in writing.

8.1.3 Changes in Persons to Receive Notice. The designation of the person to be so notified, or the address of such person, may be changed at any time and from time to time by any party by similar notice.

SECTION 8.2 - INCORPORATION OF TERMS AND CONDITIONS

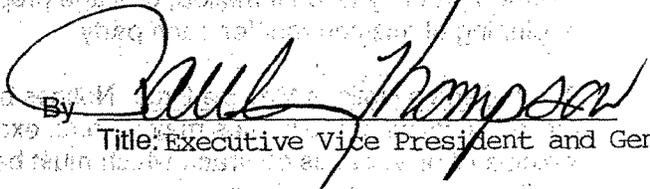
The attached Terms and Conditions are made a part of this contract; provided, however, that the provisions of subsection 4.3 of the Terms and Conditions shall be of no force and effect. In the event of any conflict between the body of this contract and the Terms and Conditions, the former shall control.

SECTION 8.3 - PREVIOUS ARRANGEMENTS

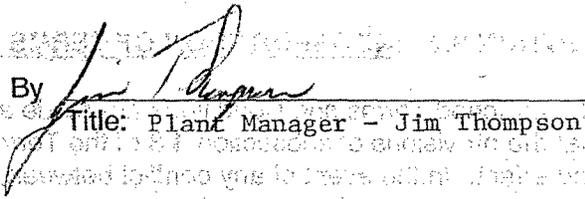
The 2003 Contract is hereby terminated as of the Effective Date of this contract.

IN WITNESS WHEREOF, the parties have caused this contract to be executed by their duly authorized representatives, as of the day and year first above written.

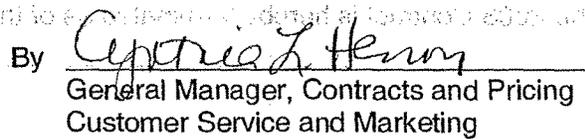
**TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION**

By 
Title: Executive Vice President and General Manager

**A. O. SMITH ELECTRICAL
PRODUCTS COMPANY**

By 
Title: Plant Manager - Jim Thompson

TENNESSEE VALLEY AUTHORITY

By 
General Manager, Contracts and Pricing
Customer Service and Marketing

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

MANUFACTURING SERVICE RATE--SCHEDULE MSB

(October 2003)*

Availability

This rate shall apply to the firm electric power requirements where (a) a customer's currently effective contract demand is greater than 5,000 kW but not more than 15,000 kW and (b) the major use of electricity is for activities conducted at the delivery point serving that customer which are classified with a 2-digit Standard Industrial Classification Code between 20 and 39, inclusive.

Prior to initially taking any service under this schedule, and from time to time thereafter as may be required by Distributor or the Tennessee Valley Authority (TVA), a customer shall certify to both Distributor and TVA that it meets the requirements set forth in condition (b) above. The certification form to be used shall be (i) furnished or approved by TVA, (ii) provided by Distributor to the customer, and (iii) signed and promptly returned by the customer to Distributor. Further, such customer shall promptly certify any change in the status of any of the information contained in the certification form to Distributor.

Service during any period for which a customer does not meet the eligibility requirements set forth in condition (b) above will be made available by Distributor under, and billed in accordance with, the applicable General Power schedule.

Character of Service

Alternating current, single- or three-phase, 60 hertz. Power shall be delivered at a transmission voltage of 161 kV or, if such transmission voltage is not available, at the highest voltage available in the vicinity, unless at the customer's request a lower standard voltage is agreed upon.

Base Charges

1. If the customer's metered demand for the month is not more than 5,000 kW:
 - Customer Charge: \$1,500 per delivery point per month
 - Demand Charge: \$10.01 per kW of billing demand per month, plus an additional \$10.01 per kW per month for each kW, if any, of the amount by which the customer's billing demand exceeds its contract demand
 - Energy Charge: 2.584¢ per kWh for up to 620 hours use of metered demand per month
2.109¢ per kWh for all additional kWh per month
2. If the customer's metered demand for the month is greater than 5,000 kW:
 - Customer Charge: \$1,500 per delivery point per month

* Incorporates adjustments set out in October 2003 Adjustment Addendum (Environmental Adjustment)

Demand Charge: \$9.51 per kW of billing demand per month, plus an additional \$9.51 per kW per month for each kW, if any, of the amount by which the customer's billing demand exceeds its contract demand

Energy Charge: 2.454¢ per kWh for up to 620 hours use of metered demand per month
2.003¢ per kWh for all additional kWh per month

Adjustment

The base demand and energy charges shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA. (In addition, such charges shall be increased or decreased to correspond to increases or decreases determined by TVA under Adjustment 2 or Adjustment 4 of the wholesale power rate schedule applicable under contractual arrangements between TVA and Distributor.)

Facilities Rental Charge

There shall be no facilities rental charge under this rate schedule for delivery at bulk transmission voltage levels of 161 kV or higher. For delivery at less than 161 kV, there shall be added to the customer's bill a facilities rental charge. This charge shall be 36¢ per kW per month except for delivery at voltages below 46 kV, in which case the charge shall be 93¢ per kW per month for the first 10,000 kW and 73¢ per kW per month for the excess over 10,000 kW. Such charge shall be applied to the higher of (1) the highest billing demand established during the latest 12-consecutive-month period or (2) the customer's currently effective contract demand and shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Reactive Demand Charges

If the reactive demand (in kVAR) is lagging during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's highest metered demand occurs, there shall be added to the customer's bill a reactive charge of \$1.46 per kVAR of the amount, if any, by which the reactive demand exceeds 33 percent of such metered demand. If the reactive demand (in kVAR) is leading during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's lowest metered demand (excluding any metered demands which are less than 25 percent of the highest metered demand) occurs, there shall be added to the customer's bill a reactive charge of \$1.14 per kVAR of the amount of reactive demand. Such charges shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Determination of Demand

Distributor shall meter the demands in kW of all customers served under this rate schedule. The metered demand for any month shall be the highest average during any 30-consecutive-minute period beginning or ending on a clock hour of the month of the load metered in kW, and such amount shall be used as the billing demand, except that the billing demand for any month shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW and (2) 40 percent of any kW in excess of 5,000 kW of the higher of the currently effective contract demand or the highest billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule, excluding any facilities rental charges and any reactive charges, shall not be less than the sum of (1) the base customer charge, (2) the base demand charge, as adjusted (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applied to the customer's billing demand, and (3) the base energy charge, as adjusted, applied to the customer's energy takings.

Distributor may require minimum bills higher than those stated above.

Contract Requirement

Distributor shall require contracts for all service provided under this rate schedule. The contract shall be for an initial term of at least 5 years and any renewals or extensions of the initial contract shall be for a term of at least 1 year; after 10 years of service, any such contract for the renewal or extension of service may provide for termination upon not less than 4 months' notice. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and Distributor shall not be obligated to supply power in greater amount at any time than the customer's currently effective contract demand. If the customer uses any power other than that supplied by Distributor under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as provided under the power contract between Distributor and TVA.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

Single-Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and metering point, and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery and metering point and at each different voltage shall be separately metered and billed.

Service is subject to Rules and Regulations of Distributor.

TERMS AND CONDITIONS

SECTION 1 - CONDITIONS OF DELIVERY

1.1 Delivery Voltage and Frequency

The power made available at the delivery point specified in this contract shall be in the form of 3-phase alternating current and at a frequency of approximately 60 hertz. Except for temporary periods of abnormal operating conditions, voltage variations shall not exceed 7 percent up or down from a normal voltage to be determined from operating experience. Maintenance by Distributor at the point of delivery of the above-stated frequency and voltage within the above-stated limits shall constitute availability of power for purposes of this contract.

1.2 Protective Equipment

Neither Distributor nor TVA shall be obligated to provide equipment for the protection of Company's lines, facilities, or equipment; but Distributor or TVA, as the case may be, may provide such protective equipment as it deems necessary for the protection of its own property and operations. The electrical equipment installed by Company shall, in Distributor's and TVA's judgment, be capable of satisfactory coordination with any protective equipment installed by Distributor or TVA. Company shall exercise all reasonable precautions and install all equipment necessary to limit its Total Demand to the amount to which it is entitled under this contract.

1.3 Phase Balancing

Company shall endeavor to take and use power and energy in such manner that the current will be reasonably balanced on the three phases. In the event that any check indicates that the current on the most heavily loaded phase exceeds the current on either of the other phases by more than 20 percent, Company shall make at its expense, upon request, the changes necessary to correct the unbalanced condition. If an unbalanced condition is not corrected within 60 days, or such other period as may be agreed upon, Distributor may elect to meter the load on individual phases and compute the Total Demand as being equal to three times the maximum kW load on any phase. For all purposes under this contract, the load on any phase shall be the load measured by a wattmeter connected with its current coil in that phase wire and its potential coil connected between that phase wire and the neutral voltage point.

1.4 Interference With Availability of Power

The term "force majeure" shall be deemed to be a cause reasonably beyond the control of Distributor or TVA, such as, but without limitation to, injunction, administrative order, strike of employees, war, invasion, fire, accident, floods, backwater caused by floods, acts of God, or inability to obtain or ship essential services, materials, or equipment because of the effect of similar causes on

suppliers or carriers. Acts of God shall include without limitation the effects of drought if the drought is of such severity as to have a probability of occurrence not more often than an average of once in 40 years.

It is recognized by the parties that the availability of power to Company may be interrupted or curtailed from time to time during the term of this contract because of force majeure or otherwise. Company shall be solely responsible for providing and maintaining such equipment in its plant and such emergency operating procedures as may be required to safeguard persons on its property, its property, and its operations from the effects of such interruptions or curtailments. Company assumes all risk of loss, injury, or damage to Company resulting from such interruptions or curtailments.

SECTION 2 - METERING

2.1 Determination of Power and Energy

Distributor shall be responsible for the installation and maintenance of the meters and associated equipment which in Distributor's and TVA's judgment are needed to determine the amounts of power and energy used by Company. If the metering equipment is not located at the point of delivery defined in the contract, all amounts so metered shall be appropriately adjusted to reflect delivery at the point of delivery. (Company shall from time to time furnish loss data for any Company facilities as may be needed to allow Distributor or TVA to make such adjustments.) The amounts so metered, and so adjusted if appropriate, shall be the amounts used as the basis for billing, except as otherwise provided.

2.2 Telephone Circuit for Remote Access

It is recognized that remote telephone access to each meter is necessary to facilitate billing for FPI under this contract. Any telephone circuit or other equipment necessary for such access to a meter shall be installed by Distributor in accordance with guidelines and specifications furnished or approved by TVA. Company shall reimburse Distributor for the expenses incurred in installing and maintaining any necessary telephone circuit or other equipment and shall, if requested to do so, cooperate in the installation or maintenance of said circuit and equipment.

SECTION 3 - FACILITIES

Company grants to Distributor for its use and without cost to Distributor, such rights in, on, over, and across Company's property as may be necessary or desirable in connection with the installation, maintenance, operation, repair, and replacement of any electrical and metering facilities required to serve Company (including, without limitation, the metering facilities and telephone circuit provided for in section 2 above). Notwithstanding anything in this contract which might be construed to the contrary, any of the transmission facilities used in supplying power to Company under this contract may be used in serving other loads in any manner which Distributor may deem necessary or desirable.

SECTION 4 - RELATIONSHIP OF PARTIES

4.1 Company to Remain a Customer of Distributor

It is expressly recognized that Company remains a customer of Distributor and is not a directly served customer of TVA. TVA is a party to this contract only because of the unique nature of FPI. Distributor retains responsibility for all power service and customer relations matters except as provided otherwise with respect to FPI.

4.2 FPI Arrangements

In connection with the supply of FPI:

- (a) TVA may communicate directly with Company about power requirements and levels of operation,
- (b) Company may at any time communicate directly with TVA concerning matters relating to FPI,
- (c) TVA shall have sole responsibility for requiring reductions in availability of FPI, and
- (d) TVA shall have sole responsibility for maintenance of records of the status of the availability of FPI.

4.3 Effect of Termination of FPI

If the FPI Provisions are terminated under any provision of this contract, TVA shall cease to be a party to this contract and, from and after the date of such termination, it shall be deemed to be a contract between Distributor and Company.

SECTION 5 - RULES AND REGULATIONS

The power and energy made available to Company by Distributor under this contract shall be delivered, taken, and paid for in accordance with the terms of this contract and the Schedule of Rules and Regulations of Distributor (as amended, supplemented, or replaced). In the event of any conflict between the provisions of that Schedule and the other provisions of this contract, the latter shall control.

SECTION 6 - WAIVERS

A waiver of one or more defaults under this contract shall not be considered a waiver of any other or subsequent default.

SECTION 7 - SUCCESSORS AND ASSIGNS

This contract may be assigned by TVA or Distributor, but shall not be assignable by Company without written consent of Distributor and TVA except to a wholly owned subsidiary of Company or Company's successor by any bona fide merger, reorganization, or consolidation. In the event of any such assignment, the parties hereto shall remain liable for the faithful performance of this contract in all respects by their respective assigns, and such assigns by acceptance of such transfer or assignment shall likewise become bound for the full performance of this contract until its expiration.

SECTION 8 - DUPLICATE ORIGINALS

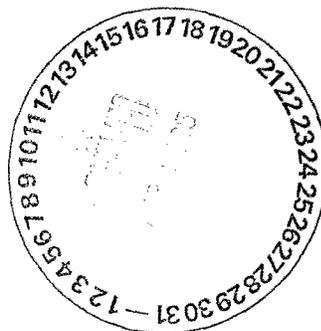
Any number of duplicate originals of this contract may be executed, and all such duplicates shall constitute but one and the same instrument.

[The following text is extremely faint and largely illegible, appearing to be bleed-through from the reverse side of the page. It contains several paragraphs of legal text, including what appears to be a section header "SECTION 9 - ..." and various clauses.]



Tennessee Valley Authority, 6845 Russellville Road, Bowling Green, Kentucky 42101-7319

04/13/2005
Laura,
Please file.



April 7, 2005

Thanks,
Paul

72

Mr. Paul Thompson
Executive Vice President and General Manager
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083

Dear Paul:

I have enclosed a fully executed original of the Bill of Sale and Agreement covering arrangements for TVA to purchase the Scottsville-South Scottsville 161 kV Section for TVA transmission system needs and for Tri-County EMC to continue to use the same. this document is for Tri-County's files.

After you have reviewed this document, if you have questions, please do not hesitate to call Hugh Meyer at (270) 846-7042.

Sincerely,

Myron N. Callaham

Myron N. Callaham
General Manager
Customer Service
Kentucky

Enclosure

BILL OF SALE AND AGREEMENT
Between
TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION
And
TENNESSEE VALLEY AUTHORITY

DATE: March 18, 2005

TV-52337A, Supp. No. 72
00037068

THIS AGREEMENT, made and entered into between TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION (Distributor), a cooperative corporation created and existing under and by virtue of the laws of the State of Tennessee, and TENNESSEE VALLEY AUTHORITY (TVA), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended;

W I T N E S S E T H:

WHEREAS, Distributor and TVA have entered into a contract dated July 18, 1979, as amended (Power Contract), under which Distributor purchases its entire requirements for electric power and energy from TVA for resale; and

WHEREAS, under Lease and Amendatory Agreement TV-21448A, Supplement No. 12, dated May 24, 1978, as amended (in particular by letter agreements dated September 27, 1979, and January 20, 1982) (1978 Agreement), Distributor purchased a section of TVA's Scottsville-Lafayette 69-kV Line and converted this section to 161-kV operation (the Scottsville-South Scottsville 161-kV Section); and

WHEREAS, Distributor uses the Scottsville-South Scottsville 161-kV Section for supply to its South Scottsville 161-kV Substation from the 161-kV delivery point at the 161-kV side of the Scottsville 161-kV Substation; and

WHEREAS, TVA wishes to purchase the Scottsville-South Scottsville 161-kV Section for TVA transmission system needs; and

WHEREAS, Distributor wishes to continue supply to its South Scottsville 161-kV Substation from the 161-kV delivery point at the 161-kV side of the Scottsville 161-kV Substation and to have such use of the Scottsville-South Scottsville 161-kV Section as may be needed for this; and

WHEREAS, the parties wish to amend and supplement the Power Contract and to enter into such other arrangements as are necessary to implement such a plan;

NOW, THEREFORE, for and in consideration of the premises and of the mutual agreements set forth below, and subject to the Tennessee Valley Authority Act of 1933, as amended, the parties mutually agree as follows:

SECTION 1 - LINE SECTION SALE AND PURCHASE

Effective as of July 1, 2004 (Sale Date) Distributor sells to TVA and TVA purchases for Seventy-eight Thousand Sixty-nine Dollars and Nine Cents (\$78,069.09) the following:

The Scottsville-South Scottsville 161-kV Section beginning at and including structure 1B (identified in TVA's records as TVA structure 217 at station 0+10) at the Scottsville 161-kV Substation and extending approximately 2.38 miles to and including structure 30 (identified in TVA's records as TVA structure 247 at station 125+50) at TVA's South Scottsville 161-kV Switching Station, including the structures, poles, anchors and guys, crossarms, insulators, pole hardware and fixtures, wires and conductors, all as shown on TVA drawing LW-2949, sheets 1 and 2

Upon payment by TVA to Distributor of the above-stated amount, the Scottsville-South Scottsville 161-kV Section becomes the property of TVA without further action by the parties. This sale of the Scottsville-South Scottsville 161-kV Section is made to TVA "as is," and Distributor makes no warranties of any kind whatsoever (including any warranty of merchantability), express or implied, as to same.

SECTION 2 - CONTINUATION OF SERVICE

On and after the Sale Date until the expiration of the Power Contract or any extension, renewal, or replacement of it (Use Period), TVA provides Distributor such use of the Scottsville-South Scottsville 161-kV Section as may be needed to continue supply to the South Scottsville 161-kV Substation from the 161-kV delivery point at the 161-kV side of the Scottsville 161-kV Substation. This use of the Scottsville-South Scottsville 161-kV Section is made available to Distributor "as is," and TVA makes no warranties of any kind whatsoever (including any warranty of merchantability), express or implied, as to same.

SECTION 3 - OPTION TO REACQUIRE LINE SECTION

During the Use Period if TVA determines it no longer needs the Scottsville-South Scottsville 161-kV Section, TVA shall offer to sell and Distributor may purchase the Scottsville-South Scottsville 161-kV Section at TVA's net book cost for the Scottsville-South Scottsville 161-kV Section under TVA's then standard transmission line sale arrangements as of the sale date.

SECTION 4 - AFFIRMATION OF AGREEMENT

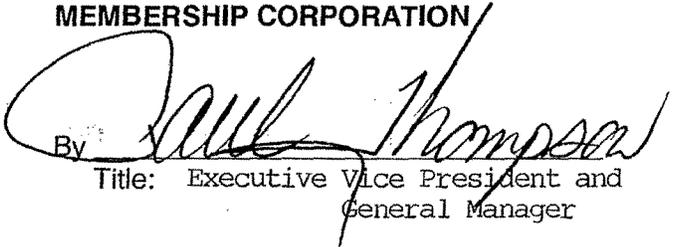
The 1978 Agreement, as amended by this agreement, shall be the continuing obligation of the parties.

SECTION 5 - AMENDMENTS

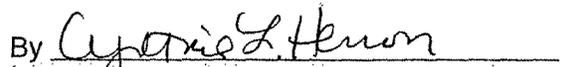
This agreement may be amended only by a writing signed by the parties.

IN WITNESS WHEREOF, the parties have caused this agreement to be executed by their duly authorized representatives, as of the day and year first above written.

**TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION**

By 
Title: Executive Vice President and
General Manager

TENNESSEE VALLEY AUTHORITY

By 
General Manager, Contracts and Pricing
Customer Service and Marketing

405 College Street
P. O. Box 40
Lafayette, TN 37083-0040

Tri-County
Electric
Membership Corporation
www.tcemc.org

Telephone: (615) 666-2111
Toll Free: 1-800-369-2111
Fax: (615) 688-2141

October 27, 2005

Mr. Myron N. Callahan
General Manager – Customer Service – Kentucky
Tennessee Valley Authority
6045 Russellville Road
Bowling Green, KY 42101-7319

RE: Resale Rate Schedule Substitution Agreement

Dear Myron:

Please find enclosed one (1) executed duplicate original of the above referenced Agreement (Reference TV-52337A, Supp. No. 73). We have kept a copy for our files.

If additional information is needed, please advise.

Sincerely,



PAUL THOMPSON
Executive Vice President and General Manager
Tri-County Electric Membership Corporation

Enclosures (1)

September 19, 2005

RESALE RATE SCHEDULE SUBSTITUTION AGREEMENT
Between
TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION (DISTRIBUTOR)
And
TENNESSEE VALLEY AUTHORITY (TVA)

Distributor and TVA agree to substitute the new resale rate schedules specified in (a) below, copies of which are attached, for the resale rate schedules specified in (b) below, which, as adjusted, are now in effect as a part of the Schedule of Rates and Charges attached to and made a part of the Power Contract, TV-52337A, dated July 18, 1979, as amended (Power Contract), between TVA and Distributor. This substitution is to be effective for all bills rendered from resale meter readings taken for revenue months of Distributor beginning with the October 2005 revenue month. It is expressly recognized that the adjustments set forth in the Adjustment Addendum to said Schedule of Rates and Charges dated October 1, 2005, shall continue to apply to the charges provided for by the attached schedules specified in (a) below.

(a) New resale rate schedules:

General Power Rate--Schedule GSC (October 2005)

Time-of-Day General Power Rate--Schedule TGSC (October 2005)

(b) Existing resale rate schedules:

General Power Rate--Schedule GSC (October 2003)

Time-of-Day General Power Rate--Schedule TGSC (October 2003)

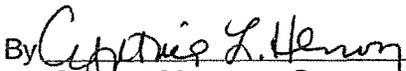
It is understood that, upon execution of this agreement by TVA and Distributor, all references in the Power Contract to the existing resale rate schedules specified in (b) above, or to any predecessor schedules, shall be deemed to refer to the appropriate new resale rate schedules specified in (a) above.

**TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION**

By  _____
Title

Rate schedule substitution agreed to as of
the date first above written.

TENNESSEE VALLEY AUTHORITY

By  _____
General Manager, Contracts and Pricing
Customer Service and Marketing

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

GENERAL POWER RATE--SCHEDULE GSC

(October 2005)

Availability

This rate shall apply to the firm electric power requirements where a customer's currently effective contract demand is greater than 15,000 kW but not more than 25,000 kW.

Character of Service

Alternating current, single- or three-phase, 60 hertz. Power shall be delivered at a transmission voltage of 161 kV or, if such transmission voltage is not available, at the highest voltage available in the vicinity, unless at the customer's request a lower standard voltage is agreed upon.

Base Charges

Customer Charge:	\$1,500 per delivery point per month
Demand Charge:	\$10.97 per kW of billing demand per month, plus an additional \$10.97 per kW per month for each kW, if any, of the amount by which the customer's billing demand exceeds its contract demand
Energy Charge:	2.860¢ per kWh for up to 620 hours use of metered demand per month 2.334¢ per kWh for all additional kWh per month

Adjustment

The base demand and energy charges shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA. (In addition, such charges shall be increased or decreased to correspond to increases or decreases determined by TVA under Adjustment 2 or Adjustment 4 of the wholesale power rate schedule applicable under contractual arrangements between TVA and Distributor.)

Facilities Rental Charge

There shall be no facilities rental charge under this rate schedule for delivery at bulk transmission voltage levels of 161 kV or higher. For delivery at less than 161 kV, there shall be added to the customer's bill a facilities rental charge. This charge shall be 36¢ per kW per month except for delivery at voltages below 46 kV, in which case the charge shall be 93¢ per kW per month for the first 10,000 kW and 73¢ per kW per month for the excess over 10,000 kW. Such charge shall be applied to the higher of (1) the highest billing demand established during the latest 12-consecutive-month period or (2) the customer's currently effective contract demand and shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Reactive Demand Charges

If the reactive demand (in kVAR) is lagging during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's highest metered demand occurs, there shall be added to the customer's bill a reactive charge of \$1.46 per kVAR of the amount, if any, by which the reactive demand exceeds 33 percent of such metered demand. If the reactive demand (in kVAR) is leading during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's lowest metered demand (excluding any metered demands which are less than 25 percent of the highest metered demand) occurs, there shall be added to the customer's bill a reactive charge of \$1.14 per kVAR of the amount of reactive demand. Such charges shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Determination of Demand

Distributor shall meter the demands in kW of all customers served under this rate schedule. The metered demand for any month shall be the highest average during any 30-consecutive-minute period beginning or ending on a clock hour of the month of the load metered in kW, and such amount shall be used as the billing demand, except that the billing demand for any month shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW, (2) 40 percent of the next 20,000 kW, and (3) 50 percent of any kW in excess of 25,000 kW of the higher of the currently effective contract demand or the highest billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule, excluding any facilities rental charges and any reactive charges, shall not be less than the sum of (1) the base customer charge, (2) the base demand charge, as adjusted (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applied to the customer's billing demand, and (3) the base energy charge, as adjusted, applied to the customer's energy takings.

Distributor may require minimum bills higher than those stated above.

Contract Requirement

Distributor shall require contracts for all service provided under this rate schedule. The contract shall be for an initial term of at least 5 years and any renewals or extensions of the initial contract shall be for a term of at least 1 year; after 10 years of service, any such contract for the renewal or extension of service may provide for termination upon not less than 4 months' notice. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and Distributor shall not be obligated to supply power in greater amount at any time than the customer's currently effective contract demand. If the customer uses any power other than that supplied by Distributor under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as provided under the power contract between Distributor and TVA.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

Single-Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and metering point, and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery and metering point and at each different voltage shall be separately metered and billed.

Service is subject to Rules and Regulations of Distributor.

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION
TIME-OF-DAY GENERAL POWER RATE--SCHEDULE TGSC
(October 2005)

Availability

This rate shall be available for the firm electric power requirements where the higher of a customer's currently effective onpeak or offpeak contract demand is greater than 15,000 kW but not more than 25,000 kW, provided that the other conditions of this section are met.

For a customer requesting that its onpeak contract demand be different from its offpeak contract demand, this schedule shall be available only for (1) a new contract, (2) a replacement or renewal contract following expiration of the existing contract, or (3) a replacement or renewal contract or an amended existing contract in which the customer is increasing its demand requirements above the existing contract demand level, but under this item (3) neither the new onpeak nor the new offpeak contract demand shall be lower than the customer's existing contract demand.

Character of Service

Alternating current, single- or three-phase, 60 hertz. Power shall be delivered at a transmission voltage of 161 kV or, if such transmission voltage is not available, at the highest voltage available in the vicinity, unless at the customer's request a lower standard voltage is agreed upon.

Base Charges

Customer Charge:	\$1,500 per delivery point per month
Demand Charge:	\$10.97 per kW per month of the customer's onpeak billing demand, plus \$1.89 per month for each kW, if any, of the amount by which the customer's offpeak billing demand exceeds its onpeak billing demand, plus an additional \$10.97 per kW per month for each kW, if any, of the amount by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher
Energy Charge:	3.851¢ per kWh per month for all onpeak kWh 2.274¢ per kWh per month for all offpeak kWh

Adjustment

The base demand and energy charges shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA. (In addition, such charges shall be increased or decreased to correspond to increases or decreases determined by TVA under Adjustment 2 or Adjustment 4 of the wholesale power rate schedule applicable under contractual arrangements between TVA and Distributor.)

Facilities Rental Charge

There shall be no facilities rental charge under this rate schedule for delivery at bulk transmission voltage levels of 161 kV or higher. For delivery at less than 161 kV, there shall be added to the customer's bill a facilities rental charge. This charge shall be 36¢ per kW per month except for delivery at voltages below 46 kV, in which case the charge shall be 93¢ per kW per month for the first 10,000 kW and 73¢ per kW per month for the excess over 10,000 kW. Such charge shall be applied to the highest of (1) the highest onpeak or offpeak billing demand established during the latest 12-consecutive-month period, (2) the customer's currently effective onpeak contract demand, or (3) the customer's currently effective offpeak contract demand and shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Reactive Demand Charges

If the reactive demand (in kVAR) is lagging during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's highest metered demand occurs, there shall be added to the customer's bill a reactive charge of \$1.46 per kVAR of the amount, if any, by which the reactive demand exceeds 33 percent of such metered demand. If the reactive demand (in kVAR) is leading during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's lowest metered demand (excluding any metered demands which are less than 25 percent of the highest metered demand) occurs, there shall be added to the customer's bill a reactive charge of \$1.14 per kVAR of the amount of reactive demand. Such charges shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Determination of Onpeak and Offpeak Hours

Except for Saturdays and Sundays and the weekdays that are observed as Federal holidays for New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day, onpeak hours for each day shall be 10 a.m. to 10 p.m. during calendar months of May through September and from 6 a.m. to 12 noon and from 4 p.m. to 10 p.m. during all other calendar months. All other hours of each day and all hours of such excepted days shall be offpeak hours. Such times shall be Central Standard Time or Central Daylight Time, whichever is then in effect. The onpeak and offpeak hours under this rate schedule are subject to change by TVA. In the event TVA determines that such changed onpeak and offpeak hours are appropriate, it shall so notify Distributor at least 12 months prior to the effective date of such changed hours, and Distributor shall promptly notify customer.

Determination of Onpeak and Offpeak Demands and Energy Amounts

The onpeak and offpeak kWh for any month shall be the energy amounts taken during the respective hours of the month designated under this rate schedule as onpeak and offpeak hours.

Distributor shall meter the onpeak and offpeak demands in kW of all customers taking service under this rate schedule. The onpeak metered demand and offpeak metered demand for any month shall be determined separately for the respective hours of the month designated under this rate schedule as onpeak and offpeak hours and in each case shall be the highest average during any 30-consecutive-minute period beginning or ending on a clock hour of the month of the load metered in kW, and, except as provided below in this section, such amounts shall be used as the onpeak and offpeak billing demands. The onpeak billing demand shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW, (2) 40 percent of the next 20,000 kW, and (3) 50 percent of any kW in excess of 25,000 kW of the higher of the currently effective onpeak contract demand or the highest onpeak billing demand established during the preceding 12 months. The offpeak billing demand shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW, (2) 40 percent of the next 20,000 kW, and (3) 50 percent of any kW in excess of 25,000 kW of the higher of the currently effective offpeak contract demand or the highest offpeak billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill, excluding any facilities rental charges and any reactive charges, shall not be less than the sum of (1) the base customer charge, (2) the portion of the base demand charge, as adjusted, applicable to onpeak billing demand applied to the customer's onpeak billing demand, (3) the portion of the base demand charge, as adjusted, applicable to any excess of offpeak over onpeak billing demand applied to the amount, if any, by which the customer's offpeak billing demand exceeds its onpeak billing demand, (4) the base onpeak energy charge, as adjusted, applied to the customer's onpeak energy takings, and (5) the base offpeak energy charge, as adjusted, applied to the customer's offpeak energy takings.

Distributor may require minimum bills higher than those stated above.

Contract Requirement

Distributor shall require contracts for all service provided under this rate schedule. The contract shall be for an initial term of at least 5 years and any renewals or extensions of the initial contract shall be for a term of at least 1 year; after 10 years of service, any such contract for the renewal or extension of service may provide for termination upon not less than 4 months' notice. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and Distributor shall not be obligated to supply power in greater amount at any time than the customer's currently effective contract demand. If the customer uses any power other than that supplied by Distributor under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as provided under the power contract between Distributor and TVA.

After having received service for at least 1 year under this rate schedule, the customer, subject to appropriate amendments in its power contract with Distributor, may receive service under the General Power Rate--Schedule GSC. In such case the term of the power contract shall remain the same and the contract demand for service under the General Power Rate--Schedule GSC shall not be less than the onpeak contract demand in effect when service was taken under this rate schedule.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

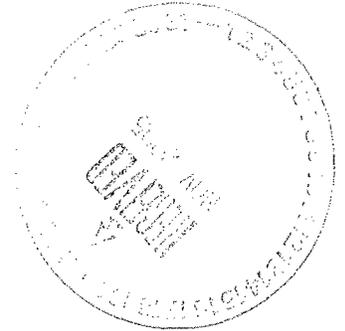
Single-Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and metering point, and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery and metering point and at each different voltage shall be separately metered and billed.

Service is subject to Rules and Regulations of Distributor.



Tennessee Valley Authority, 6045 Russellville Road, Bowling Green, Kentucky 42101-7319



November 17, 2005

Mr. Paul Thompson, Executive Vice President
and General Manager
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083

Dear Paul:

I have enclosed a fully executed original of Tri County's Green Power Switch Agreement, TV-562337A, Supplement No. 74, dated October 26, 2005.

If you have any questions, please feel free to call Hugh A. Meyer at (270) 846-7042.

Sincerely,

A handwritten signature in cursive script that reads "Myron N. Callahan".

Myron N. Callahan
General Manager
Customer Service
Kentucky

Enclosures

GREEN POWER SWITCH[®] AGREEMENT

Between

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

And

TENNESSEE VALLEY AUTHORITY

Date

Oct. 26, 2005

TV-52337A, Supp. No. 74

THIS AGREEMENT, made and entered into by and between TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION (Distributor), a cooperative corporation created and existing under and by virtue of the laws of the State of Tennessee; and TENNESSEE VALLEY AUTHORITY (TVA), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended (TVA Act);

WITNESSETH:

WHEREAS, TVA, pursuant to authority granted it by the TVA Act, operates and maintains an electric power generation and transmission system serving parts of seven States; and

WHEREAS, Distributor and TVA have entered into a contract dated July 18, 1979, as amended (Power Contract), under which Distributor purchases its entire requirements for electric power and energy from TVA for resale; and

WHEREAS, the TVA Act provides that among TVA's objectives shall be those of promoting the wider and better use of electric power and of supplying electric power at the lowest feasible rates; and

WHEREAS, TVA and Distributor wish to participate in a program (Program) in which TVA will provide renewable generation from generation sources acceptable for the Green Power Switch[®] Program, including photovoltaic solar, wind turbines, and methane gas sources (which generation sources are collectively referred to as "Green Power Sources"), for resale at a premium by Distributor to its participating customers; and

WHEREAS, TVA and Distributor desire to agree upon the respective rights and obligations of the parties with respect to the development, implementation, and administration of the Program;

NOW, THEREFORE, for and in consideration of the premises and of the mutual agreements set forth below, and subject to the provisions of the TVA Act and applicable federal, state, and local laws, the parties mutually agree as follows:

SECTION 1 - GREEN POWER PROGRAM

1.1 Purpose. The Program is designed to offer end-use customers a choice in the supply of power by offering participating customers the option of paying for power and energy generated by Green Power Sources.

1.2 Customer Participation. Customers of Distributor who participate in the Program (Participants) will do so by entering into appropriate arrangements with Distributor providing for the selection of and premium payment for one or more 150-kWh blocks of energy (Energy Blocks) generated by Green Power Sources.

1.3 Green Power Switch[®] Charges. A Participant will pay a charge (Green Power Switch[®] Charge) for each Energy Block that the Participant commits to pay for each month. This Green Power Switch[®] Charge will be determined in accordance with Appendix A, attached to and made a part of this agreement, as such Appendix A may be modified, changed, replaced, or adjusted by TVA from time to time in accordance with the Green Power Switch[®] Program.

SECTION 2 - RESPONSIBILITY OF PARTIES

2.1 TVA. TVA will provide, construct, or otherwise obtain the output of various facilities to provide generating capacity from Green Power Sources to meet Participant demand.

2.2 Distributor. Distributor will, consistent with the provisions of this agreement, develop and implement appropriate arrangements with its customers wishing to enroll in the Program and will thereafter conduct the Program with each Participant in accordance with the provisions of this agreement and such participation arrangements.

SECTION 3 - RETAIL CHARGE AND WHOLESALE BILLING ADJUSTMENT

3.1 Retail Charge. Beginning with the first billing month following the effective date of each Participant's enrollment in the Program and for each month thereafter, Distributor will add to that Participant's bill, in addition to all other charges for power and energy determined in accordance with Distributor's rate schedule applicable to that Participant, an amount equal to the applicable Green Power Switch[®] Charge.

3.2 Wholesale Billing Adjustment. The total dollar amount of base demand and energy charges calculated under the wholesale rate schedule attached to and made a part of the Power Contract shall be increased by adding thereto an amount equal to the total Green Power Switch[®] Charges determined in accordance with subsection 3.1 above; provided, however, that any such amounts billed to a Participant but not paid to Distributor will be deducted from the amount due to TVA.

3.3 Reimbursement of Distributor's Costs. In order to compensate Distributor for its Program costs, TVA will for each Participant that enrolls in the Program allow a one-time \$4 credit to Distributor. Such credits will be applied to Distributor's monthly wholesale bill for power and energy.

SECTION 4 - JOINT RESPONSIBILITIES

4.1 Promotion. Distributor will promote the Program using promotional materials, resources, and methods agreed upon by Distributor and TVA and provide TVA annually Distributor's plan of marketing activities to promote the Program. A sample outline of a marketing plan for this purpose is attached to this agreement as Appendix B. Prior to its execution of this agreement Distributor will prepare its own marketing plan (Plan), which will be attached to and made a part of this agreement as a replacement for the sample outline marketing plan. Distributor will update its Plan prior to each anniversary date of this agreement. TVA will support the Program with its marketing personnel and with advertising and promotional campaigns in the TVA region. TVA and Distributor will agree in advance on the cost sharing between TVA and Distributor for any joint marketing and promotional campaigns.

4.2 Evaluation of Program. At TVA's request, Distributor will provide information to TVA regarding the results of Distributor's participation in the Program. Such information may include, but is not limited to, profile data of Participants' in the Program, Distributor personnel working on the Program, results of promotional activities, and customer surveys. TVA, after consultation with Distributor, will compare these results with the objectives set forth in the Plan to determine further funding levels in Distributor's service area for the Program.

4.3 Trademark License. During the term of this agreement TVA grants to Distributor the revocable non-exclusive right and license to adopt and use the trademark, trade name, and logo (Service Marks) developed and owned by TVA for advertising and promoting the Program, in accordance with the terms of the Green Power Switch[®] Application Guidelines, attached to and made a part of this agreement as Appendix C. Distributor acknowledges that TVA is the sole owner of all rights to such Service Marks, including but not limited to, the "good will" associated with them.

SECTION 5 - TERM OF AGREEMENT

5.1 Term of Agreement. This agreement shall become effective as of the date first above written, and shall remain in effect unless sooner terminated as provided below.

5.2 Termination of Agreement. Either party may terminate this agreement as of one year from its effective date, or as of any time thereafter, by giving written notice to the other party at least 30 days prior to the effective date of termination. This agreement will terminate as of the date that the Power Contract and any renewal, extension, or replacement of it terminates or expires. From and after the effective date of such a termination, Distributor shall not be authorized to enroll any new Participants into the Program and shall terminate its arrangements with existing Participants.

5.3 Continuing Obligations. Nothing contained in this agreement shall be construed as relieving either TVA or Distributor of its obligations arising or accruing prior to the date of termination of this agreement. Upon sending or receiving such a

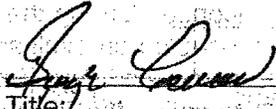
termination notice, Distributor shall make no further commitments affected by the termination.

SECTION 6 - OPERATING REPRESENTATIVES

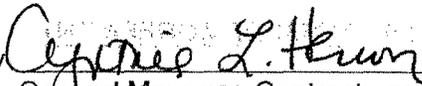
TVA's Operating Representative for administration of this agreement shall be the Executive Vice President, Customer Service and Marketing, or a designee. Distributor's Operating Representative for administration of this agreement shall be the manager of its electric system or a designee. Subject to the provisions of this agreement, the Power Contract, and any applicable law, the Operating Representatives shall be authorized to agree upon such incidental administrative arrangements as are appropriate for the efficient and expeditious implementation of this agreement.

IN WITNESS WHEREOF, the parties to this agreement have caused it to be executed by their duly authorized representatives, as of the day and year first above written.

**TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION**

By 
Title:

TENNESSEE VALLEY AUTHORITY

By 
General Manager, Contracts and Pricing
Customer Service and Marketing

APPENDIX A

GREEN POWER SWITCH® CHARGE (May 2004)

<u>Resale Schedule Applicable to Participant</u>	<u>Energy Block (kWh)</u>	<u>Charge</u>	<u>Minimum Number of Energy Blocks to be Purchased</u>
Schedule RS and Time-of-Day Schedule TRS	150 kWh	\$4.00 per Energy Block	One
Schedule GSA, Part 1 and Time-of-Day Schedule TGSA, Part 1	150 kWh	\$4.00 per Energy Block	Five
Schedule GSA, Part 2 and Time-of-Day Schedule TGSA, Part 2	150 kWh	\$4.00 per Energy Block	Higher of (a) 25 or (b) the number (rounded to the next following whole number) determined by dividing (i) an amount equal to five percent of Participant's average monthly Energy Load (as defined below) by (ii) 150 kWh *See note for a possible alternative.
Schedule GSA, Part 3 and Time-of-Day Schedule TGSA, Part 3	150 kWh	\$4.00 per Energy Block	250
Schedules GSB, GSC, and GSD and Time-of-Day Schedules TGSB, TGSC, and TGSD	150 kWh	\$4.00 per Energy Block	375

For determining the minimum number of Energy Blocks to be purchased by Participants served under Schedule GSA, Part 2 and Time-of-Day Schedule TGSA, Part 2, Participant's average monthly Energy Load is the monthly kWh average during the 12-consecutive-month period immediately preceding the month in which Participant enrolls in the Program. (After a Participant enrolls in the Program, the minimum number of Energy Blocks to be purchased by the Participant remains constant.)

*Participants with multiple locations in the TVA region that commit to meet the U.S. EPA's Green Power Partnership requirements may have an alternative minimum number of energy blocks to be purchased. Contact TVA Marketing at (615) 232-6688 for information and Participant eligibility.

**Tri-County Electric
Green Power Switch
Marketing Plan
October 2005**

Situation:

There is limited awareness of the Green Power Switch in the Tri-County Electric service area. There is some recognition in areas where the generic Green Power Switch radio ads have played, prior to Tri-County Electric entering the program.

Our approach will be to treat the program as an introduction to our member-owners.

Plan Objectives:

Our initial goal is to build awareness among at least half of our residential member-owners. We hope to have a minimum of 10% participation from this group.

While we expect to increase awareness among our commercial and industrial member-owners at the same time, our push to enroll these accounts will follow residential accounts.

Strategy:

Our objectives will be accomplished through advertising, press releases, office displays and the display and distribution of information at community events.

First, we want our member-owners to be aware of environmentally friendly generation. We would like for this awareness to translate into a desire to be involved in doing something to help protect the environment. Finally, we want the "desire to do something" to be replaced with the understanding that for a minimal investment each month, everyone "can do something".

Target Audience:

As mentioned in the previous section, the primary audience will be the member-owners who want to do something to help protect the environment, but perhaps are not completely sure what one individual or family can do. At Tri-County Electric's Annual Meeting in May 2005, over half of our member-owners stated that they would be willing to purchase renewable energy for all or part of their energy needs. Senior citizens comprised a majority of this group so that is additional audience we will target.

All of our member-owners will have the opportunity to hear, read and see information regarding the Green Power Switch program.

**Tri-County Electric
GPS Marketing Plan
Page Two**

Tactics:

Our approach to increase awareness and participation in the Green Power Switch program includes newspaper ads, radio ads, a billboard located at the intersection of Highway 52 and Highway 31E in Westmoreland, Tennessee and literature in each of our eight offices.

Tri-County Electric's participation in the Green Power Switch program was announced through press releases to all newspapers and radio stations in our service area.

We are featuring the program in Power Lines, our monthly member newsletter, Kentucky Living and the Tennessee Magazine. A registration form is included with the information. Displays with brochures and registration forms are set up in each of our offices along with posters and decals at our drive-through windows.

We have also participated in radio programs regarding Green Power Switch and have asked TVA to participate in programs at our Chambers of Commerce, Rotary Clubs and other civic organizations.

Budget:

The expense of the billboard (over \$10,000 for two years) in Westmoreland, Tennessee was split between Tri-County Electric and TVA.

Tri-County Electric has budgeted for radio ads and quarterly newspaper ads. We will also continue to provide information in our newsletter and magazines.

TVA has provided three customized newspaper ads, generic radio ads for a couple of weeks, displays, bookmarks, brochures and registration forms. It is our understanding that they will continue to provide generic ads, giveaways, brochures and registration forms.

APPENDIX C

APPLICATION GUIDELINES

SECTION 1 - GUIDELINES FOR THE GREEN POWER SWITCH® LOGO

1.1 A registration symbol (®) must always appear with the name and logo. This symbol indicates that the Green Power Switch® name and logo are always marks of TVA, registered with the U. S. Patent and Trademark Office.

1.2 The Pantone® colors used are 116 yellow, 279 blue, and 368 green.

1.3 It can be reproduced in the three-color format, or as a one-color logo in Pantone® 368 green, black, or white.

1.4 The typeface used for the Green Power Switch® letterform (the words "Green Power Switch" that accompany the logo) is 95 Helvetica Black with capital and lower-case letters as shown.

1.5 The color for the letterform used on the 3-color logo is generally green, however, in situations where legibility might be compromised, it can be white.

1.6 Digital files or camera-ready artwork are available through TVA, or may be downloaded from www.tva.com/greenpowerswitch/logo.htm.

SECTION 2 - USING THE GREEN POWER SWITCH® LOGO

2.1 The logo should always be placed on a background that provides a strong visual contrast.

2.2 Green Power Switch® is offered in the Tennessee Valley by TVA and by distributors of TVA power, so multiple logos are often shown in Green Power Switch® products. When used in conjunction with the Green Power Switch® logo, other logos should be shown in black.

2.3 When using multiple logos, the Green Power Switch® logo should be equal to or more prominent than the other logos.

2.4 Logos of TVA and participating power distributors should have about the same size, weight, and importance; leave an equal distance between the various logos not less than half the size of the smallest one. (TVA logo usage guidelines are available from TVA Corporate Branding.)

2.5 In large blocks of text, the words Green Power Switch® are often highlighted in bolder type. When they appear, use the ® symbol as a superscript following the words. The symbol ® should be approximately one-third of the Green Power Switch® font size superscripted beside the words in the upper right-hand corner. If the phrase Green Power Switch® is mentioned several times in a brochure or letter, the symbol only needs to be used in the first reference.



04/19/2006

Laura,



Tennessee Valley Authority, 6045 Russellville Road, Bowling Green, Kentucky 42101-7319

April 18, 2006

Please file.

Thanks,
Paul

Mr. Paul Thompson
Executive Vice President and
General Manager
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083-0040

Dear Paul:

I have enclosed a fully executed original of the Statement on Auditing Standards No. 70 (SAS 70), TV-52337A, Supplement No. 75, for your files.

If you have questions concerning this document or any material therein, please contact Hugh Meyer at (270) 846-7042.

Sincerely,

Myron N. Callaham

Myron N. Callaham
General Manager
Customer Service
Kentucky

Enclosure



Tennessee Valley Authority, Post Office Box 292409, Nashville, Tennessee 37229-2409

March 23, 2006

TV-52337A
Supp. No. 75

Mr. Paul Thompson
EVP & General Manager
Tri-County Electric
Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083-0040

Dear Mr. Thompson:

This is to confirm the understanding between Tri-County Electric Membership Corporation (Distributor) and Tennessee Valley Authority (TVA) concerning the reimbursement plan for Distributor's costs of preparing or having prepared a Statement on Auditing Standards No. 70 (SAS 70) Type II audit of internal controls (Report) including an opinion of a certified public accountant (Opinion) as described in section 1 below in support of TVA efforts related to Section 404 of the Sarbanes-Oxley Act of 2002. It is recognized that (a) TVA's internal control structure is impacted by the nature of its current end-use billing arrangements with Distributor, (b) that under these arrangements, Distributor calculates major components of its power bills, and (c) that TVA will rely on the Report provided for by this agreement in assessing the effectiveness of TVA's internal controls over the end-use billing process as well as the effectiveness of related controls performed by Distributor.

In accordance with the following timetable and conditions, TVA will reimburse Distributor at the flat rate provided for in Attachment A to this agreement:

1. Distributor agrees to prepare or have prepared a Report.
 - a. The Report will cover, at least, the following 12 control objectives:
 - i. Correct billing rates are associated with contractual end-use customer classifications in the computer system(s) used by Distributor, and only valid changes are made by authorized individuals;
 - ii. The end-use customer master file, including end-use customer classifications and applicable SIC codes, is accurate, and only valid changes are made to the file by authorized individuals;
 - iii. Meter readings for energy usage (kWh) and peak demands (kW) accurately report the service provided;

- iv. All actual power usage for the period is captured and meter readings for energy usage (kWh) and peak demands (kW) are transferred completely and accurately to the computer system used to compute the "Schedule 1" power invoice;
- v. All adjustments to energy usage (kWh) and interval meter data (kW) are valid (for example, based on prior inaccurate meter readings or other valid support) and made by authorized personnel;
- vi. Processes are in place to verify periodically the proper performance of commercial and industrial meters used for demand charge calculations;
- vii. "Schedule 1" summaries are accurately calculated (using correct power usage, product and credit charge codes, customer classifications, usage calculations, credit calculations, contract terms, valid rates, and appropriate factors) and conveyed completely and accurately to TVA on a timely basis;
- viii. Logical access controls exist in Distributor and/or third party processor systems for proper system security and segregation of duties;
- ix. Data that has been recorded, processed, and reported remains complete, accurate, and valid throughout the update and storage process;
- x. Controls are in place for computer operations, program development and change, and records management;
- xi. Related spreadsheets and reports are controlled and validated; and
- xii. System backups are maintained and tested to ensure that recovery of systems can occur.

If Distributor relies on a third party to perform any of the control objectives above, Distributor is to obtain a separate Report, including Opinion, from the third party on the related controls.

- b. The Opinion will address the following four components:
 - i. Fair presentation of the description of controls,

Mr. Paul Thompson
Page 3
March 23, 2006

- ii. Design effectiveness of controls,
 - iii. Operating effectiveness as of a specified date, and
 - iv. Whether or not the Distributor's or third party possessor's controls are operating effectively over a specified period of time.
2. On or before August 31, 2006, Distributor will submit to TVA the required Report(s), including Opinion(s) and descriptions of controls performed to meet each of the 12 control objectives listed under subsection 1a above; the nature of the tests conducted; and the results of each test as described in TVA's "Audit Plan-End-Use Billing Process;" provided, however, that if Distributor informs TVA of adequate explanation of why the Report(s) cannot be ready by August 31, 2006, TVA may agree in writing to accept the Report(s) after August 31, 2006.

Distributor agrees to submit the Report(s) by either mail or e-mail as listed below. If submitted by mail, two (2) copies of the Report(s) will be included.

By Mail: Tennessee Valley Authority
Attn: Controller
400 West Summit Hill Drive
WT 4B-K
Knoxville, Tennessee 37902

E-mail: dsasrepo@tva.gov

3. TVA will provide an advance of one-half of the applicable flat rate, set out under Attachment A to this agreement, by applying a credit equal to that amount on the Distributor's next power invoice calculated after the execution of this agreement.
4. If TVA receives the Report(s) meeting the requirements of section 1 above on or before the deadline provided for in section 2 above (as such deadline may be extended in accordance with the provisions of that section), TVA will reimburse the second half of the applicable flat rate by applying a credit on the Distributor's next power invoice.
5. If TVA does not receive such Report(s) by such deadline, Distributor's next power invoice will be subject to a charge equal to the advance reimbursement provided by TVA under section 3 above.

Mr. Paul Thompson
Page 4
March 23, 2006

6. Nothing in this agreement is intended to subject a distributor that is not otherwise legally subject to the provisions of the Sarbanes-Oxley Act of 2002 to this act. The Report(s) and Opinion(s) described in this agreement support TVA's efforts under the act.

If this correctly states our understanding, please have a duly authorized representative sign and date both duplicate originals of this letter on behalf of Distributor and return them to your TVA Customer Service Manager. A fully executed original will be returned to you.

Sincerely,



Kenneth R. Breeden
Executive Vice President
Customer Service and Marketing

Accepted and agreed to as of
the 29th day of March, 2006

TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION

By: 

Title: Executive Vice President and General Manager

SAS 70 Audit Cost - Reimbursement Amounts Fiscal Year 2006

Distributor MWh Usage TVA's FY 2005	Reimbursement Amounts
Less Than 500,000	\$ 25,000
500,000 to 1 Million	\$ 35,000
1 to 2 Million	\$ 45,000
2 to 5 Million	\$ 55,000
5 to 10 Million	\$ 75,000
Over 10 Million	\$ 100,000

405 College Street
P. O. Box 40
Lafayette, TN 37083-0040

Tri-County
Electric
Membership Corporation
www.tcemc.org

Telephone: (615) 666-2111
Toll Free: 1-800-369-2111
Fax: (615) 688-2141

March 29, 2006

Mr. Kenneth R. Breeden
Executive Vice President
Customer Service and Marketing
Tennessee Valley Authority
Post Office Box 292409
Nashville, TN 37229-2409

RE: Statement on Auditing Standard No. 70 (SAS 70)

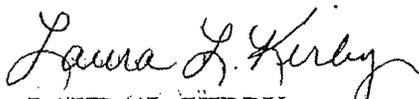
Dear Mr. Breeden:

Per your written letter dated March 23, 2006, please find enclosed the above referenced agreement signed by our Executive Vice President and General Manager, Paul Thompson.

Please return a fully executed agreement for our files.

If additional information is needed, please advise.

Sincerely,


LAURA L. KIRBY
Administrative Assistant

Lk

Enclosures (2)



Tennessee Valley Authority, Post Office Box 292409, Nashville, Tennessee 37229-2409

June 28, 2006

TV-52337A, Supp. No. 76

Mr. Paul Thompson
EVP & General Manager
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083-0040

Dear Mr. Thompson:

It is recognized that (1) Tri-County Electric Membership Corporation (Distributor), under its power contract with Tennessee Valley Authority (TVA), dated July 18, 1979, as amended (Power Contract), purchases power at specified delivery points, including a 161-kV delivery point at the 161-kV side of the Scottsville 161-kV Substation, and (2) Distributor is building its North Scottsville 161-kV Substation (Substation), which will be served by TVA through the Scottsville 161-kV Substation. This will confirm the arrangements developed between representatives of TVA and Distributor to provide for two 13-kV revenue metering installations at the Substation.

It is understood and agreed that:

1. The attachment entitled "Terms and Conditions (New Metering Installation)" (the Terms and Conditions) is made a part of this agreement. In the event of any conflict between the body of this agreement and this attachment, the former controls.
2. TVA and Distributor will cooperate in providing at the Substation two new 13-kV revenue metering installations (one for each new power transformer), each in accordance with the Terms and Conditions.
3. Distributor shall provide a telephone circuit for use with the new metering installations. Accordingly, section 1.3.1 of the Terms and Conditions applies and addresses access to the new metering installations. TVA shall furnish a telephone switcher for Distributor to install at its expense in its switchhouse. TVA will allow Distributor access to potentials from the metering voltage transformers.
4. Section 3 of the Terms and Conditions applies since neither of the 13-kV metering installation at the Substation is at the point of delivery specified in the Power Contract, which is the 161-kV side of the Scottsville 161-kV Substation.

Mr. Paul Thompson
Page 2
June 28, 2006

5. TVA and Distributor will cooperate in providing at the Substation an underfrequency/undervoltage and lockout relay with accessory equipment (Relay). In accordance with plans and specifications satisfactory to TVA, Distributor shall at its expense install the Relay and thereafter remove and replace it at TVA's request. TVA shall at its expense furnish the Relay and any needed replacements for it and shall operate, maintain, and repair the Relay.
6. TVA and Distributor will cooperate in providing a connection from the Scottsville 161-kV Substation to the Substation. TVA shall at its expense modify the existing tap point for the Scottsville 161-kV Substation to provide a dead-end structure. Distributor, shall at its expense and in accordance with plans and specifications satisfactory to TVA, attach to this structure Distributor's isolating switch and tap line extending approximately 1.5 miles to the Substation.

If this letter satisfactorily sets forth our understandings, please have a duly authorized representative execute the two enclosed originals on behalf of Distributor and return them to the TVA customer service center. Upon execution by TVA, this letter shall be a binding agreement, and a fully executed original will be returned to you.

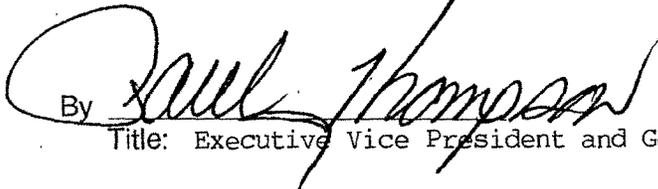
Sincerely,



Theresa A. Flaim
Senior Vice President
Pricing and Strategic Planning
Customer Service and Marketing

Accepted and agreed to as of the date first above written.

TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION



By

Paul Thompson

Title: Executive Vice President and General Manager

TERMS AND CONDITIONS **(New Metering Installation)**

SECTION 1 - METERING

1.1 TVA's Installation Work. TVA at its expense shall provide and install the revenue meter and related items necessary to determine the power and energy taken by Distributor at the Substation. This metering installation will be at a mutually satisfactory location in the Substation.

1.2 Distributor's Installation Work.

1.2.1 Current and Voltage Transformers. Distributor shall, at its expense and in accordance with plans and specifications furnished or approved by TVA, install the metering current and voltage transformers (supplied by TVA). This will be done on the source side of any station service transformers and voltage correction equipment.

1.2.2 Miscellaneous Facilities. Distributor shall install all other facilities required for the metering installation, including a prewired meter cabinet (supplied by TVA) and the foundation (if necessary) for TVA's meter cabinet, the primary connections from the metering transformers to Distributor's facilities and the conduit (together with any required test boxes) and cable extending from the metering transformer secondaries to the meter cabinet. Distributor will provide the supplies and materials needed under this subsection 1.2.2, except that TVA will supply the cable and test boxes.

1.3 Remote Access to Metering Installation.

1.3.1 Telephone Circuit. If Distributor provides and installs a telephone circuit:

1.3.1.1 Installation of Circuit. For TVA's metering purposes, including power quality monitoring, Distributor shall provide and install (or have installed) a telephone circuit (Circuit) and, if needed, protective conduit extending from TVA's revenue meter to a location specified by TVA. If TVA furnishes a telephone switcher, Distributor shall install it at an agreed upon location. Distributor installation of the Circuit and telephone switcher shall be in accordance with guidelines and specifications furnished or approved by TVA. Distributor shall install and then operate and maintain the Circuit (and any such conduit) at its expense. TVA will connect the Circuit to the revenue meter.

1.3.1.2 Distributor Access to Meter Data. Distributor may have (a) remote access to TVA's metering data through the Circuit and (b) access to the metering information available from the readout display of the revenue meter. TVA's and Distributor's operating representatives will coordinate use of the Circuit and access to the readout display to ensure unrestricted telephone access by TVA for data retrieval purposes during periods specified by TVA.

1.3.1.3 Remote Access Equipment. Distributor will need equipment not provided by TVA to obtain metering data by remote telephone access. If requested, TVA will assist Distributor in selecting such equipment, but acquisition of the equipment is Distributor's responsibility.

1.3.2 Cellular Phone. If TVA provides and installs a cellular phone:

1.3.2.1 Installation of Cellular Phone. For TVA's metering purposes, TVA will provide (for its exclusive use) a cellular phone for remote access to the metering installation, and Distributor will provide TVA at no charge 120-volt power for TVA's cellular phone.

1.3.2.2 Distributor Access to Meter Data. Distributor may have access to the metering information available from the readout display of the revenue meter. TVA's and Distributor's operating representatives will coordinate access to the readout display.

1.4 Control of Metering Installation. Except as specifically provided otherwise in this agreement (or as agreed otherwise by TVA), the metering installation shall be for TVA's exclusive use and control. It may be used by TVA separately or in conjunction with any other metering facilities of TVA. TVA will place its seals on the revenue meter and metering facilities in the metering installation, and Distributor shall assure that those seals are not broken except at TVA's request.

1.5 Maintenance of Metering Installation.

1.5.1 TVA's Responsibilities. TVA at its expense shall test, calibrate, operate, maintain, and replace the portion of the metering installation provided and installed by TVA.

1.5.2 Distributor's Responsibilities. As requested by TVA from time to time, Distributor at its expense shall perform necessary maintenance (including making of replacements) of the remaining portion of the metering installation. In doing this work Distributor shall supply the necessary materials, except that TVA shall supply for installation by Distributor any replacements required for the current and voltage transformers, metering cable, and test boxes.

SECTION 2 - METERING OUTPUTS

2.1 Access to Outputs. Distributor may have access at no charge to metering outputs from the metering installation for such purposes as monitoring and load control. Accordingly, Distributor may, at such time as it deems appropriate, provide and install at its expense such additional facilities as are necessary for obtaining access to metering outputs. This includes provision and installation of cable to be connected by TVA to a terminal block in TVA's meter cabinet. Distributor shall also furnish and install any protective facilities requested by TVA for the protection of TVA's metering installation.

2.2 Approval of Facilities. Distributor shall keep TVA informed as to Distributor's plans for installation of any such additional facilities consistent with TVA's Revenue Metering Guide for Customer-Owned Substations. Distributor shall neither install any facilities which are to be connected to the metering installation nor, once installed, change them without prior written notification from TVA that such installation or change is satisfactory to TVA insofar as required for the safe and efficient operation of the metering installation.

2.3 Noninterference with Metering. In exercising access to metering outputs, Distributor shall not interfere with any operation, use of, or access to the metering installation by TVA. In this regard Distributor agrees to immediately modify its facilities and operations, in any manner requested by TVA, to avoid any such interference.

2.4 No Warranty of Outputs. TVA makes no statement, representation, claim, guarantee, assurance, or warranty of any kind whatsoever, including, but not limited to, representations or warranties, express or implied, (a) as to the accuracy or completeness of the metering outputs or as to such outputs' merchantability or fitness for any purposes for which Distributor uses or will use them or (b) as to quantity, kind, character, quality, capacity, design, performance, compliance with specifications, condition, size, description of any property, merchantability, or fitness for any use or purpose of any facilities through which the metering outputs are supplied. Distributor hereby waives, and releases the United States of America, TVA, and their agents and employees from, any and all claims, demands, or causes of action, including, without limitation, those for consequential damages, arising out of or in any way connected with Distributor's use of the metering outputs.

2.5 Termination of Arrangements. The arrangements set out under this section 2, may be terminated by TVA or Distributor at any time upon at least 120 days' written notice. As soon as practicable following the effective date of such termination, TVA will disconnect the cable from the metering installation.

SECTION 3 - ADJUSTMENT OF METERED AMOUNTS

If the metering installation at the Substation is not at the point of delivery specified in the Power Contract, TVA shall adjust the metered amounts of power and energy appropriately to reflect losses (and non-metered station service or equipment use, if any) between the point of delivery and the metering installation and use these adjusted amounts for billing purposes under the Power Contract. Distributor shall from time to time furnish TVA with the loss data for Distributor's facilities needed to allow TVA to make such adjustments.

SECTION 4 - COORDINATION AND REVIEW

4.1 Coordination. TVA and Distributor will coordinate their work under section 1 above to the extent necessary and practicable to avoid jeopardizing (a) the safety and reliability of the parties' operations, (b) the reliability of TVA's supply of power to Distributor at the Substation, and (c) the safety of the parties' personnel.

4.2 TVA Review. Any plans, specifications, requirements, guidelines, or coordination, and any review or approvals, provided by TVA under this agreement are only for TVA's purposes and are not to be considered a confirmation or endorsement that they are adequate for Distributor's purposes. TVA's purposes include helping to assure (a) the safe and efficient operation of TVA's facilities and (b) that the arrangements under this agreement do not cause undue hazards to TVA's facilities and operations.

SECTION 5 - RIGHTS OF ACCESS

Distributor hereby grants to TVA such rights to use Distributor's property as are reasonably necessary or desirable to enable TVA to carry out its responsibilities under this agreement. These rights include installation, operation, maintenance, replacement, removal, and inspection of TVA's metering installation and related equipment.

SECTION 6 - POWER REQUIREMENTS

Distributor shall at its expense provide the battery and station service power requirements for TVA's facilities and equipment (including metering equipment) installed at the Substation.

SECTION 7 - TERM OF AGREEMENT

Except as otherwise provided, this agreement becomes effective as of the date of the agreement and continues in effect for the term of the Power Contract or any renewal, extension, or replacement of it.

SECTION 8 - RESTRICTION OF BENEFITS

No member of or delegate to Congress or Resident Commissioner, or any officer, employee, special Government employee, or agent of TVA shall be admitted to any share or part of this agreement or to any benefit that may arise from it unless the agreement be made with a corporation for its general benefit. Distributor shall not offer or give, directly or indirectly, to any officer, employee, special Government employee, or agent of TVA any gift, gratuity, favor, entertainment, loan, or any other thing of monetary value, except as provided in 5 C.F.R. part 2635 (as amended, supplemented, or replaced). Breach of this provision shall constitute a material breach of this agreement.

SECTION 9 - AMENDMENT

This agreement may be amended only by a writing signed by the parties.

Tri-County
Electric
Membership Corporation
www.tcemc.org

405 College Street
P. O. Box 40
Lafayette, TN 37083-0040

Telephone: (615) 666-2111
Toll Free: 1-800-369-2111
Fax: (615) 688-2141

July 24, 2006

Mr. Myron N. Callaham
General Manager – Customer Service – Kentucky
Tennessee Valley Authority
6045 Russellville Road
Bowling Green, KY 42101-7319

RE: TV-52337A, Suppl. No. 76

Dear Myron:

Please find enclosed two (2) executed duplicate originals of the above referenced Agreement (Reference TV-52337A, Supp. No.76) regarding arrangements for TVA's installation of two 13-kV revenue meters and additional facilities at the North Scottsville 161-kV Substation.

We have kept a copy for our files.

If additional information is needed, please advise.

Sincerely,



PAUL THOMPSON
Executive Vice President and General Manager
Tri-County Electric Membership Corporation

Enclosures (2)



Tennessee Valley Authority, 6045 Russellville Road, Bowling Green, Kentucky 42101-7319

June 28, 2006



52337-A
#76

Mr. Paul Thompson
Executive Vice President and
General Manager
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083-0040

Dear Paul:

I have enclosed two duplicate originals of a proposed letter agreement covering arrangements for TVA's installation of two 13-kV revenue meters and additional facilities at the North Scottsville 161-kV Substation.

After you have reviewed the enclosed documents, please have the authorized representative from Tri-County EMC sign both originals and send them back to my office for further handling.

If you have questions regarding this agreement, please call me at (270) 846-7041 or Hugh Meyer at (270) 846-7042.

Sincerely,

Myron N. Callaham
General Manager
Customer Service
Kentucky

Enclosures

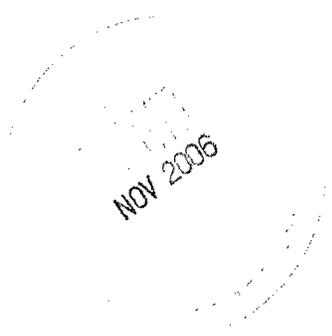
*File
Copy OK*

Nov. 21, 2006

Laura,

Please file.

*Thanks,
LAW*



Tennessee Valley Authority, 6045 Russellville Road, Bowling Green, Kentucky 42101-7319

November 16, 2006

Mr. Paul Thompson
Executive VP and General Manager
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083

77

Dear Paul:

I have enclosed a fully executed original of ~~AV-52337A~~, Supplement No. ~~77~~, dated October 6, 2006, resale rate schedule substitution agreement.

If you have questions, please call me at (270) 846-7042.

Sincerely,

Hugh A. Meyer

Hugh A. Meyer
Customer Service Engineer
Kentucky

Enclosure

October 6, 2006

RESALE RATE SCHEDULE SUBSTITUTION AGREEMENT
Between
TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION (DISTRIBUTOR)
And
TENNESSEE VALLEY AUTHORITY (TVA)

Distributor and TVA agree to substitute the new resale rate schedule specified in (a) below, a copy of which is attached, for the resale rate schedule specified in (b) below, which, as adjusted, is now in effect as a part of the Schedule of Rates and Charges attached to and made a part of the Power Contract, TV-52337A, dated July 18, 1979, as amended (Power Contract), between TVA and Distributor. This substitution is to be effective for all bills rendered from resale meter readings taken for revenue months of Distributor beginning with the October 2006 revenue month. It is expressly recognized that the adjustments set forth in the Adjustment Addendum to said Schedule of Rates and Charges dated October 1, 2006, shall continue to apply to the charges provided for by the attached schedule specified in (a) below.

- (a) New resale rate schedule:
Outdoor Lighting Rate--Schedule LS (October 2006)

- (b) Existing resale rate schedule:
Outdoor Lighting Rate--Schedule LS (October 2003)

It is understood that, upon execution of this agreement by TVA and Distributor, all references in the Power Contract to the existing resale rate schedule specified in (b) above, or to any predecessor schedules, shall be deemed to refer to the new resale rate schedule specified in (a) above.

**TRI-COUNTY ELECTRIC MEMBERSHIP
CORPORATION**

By 
Title:

Rate schedule substitution agreed to as of
the date first above written.

TENNESSEE VALLEY AUTHORITY

By 
Executive Vice President
Customer Resources

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

OUTDOOR LIGHTING RATE--SCHEDULE LS

(October 2006)

Availability

Available for service to street and park lighting systems, traffic signal systems, athletic field lighting installations, and outdoor lighting for individual customers.

Service under this schedule is for a term of not less than 1 year.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

Adjustment

The energy charge in Part A and Part B of this rate schedule shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA. (In addition, the energy charge in Part A and Part B of this rate schedule shall be increased or decreased to correspond to increases or decreases determined by TVA under Adjustment 2 or Adjustment 4 of the wholesale power rate schedule applicable under contractual arrangements between TVA and Distributor.)

PART A--CHARGES FOR STREET AND PARK LIGHTING SYSTEMS, TRAFFIC SIGNAL SYSTEMS, AND ATHLETIC FIELD LIGHTING INSTALLATIONS

- I. Energy Charge: 4.541¢ per kWh per month

- II. Facility Charge

The annual facility charge shall be 15 percent of the installed cost to Distributor's electric system of the facilities devoted to street and park lighting service specified in this Part A. Such installed cost shall be recomputed on July 1 of each year, or more often if substantial changes in the facilities are made. Each month, one-twelfth of the then total annual facility charge shall be billed to the customer. If any part of the facilities has not been provided at the electric system's expense or if the installed cost of any portion thereof is reflected on the books of another municipality or agency or department, the annual facility charge shall be adjusted to reflect properly the remaining cost to be borne by the electric system.

Traffic signal systems and athletic field lighting installations shall be provided, owned, and maintained by and at the expense of the customer, except as Distributor may agree otherwise in accordance with the provisions of the paragraph next following in this section II. The facilities necessary to provide service to such systems and installations shall be provided by and at the expense of Distributor's electric system, and the annual facility charge provided for first above in this section II shall apply to the installed cost of such facilities.

When so authorized by policy duly adopted by Distributor's governing board, traffic signal systems and athletic field lighting installations may be provided, owned, and maintained by Distributor's electric system for the customer's benefit. In such cases Distributor may require reimbursement from the customer for a portion of the initial installed cost of any such system or installation and shall require payment by the customer of a facility charge sufficient to cover all of Distributor's costs (except reimbursed costs), including appropriate overheads, of providing, owning, and maintaining such system or installation; provided that, for athletic field lighting installations, such facility charge shall in no case be less than 12 percent per year of such costs. Said facility charge shall be in addition to the annual facility charge on the facilities necessary to provide service to such system or installation as provided for in the preceding paragraph. Replacement of lamps and related glassware for traffic signal systems and athletic field lighting installations provided under this paragraph shall be paid for under the provisions of paragraph A in Section IV.

III. Customer Charge - Traffic Signal Systems and Athletic Field Lighting Installations.

Distributor shall apply a uniform monthly customer charge of \$3.50 for service to each traffic signal system or athletic field lighting installation.

IV. Replacement of Lamps and Related Glassware - Street and Park Lighting

Customer shall be billed and shall pay for replacements as provided in paragraph A below, which shall be applied to all service for street and park lighting.

- A. Distributor shall bill the customer monthly for such replacements during each month at Distributor's cost of materials, including appropriate storeroom expense.
- B. Distributor shall bill the customer monthly for one-twelfth of the amount by which Distributor's cost of materials, including appropriate storeroom expense, exceeds the product of 3 mills multiplied by the number of kilowatthours used for street and park lighting during the fiscal year immediately preceding the fiscal year in which such month occurs.

Metering

For any billing month or part of such month in which the energy is not metered or for which a meter reading is found to be in error or a meter is found to have failed, the energy for billing purposes for that billing month or part of such month shall be computed from the rated capacity of the lamps (including ballast) plus 5 percent of such capacity to reflect secondary circuit losses, multiplied by the number of hours of use.

Revenue and Cost Review

Distributor's costs of providing service under Part A of this rate schedule are subject to review at any time and from time to time to determine if Distributor's revenues from the charges being applied are sufficient to cover its costs. (Such costs, including applicable overheads, include, but are not limited to, those incurred in the operation and maintenance of the systems provided and those resulting from depreciation and payments for taxes, tax-equivalents and interest.) If any such review discloses that revenues are either less or more than sufficient to cover said costs, Distributor shall revise the above facility charges so that revenues will be sufficient to cover said costs. Any such revision of the annual

facility charge provided for first above in section II of Part A of this rate schedule shall be by agreement between Distributor and TVA.

PART B--CHARGES FOR OUTDOOR LIGHTING FOR INDIVIDUAL CUSTOMERS

Charges Per Fixture Per Month

<u>(a) Type of Fixture</u>	<u>Lamp Size</u>		<u>Rated</u>	<u>Facility</u>
	<u>(Watts)</u>	<u>(Lumens)</u>	<u>kWh</u>	<u>Charge</u>
Mercury Vapor or Incandescent	175	7,650	80	\$ 4.83
	400	19,100	171	\$ 7.18
High Pressure Sodium	100	8,550	49	\$ 7.75
	200	18,900	95	\$ 12.63
	250	22,500	116	\$ 11.19
	400	45,000	180	\$ 11.78
Metal Halide	400	45,000	171	\$ 10.25
	1,000	125,000	408	\$ 14.57

(b) Energy Charge: For each lamp size under (a) above, 4.541¢ per rated kWh per month

Additional Facilities

The above charges in this Part B are limited to service from a photoelectrically controlled standard lighting fixture installed on a pole already in place. If the customer wishes to have the fixture installed at a location other than on a pole already in place, Distributor may apply an additional monthly charge.

Lamp Replacements

Replacements of lamps and related glassware will be made in accordance with replacement policies of Distributor without additional charge to the customer.

Special Outdoor Lighting Installations

When so authorized by policy duly adopted by Distributor's governing board, special outdoor lighting installations (other than as provided for under Parts A and B above) may be provided, owned, and maintained by Distributor's electric system. In such cases Distributor may require reimbursement from the customer for a portion of the initial installed cost of any such installation and shall require payment by the customer of monthly charges sufficient to cover all of Distributor's costs (except reimbursed costs), including appropriate overheads, or providing, owning, and maintaining such installations, and making lamp replacements.

Service is subject of Rules and Regulations of Distributor.

TENNESSEE VALLEY AUTHORITY

ADJUSTMENT ADDENDUM

SCHEDULE OF RATES AND CHARGES

FOR

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

Effective October 1, 2006

The following table lists the adjustments applicable to the designated rate schedules. All adjustments shall be applicable to bills rendered from meter readings taken for TVA and Distributor's monthly billing cycles scheduled to begin on or after the effective date of this Adjustment Addendum. As provided for by the previous Adjustment Addendum dated October 1, 2003 (Environmental Adjustment), the amounts listed under each column (1) are designated, subject to any future Rate Adjustment or Rate Change, to remain in effect for ten (10) years from the effective date of said Environmental Adjustment.

	Wholesale Power Rate - Schedule WS			Resale Schedules		
	(1)	(2)	(3)	(1)	(2)	(3)
STANDARD SERVICE						
Residential Service						
<u>Schedule RS</u>						
Energy Charge	Add 0.283¢ + 0.649¢ + A _q			Add 0.306¢ * + 0.705¢ ** + (1.08669 x A _q) *		
General Power Service						
<u>Schedule GSA</u>						
Part 1						
Energy Charge	Add 0.333¢ + 0.745¢ + A _q			Add 0.354¢ * + 0.795¢ ** + (1.06684 x A _q) *		
Part 2						
Demand Charge						
First 50 kW	Add \$0.00 + \$0.00			Add \$0.00 + \$0.00		
Excess over 50 kW	Add \$0.46 + \$1.03			Add \$0.47 + \$1.07		
Energy Charge						
First 15,000 kWh	Add 0.333¢ + 0.745¢ + A _q			Add 0.354¢ + 0.795¢ + (1.06684 x A _q) *		
Additional kWh	Add 0.191¢ + 0.425¢ + A _q			Add 0.199¢ + 0.443¢ + (1.04417 x A _q) *		
Part 3						
Demand Charge						
First 1,000 kW	Add \$0.48 + \$1.08			Add \$0.47 + \$1.13		
Excess over 1,000 kW	Add \$0.58 + \$1.29			Add \$0.60 ** + \$1.35 **		
Energy Charge	Add 0.191¢ + 0.425¢ + A _q			Add 0.199¢ * + 0.443¢ ** + (1.04417 x A _q) *		
<u>Schedule GSB</u>						
Demand Charge	Add \$0.59 + \$1.32			Add \$0.61 + \$1.37		
Energy Charge						
First 620 hours use of demand	Add 0.170¢ + 0.380¢ + A _q			Add 0.175¢ + 0.392¢ + (1.03000 x A _q) *		
Additional kWh	Add 0.139¢ + 0.310¢ + A _q			Add 0.143¢ + 0.319¢ + (1.03000 x A _q) *		
<u>Schedule GSC</u>						
Demand Charge	Add \$0.59 + \$1.32			Add \$0.61 + \$1.37		
Energy Charge						
First 620 hours use of demand	Add 0.170¢ + 0.380¢ + A _q			Add 0.175¢ + 0.392¢ + (1.03000 x A _q) *		
Additional kWh	Add 0.139¢ + 0.310¢ + A _q			Add 0.143¢ + 0.319¢ + (1.03000 x A _q) *		
<u>Schedule GSD</u>						
Demand Charge	Add \$0.73 + \$1.64			Add \$0.75 + \$1.69		
Energy Charge	Add 0.136¢ + 0.305¢ + A _q			Add 0.140¢ + 0.314¢ + (1.03000 x A _q) *		

* Applicable also to additional components of the resale energy charge.

**Applicable also to additional components of the resale demand charge.

N/A indicates not applicable

Wholesale Power		Rate - Schedule WS		Resale Schedules		
	(1)	(2)	(3)	(1)	(2)	(3)
Manufacturing Service						
Schedule MSB						
Part 1						
Demand Charge	Add \$0.50 + \$1.13			Add \$0.52 + \$1.17		
Energy Charge	Add 0.145¢ + 0.324¢ + A _q			Add 0.149¢ + 0.334¢ + (1.03000 x A _q)		
First 620 hours use of demand	Add 0.118¢ + 0.264¢ + A _q			Add 0.122¢ + 0.271¢ + (1.03000 x A _q)		
Additional kWh	Add 0.112¢ + 0.251¢ + A _q			Add 0.115¢ + 0.259¢ + (1.03000 x A _q)		
Part 2						
Demand Charge	Add \$0.48 + \$1.06			Add \$0.49 + \$1.10		
Energy Charge	Add 0.138¢ + 0.307¢ + A _q			Add 0.142¢ + 0.317¢ + (1.03000 x A _q)		
First 620 hours use of demand	Add 0.112¢ + 0.251¢ + A _q			Add 0.115¢ + 0.259¢ + (1.03000 x A _q)		
Additional kWh	Add 0.112¢ + 0.251¢ + A _q			Add 0.115¢ + 0.259¢ + (1.03000 x A _q)		
Schedule MSC						
Demand Charge	Add \$0.48 + \$1.06			Add \$0.49 + \$1.10		
Energy Charge	Add 0.138¢ + 0.307¢ + A _q			Add 0.142¢ + 0.317¢ + (1.03000 x A _q)		
First 620 hours use of demand	Add 0.112¢ + 0.251¢ + A _q			Add 0.115¢ + 0.259¢ + (1.03000 x A _q)		
Additional kWh	Add 0.112¢ + 0.251¢ + A _q			Add 0.115¢ + 0.259¢ + (1.03000 x A _q)		
Schedule MSD						
Demand Charge	Add \$0.59 + \$1.32			Add \$0.61 + \$1.37		
Energy Charge	Add 0.140¢ + 0.246¢ + A _q			Add 0.143¢ + 0.254¢ + (1.03000 x A _q)		
Schedule LS Part A and B						
Outdoor Lighting Service						
Schedule LS Part A and B						
Energy Charge	Add 0.191¢ + 0.425¢ + A _q			Add 0.206¢ + 0.462¢ + (1.08669 x A _q)		
Demand Charge	Add 0.191¢ + 0.425¢ + A _q			Add 0.206¢ + 0.462¢ + (1.08669 x A _q)		
Drainage Pumping Station						
Schedule DPS						
Energy Charge	Add 0.191¢ + 0.425¢ + A _q			Add 0.206¢ + 0.462¢ + (1.08669 x A _q)		
Demand Charge	Add 0.191¢ + 0.425¢ + A _q			Add 0.206¢ + 0.462¢ + (1.08669 x A _q)		
TIME-OF-DAY SERVICE						
Residential Service						
Schedule TRS						
Energy Charge	Add 0.481¢ + 1.103¢ + A _q			Add N/A + N/A + (N/A x A _q)		
Onpeak	Add 0.481¢ + 1.103¢ + A _q			Add N/A + N/A + (N/A x A _q)		
Offpeak	Add 0.156¢ + 0.359¢ + A _q			Add N/A + N/A + (N/A x A _q)		
General Power Service						
Schedule TGSA						
Part 1						
Energy Charge	Add 0.592¢ + 1.322¢ + A _q			Add N/A + N/A + (N/A x A _q)		
Onpeak	Add 0.592¢ + 1.322¢ + A _q			Add N/A + N/A + (N/A x A _q)		
Offpeak	Add 0.156¢ + 0.359¢ + A _q			Add N/A + N/A + (N/A x A _q)		
Part 2						
Demand Charge	Add \$0.46 + \$1.03			Add N/A + N/A + (N/A x A _q)		
Onpeak	Add \$0.46 + \$1.03			Add N/A + N/A + (N/A x A _q)		
Excess Offpeak	Add \$0.06 + \$0.12			Add N/A + N/A + (N/A x A _q)		
Energy Charge	Add 0.250¢ + 0.558¢ + A _q			Add N/A + N/A + (N/A x A _q)		
Onpeak	Add 0.250¢ + 0.558¢ + A _q			Add N/A + N/A + (N/A x A _q)		
Offpeak	Add 0.153¢ + 0.341¢ + A _q			Add N/A + N/A + (N/A x A _q)		
Part 3						
Demand Charge	Add \$0.54 + \$1.20			Add N/A + N/A + (N/A x A _q)		
Onpeak	Add \$0.54 + \$1.20			Add N/A + N/A + (N/A x A _q)		
Excess Offpeak	Add \$0.06 + \$0.12			Add N/A + N/A + (N/A x A _q)		
Energy Charge	Add 0.250¢ + 0.558¢ + A _q			Add N/A + N/A + (N/A x A _q)		
Onpeak	Add 0.250¢ + 0.558¢ + A _q			Add N/A + N/A + (N/A x A _q)		
Offpeak	Add 0.153¢ + 0.341¢ + A _q			Add N/A + N/A + (N/A x A _q)		

	Wholesale Power Rate - Schedule WS			Resale Schedules		
	(1)	(2)	(3)	(1)	(2)	(3)
Schedule TGSB						
Demand Charge						
Onpeak	Add \$0.59	+ \$1.32		Add \$0.61	+ \$1.37	
Excess Offpeak	Add \$0.05	+ \$0.12		Add \$0.05	+ \$0.13	
Energy Charge						
Onpeak	Add 0.229¢	+ 0.512¢ + A _q		Add 0.236¢	+ 0.528¢ + (1.03000 x A _q)	
Offpeak	Add 0.135¢	+ 0.302¢ + A _q		Add 0.139¢	+ 0.311¢ + (1.03000 x A _q)	
Schedule TGSC						
Demand Charge						
Onpeak	Add \$0.59	+ \$1.32		Add \$0.61	+ \$1.37	
Excess Offpeak	Add \$0.05	+ \$0.12		Add \$0.05	+ \$0.13	
Energy Charge						
Onpeak	Add 0.229¢	+ 0.512¢ + A _q		Add 0.236¢	+ 0.528¢ + (1.03000 x A _q)	
Offpeak	Add 0.135¢	+ 0.302¢ + A _q		Add 0.139¢	+ 0.311¢ + (1.03000 x A _q)	
Schedule TGSD						
Demand Charge						
Onpeak	Add \$0.74	+ \$1.65		Add \$0.76	+ \$1.70	
Excess Offpeak	Add \$0.09	+ \$0.21		Add \$0.09	+ \$0.22	
Energy Charge						
Onpeak	Add 0.143¢	+ 0.319¢ + A _q		Add 0.147¢	+ 0.329¢ + (1.03000 x A _q)	
Offpeak	Add 0.133¢	+ 0.297¢ + A _q		Add 0.137¢	+ 0.306¢ + (1.03000 x A _q)	
Manufacturing Service						
Schedule TMSB						
Part 1						
Demand Charge						
Onpeak	Add \$0.50	+ \$1.13		Add \$0.52	+ \$1.17	
Excess Offpeak	Add \$0.04	+ \$0.10		Add \$0.04	+ \$0.11	
Energy Charge						
Onpeak	Add 0.195¢	+ 0.435¢ + A _q		Add 0.201¢	+ 0.447¢ + (1.03000 x A _q)	
Offpeak	Add 0.115¢	+ 0.257¢ + A _q		Add 0.118¢	+ 0.266¢ + (1.03000 x A _q)	
Part 2						
Demand Charge						
Onpeak	Add \$0.48	+ \$1.06		Add \$0.49	+ \$1.10	
Excess Offpeak	Add \$0.04	+ \$0.08		Add \$0.04	+ \$0.09	
Energy Charge						
Onpeak	Add 0.185¢	+ 0.413¢ + A _q		Add 0.191¢	+ 0.426¢ + (1.03000 x A _q)	
Offpeak	Add 0.109¢	+ 0.244¢ + A _q		Add 0.112¢	+ 0.252¢ + (1.03000 x A _q)	
Schedule TMSC						
Demand Charge						
Onpeak	Add \$0.48	+ \$1.06		Add \$0.49	+ \$1.10	
Excess Offpeak	Add \$0.04	+ \$0.09		Add \$0.04	+ \$0.10	
Energy Charge						
Onpeak	Add 0.185¢	+ 0.413¢ + A _q		Add 0.191¢	+ 0.426¢ + (1.03000 x A _q)	
Offpeak	Add 0.109¢	+ 0.244¢ + A _q		Add 0.112¢	+ 0.252¢ + (1.03000 x A _q)	
Schedule TMSD						
Demand Charge						
Onpeak	Add \$0.62	+ \$1.37		Add \$0.64	+ \$1.41	
Excess Offpeak	Add \$0.07	+ \$0.15		Add \$0.07	+ \$0.16	
Energy Charge						
Onpeak	Add 0.149¢	+ 0.265¢ + A _q		Add 0.123¢	+ 0.273¢ + (1.03000 x A _q)	
Offpeak	Add 0.111¢	+ 0.249¢ + A _q		Add 0.114¢	+ 0.257¢ + (1.03000 x A _q)	

The amounts applicable for "A_q" under column (3) shall be determined for each three-month interval (October through December, January through March, April through June, July through September) by applying data from TVA's forecasts of TVA's actual operations, as well as actual data when it becomes available in accordance with the formula below. TVA will endeavor to publish the calculated amounts 45 days in advance of the quarter of application (but shall in no event publish these calculated amounts any later than 15 days in advance of the quarter of application), and such amounts will be applicable to bills rendered from meter readings taken for TVA and Distributor monthly billing cycles beginning on and after the first day of each month beginning October 1, 2006.

$$A_q = \frac{CF_q + DAR_q}{95\%}$$

- q** = a particular quarter
- A_q** = The FCA adjustment to be applied to the kilowatt-hour sales during the current billing period and rounded to the nearest one-thousandth of a cent per kilowatt-hour.
- CF_q** = The core FCA adjustment for a particular quarter. $CF_q = (FF_q / SF_q) - B_q$
- FF** = TVA's estimate of FA (as described below) for quarter q, based on the latest TVA Financial Forecast.
- SF** = TVA's estimate of SA (as described below) for quarter q, based on the latest TVA Financial Forecast.
- B** = The quarterly per kWh Base Fuel Rates are as follows:

October, November, December	1.661¢
January, February, March	1.795¢
April, May, June	1.595¢
July, August, September	1.950¢

- DAR_q** = The adjustment that collects a portion of DA (as described below) in a quarter, rounded to the nearest one-thousandth of a cent. $DAR_q = R \times DA_q / FISF_q$
- R** = The collection ratio of 50%.
- FISF** = TVA's estimate of FISA (as described below) for quarter q, based on the latest TVA Financial Forecast.
- DA** = The deferred account that provides the true-up adjustment necessary to reconcile prior estimates to actual data, which shall be computed with the formulas below.

$$DA_q = \underbrace{DA_{q-1}}_{\text{Accumulated Core FCA DA}} + \underbrace{TU_{q-2}}_{\text{Core FCA true-up}} - \underbrace{DAR_{q-1} \times FISF_{q-1}}_{\text{Estimate of DAR collections}} - \underbrace{DAR_{q-2} \times (FISA_{q-2} - FISF_{q-2}) + Rev}_{\text{Collections estimate or other true-up amounts}}$$

- FISA** = Actual TVA firm-based rate energy sales (in kWh) for quarter q, as recorded in TVA's General Ledger with specific accounts 442, 445, 447, 447.1, and 448 (or such similar or successor accounts as may be prescribed by FERC in the future).
- Rev** = Any additional revisions needed because of any inaccuracies in SA or FISA in previous quarters. Any remedy of a previous inaccuracy will be reported by the TVA Chief Financial Officer.
- TU_q** = The core true-up amount. $TU_q = FISA_q \times ((FA_q / SA_q) - (FF_q / SF_q))$
- FA** = Actual total fuel and purchased power expenses (in cents) under the framework and accounts provided below (or such similar or successor accounts as may be prescribed by FERC in the future).

- (1) **Fossil Fuel Expense** - Account 501 - Direct cost of fuel burned in TVA coal plants, including transportation and fuel treatments. Costs to be excluded are lease payments for rail cars, maintenance on rail cars, sampling and fuel analysis, and fuel handling expenses in unloading fuel from shipping media and the handling of fuel up to the point where fuel enters the bunker or other boiler-house structure.
- (2) **Reagents Expense** - Account 501.L - Cost of emission reagents such as limestone and ammonia that are directly related to the level of generation output.
- (3) **Allowances Expense** - Account 509 - Cost of emission allowance expense such as SO₂ and NO_x that are directly related to the level of generation output.
- (4) **Nuclear Fuel Expense** - Account 518 - Cost of nuclear fuel amortization expense dependent upon burn, including DOE spent fuel disposal charges.
- (5) **Gas Turbine Fuel Expense** - Account 547 - Direct cost of gas and oil burned in TVA plants, including transportation. Costs to be excluded are costs of gas storage facilities and sampling and fuel analysis that do not vary with changes in generation volume.
- (6) **Purchased Power Expense** - Account 555 - Energy cost of purchased power to serve native load demand or to displace higher cost generation. Costs to be excluded are fixed demand or capacity payments in tolling agreements and purchased power agreements that do not vary with volume and costs of purchased power linked to off-system sales transactions.

SA = Actual total TVA energy sales (in kWh) for quarter q, as recorded in TVA's General Ledger with specific accounts 442, 445, 447, 447.1, and 448 (or such similar or successor accounts as may be prescribed by FERC in the future), excluding any displacement sales reflected in account 447.1.

COPY

405 College Street
P. O. Box 40
Lafayette, TN 37083-0040

Tri-County
Electric
Membership Corporation
www.tcemc.org

Telephone: (615) 666-2111
Toll Free: 1-800-369-2111
Fax: (615) 688-2141

October 26, 2006

Mr. Myron N. Callahan
General Manager – Customer Service – Kentucky
Tennessee Valley Authority
6045 Russellville Road
Bowling Green, KY 42101-7319

RE: TV-52337A, Suppl. No. 77

Dear Myron:

Please find enclosed two (2) executed duplicate originals of the above referenced Agreement (Reference TV-52337A, Suppl. No.77) regarding the standard-form resale rate schedule substitution agreement of Schedule LS (October 2006) for Schedule LS (October 2003) beginning with the October 2006 revenue month.

Please return a fully executed copy for our files.

If additional information is needed, please advise.

Sincerely,



PAUL THOMPSON
Executive Vice President and General Manager
Tri-County Electric Membership Corporation

Enclosures (2)

C: Ken Witcher



Tennessee Valley Authority, 6045 Russellville Road, Bowling Green, Kentucky 42101-7319

October 13, 2006

RECEIVED
OCT 2006

Mr. Paul Thompson, Executive Vice President
and General Manager
Tri-County Electric Membership Corporation
Post Officer Box 40
Lafayette, Tennessee 37083

Dear Paul:

I have enclosed two partially executed duplicate originals of a standard-form resale rate schedule substitution agreement to provide for the substitution of Schedule LS (October 2006) for Schedule LS (October 2003). This substitution will be effective for bills rendered for Tri-County Electric Membership Corporation's revenue months beginning with the October 2006 revenue month.

I have also enclosed a copy of the Adjustment Addendum to be effective October 1, 2006. Please note that Tri-County Electric Membership Corporation's resale charges to your customers will be the sum of the base charges in the proposed schedule and the corresponding resale rate adjustment amounts set forth in the Adjustment Addendum.

Please note that in order for the contract to go into effect for the October 2006 revenue month, it is necessary for both originals to be returned to my office by October 27, 2006. If this is not possible, please let us know as soon as you can so that we can work together on other arrangements.

If you have questions or concerns regarding these documents, please call Hugh Meyer at (270) 846-7042.

Sincerely,

Myron N. Callaham

Myron N. Callaham
General Manager
Customer Service
Kentucky

10/25/2006

Laura,

Please copy for our records
& mail the originals to Myron.

Thanks
Laura

10/25/2006



Laura,
Please file.

Tennessee Valley Authority, 6045 Russellville Road, Bowling Green, Kentucky 42101-7319

October 20, 2006

Thanks,
Paul

Paul Thompson
Executive Vice President & General Manager
Tri-County Electric Membership Cooperation
Post Office Box 40
Lafayette, Tennessee 37083-0040

Dear Paul:

I have enclosed a fully executed Fuel Cost Adjustment Agreement, TV-52337A, Supp. No. 78, for Tri-County Electric Membership Corporation's files.

If you have questions, please call me at (270) 846-7042.

Sincerely,

Hugh A. Meyer

Hugh A. Meyer
Customer Service Engineer
Kentucky

Enclosure

AGREEMENT
Between
TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION
And
TENNESSEE VALLEY AUTHORITY

Date: October 1, 2006

TV-52337A, Supp. No. 78

THIS AGREEMENT, made and entered into between TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION (Distributor), a cooperative corporation created and existing under and by virtue of the laws of the State of Tennessee, and TENNESSEE VALLEY AUTHORITY (TVA), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended (TVA Act);

W I T N E S S E T H:

WHEREAS, TVA and Distributor have a longstanding relationship as seller and buyer of power, under which Distributor currently purchases all of its power requirements from TVA pursuant to Power Contract TV-52337A, dated July 18, 1979, as amended (Power Contract); and

WHEREAS, in accordance with the rate adjustment provisions in section 6 of the Terms and Conditions to the Power Contract, TVA has published an Adjustment Addendum, effective October 1, 2006, which includes a Fuel Cost Adjustment (FCA) formula under which rates will be automatically adjusted quarterly to reflect changes in costs for fuel and purchased power; and

WHEREAS, TVA and Distributor wish to agree upon a communication and oversight process under which FCA issues could be raised with TVA staff, TVA management, and the TVA Chief Executive Officer (CEO), and following such process, FCA policy issues could be ultimately appealed to the TVA Board; and

WHEREAS, TVA and Distributor also wish to agree upon an additional process to be applicable with respect to any proposed changes to or replacement of the FCA formula;

NOW, THEREFORE, for and in consideration of the premises and of the mutual agreements set forth below, and subject to the provisions of the TVA Act, the parties agree as follows:

1. Communication and Oversight Process.

- 1.1 FCA Information. TVA will endeavor to provide the following Information related to the FCA at least 45 days prior to the quarterly operation of the FCA or as soon thereafter as practicable; provided, however, that such information shall in no event be provided later than 15 days in advance of such quarterly operation:

- (a) The FCA adjustment amounts for the following quarter.
- (b) Reconciliation between the prior quarter's forecast data and actual data, including the resulting deferred account impact.
- (c) A revised preliminary forecast for each of the next four quarters following the quarter for which FCA adjustment amounts are provided under (a).

1.2 Oversight. TVA and Distributor agree to use their best efforts to resolve any FCA issues that may arise informally at the lowest possible levels of decision making. Accordingly, any such issues may be submitted by Distributor to TVA in accordance with an oversight process consisting of the following progressive steps:

Step 1: Review by TVA Customer Service & Marketing (CS&M).

- (a) As a part of this step, Distributor may request additional information from TVA supporting the FCA amounts and TVA will provide that information subject to the qualifications in section 3 below.
- (b) Unless otherwise agreed, this step shall be completed within 30 days of its being initiated by Distributor.
- (c) If this step does not result in resolution of the issue(s), CS&M will provide Distributor with contact information for the appropriate senior TVA management representative(s) for step 2.

Step 2: Review by appropriate senior TVA management.

Unless otherwise agreed, this step shall be completed within 30 days of its being initiated by Distributor.

Step 3: Review by the TVA CEO.

Unless otherwise agreed, this step shall be completed within 30 days of its being initiated by Distributor.

Step 4: Appeal to the TVA Board.

If an FCA issue which has first been the subject of steps 1, 2, and 3 above presents policy questions, it may be appealed to the TVA Board by the distributor submitting a written request for review to the Finance, Strategy and Rates Committee of the Board, or to such other committee as may be designated by the Board, for such committee's recommendation to the Board. Any such request for Board review shall include:

- (a) a description of the issue(s),
- (b) a statement of the Distributor's position on the issue(s) and why it does not consider the results of the previous steps to have resulted in a satisfactory resolution of the issues, and
- (c) such other information as might be reasonably specified by TVA in procedures relating to such appeals.

1.3 **Board Decision Final.** The decision made by the TVA Board on any appeal to it under 1.2 above shall be final and shall not be subject to further review under, or based on or arising out of, any provision of this section 1. Further, it is expressly recognized and agreed that nothing in this section 1, shall be deemed to

- (a) create any right to any review of or oversight of TVA actions and decisions other than the process expressly provided for in this section 1;
- (b) waive any otherwise applicable rights related to such review or oversight,
- (c) relieve either Distributor or TVA of any obligation to continue to perform its contract obligations to the other party pending the outcome of said process; or
- (d) in any way impair or restrict either party's ability to bring any action to enforce the FCA formula or the provisions of the other sections of this agreement.

1.4 **Process Revisions.** If either party believes that the oversight process provided for by 1.2 above should be revised for any reason, it shall propose such revisions and the parties shall endeavor to reach agreement upon revisions to the process. If after 90 days the parties have not reached agreement, TVA may, upon 30 days' written notice to Distributor implement:

- (a) any revisions related to steps 1, 2, and 3 of the process as are determined to be necessary or appropriate by its CEO, or
- (b) any revisions related to step 4 of the process as are determined to be necessary or appropriate by its Board.

2. **Changes to FCA.** Section 6 of the Terms and Conditions to the Power Contract is amended in the respects necessary to provide that if TVA believes that any factors warrant a rate adjustment which would involve any change to or replacement of the FCA formula, TVA will not implement any such change or replacement of the FCA formula without first requesting that the parties or their representatives meet and endeavor to reach agreement upon the change or replacement. If within 90 days after any such request the parties have not reached agreement, TVA may, following a quarterly rate review as provided for in the paragraph entitled "Adjustment" of said section, publish an Adjustment Addendum implementing any such change or replacement of the FCA formula determined to be appropriate under the provisions of said paragraph.

3. **Confidentiality.** As a condition of any information provided by TVA to Distributor under this agreement, TVA may require Distributor to execute a confidentiality agreement in a form acceptable to TVA. Further, where deemed necessary by TVA to protect confidential or proprietary information, any such agreement may require that specified information provided for Distributor review remain in the possession of TVA, or a Distributor representative (such as the Tennessee Valley Public Power Association) that also enters into a confidentiality agreement with TVA, and that such information not be retained by Distributor or maintained as part of the record system of Distributor.

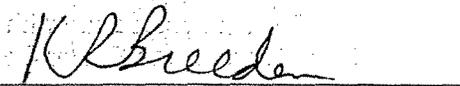
4. **No Limitation of Rate Adjustments.** Except as expressly set out in section 2 above with respect to any change to or replacement of the FCA formula, nothing in this agreement shall limit TVA's ability to adjust rates under the paragraph entitled "Adjustment" in section 6 of the Terms and Conditions to the Power Contract; provided, however, that it is further expressly recognized and agreed that nothing in this agreement shall be deemed to expand TVA's authority under said "Adjustment" paragraph or to in any way modify the rights and obligations of either party under any other provision of section 6 of the Terms and Conditions to the Power Contract.

IN WITNESS WHEREOF, the parties have caused this agreement to be executed by their duly authorized officers, as of the day and year first above written.

**TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION**

By 
Title:

TENNESSEE VALLEY AUTHORITY

By 
Executive Vice President
Customer Service and Marketing

Tri-County
Electric
Membership Corporation
www.tcemc.org

405 College Street
P. O. Box 40
Lafayette, TN 37083-0040

Telephone: (615) 666-2111
Toll Free: 1-800-369-2111
Fax: (615) 688-2141

September 28, 2006

Mr. Myron N. Callaham
General Manager – Customer Service – Kentucky
Tennessee Valley Authority
6045 Russellville Road
Bowling Green, KY 42101-7319

RE: TV-52337A, Suppl. No. ___

Dear Myron:

Please find enclosed two (2) executed duplicate originals of the above referenced Agreement (Reference TV-52337A, Suppl. No. ___) regarding a proposed Fuel Cost Adjustment Agreement.

As stated in your letter, please return a fully executed copy for our files.

If additional information is needed, please advise.

Sincerely,



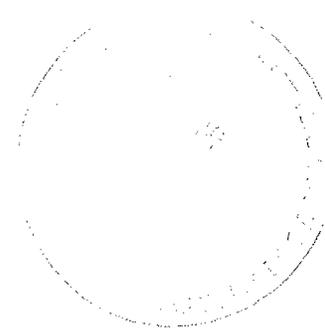
PAUL THOMPSON
Executive Vice President and General Manager
Tri-County Electric Membership Corporation

Enclosures (2)

C: Ken Witcher



Tennessee Valley Authority, 6045 Russellville Road, Bowling Green, Kentucky 42101-7319



August 24, 2006

Mr. Paul Thompson, Executive Vice President & General Manager
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083

Dear Paul:

I have enclosed two duplicate originals of a proposed Fuel Cost Adjustment Agreement that provides for:

1. A communication and oversight process for handling FCA issues, and
2. A process to be applicable with respect to any proposed changes to or replacement of the FCA formula.

After the originals have been signed by your official representative, please send both of them back to my office for further handling. After final execution by TVA, we will send you an original for your files.

Sincerely,

Myron N. Callahan
General Manager
Customer Service
Kentucky

Enclosures

09/27/2006

Laura,

Please copy for our files & mail to Myron.

Thanks.
Caul

Note: Please copy Ken W.



06/29/2007
Paul

1007

Tennessee Valley Authority, 6045 Russellville Road, Bowling Green, Kentucky 42101-7319

March 30, 2007

Mr. Paul Thompson
Executive Vice-President and General Manager
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083

Dear Paul:

I have enclosed a fully executed original of TV-52337A, Supplement No. 79, dated March 13, 2007, a new delivery point agreement for East Sumner 161-kV Substation.

If you have questions, please call me at (270) 846-7042.

Sincerely,

A handwritten signature in black ink that reads "Hugh A. Meyer".

Hugh A. Meyer
Customer Service Engineer
Kentucky

Enclosures

NEW DELIVERY POINT AGREEMENT
Between
TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION
And
TENNESSEE VALLEY AUTHORITY

Date: March 13, 2007 TV-52337A, Supp. No. 79

THIS AGREEMENT, made and entered into between TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION (Distributor), a cooperative corporation created and existing under and by virtue of the laws of the State of Tennessee, and TENNESSEE VALLEY AUTHORITY (TVA), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended (TVA Act);

W I T N E S S E I H:

WHEREAS, Distributor purchases power from TVA for resale at specified delivery points under Power Contract TV-52337A dated July 18, 1979, as amended (Power Contract); and

WHEREAS, Distributor is building the East Sumner 161-kV Substation (New Substation) near Westmoreland, Tennessee, with a target in-service date of January 16, 2007; and

WHEREAS, the parties wish to amend the Power Contract to add a new delivery point at the New Substation;

NOW, THEREFORE, for and in consideration of the premises and of the mutual agreements set forth below, and subject to the TVA Act, the parties mutually agree as follows:

SECTION 1 - CONSTRUCTION BY DISTRIBUTOR

Distributor shall at its expense:

- (a) provide the New Substation and
- (b) perform all work on its distribution system necessary to enable it to take power and energy at the New Substation on or as soon as practicable after the date the New Substation is completed.

SECTION 2 - CONSTRUCTION BY TVA

TVA shall at its expense:

- (a) provide a tap point in TVA's Portland-Lafayette 161-kV Line,
- (b) construct approximately 0.6 mile of 161-kV tap line from this tap point to the New Substation, and
- (c) connect this tap line to the New Substation.

SECTION 3 - AMENDMENT TO POWER CONTRACT

Effective as of the date on which the New Substation is first energized, section 3 of the Power Contract is amended by adding to the respective columns of the tabulation set out in that section the following:

<u>Delivery Point</u>	<u>Normal Wholesale Delivery Voltage</u>
161-kV side of the East Sumner 161-kV Substation	161,000

SECTION 4 - INCORPORATION OF TERMS AND CONDITIONS

The attached Terms and Conditions are made a part of this agreement. In the event of any conflict between the body of this agreement and the Terms and Conditions, the former controls.

SECTION 5 - REVENUE METERING INSTALLATION

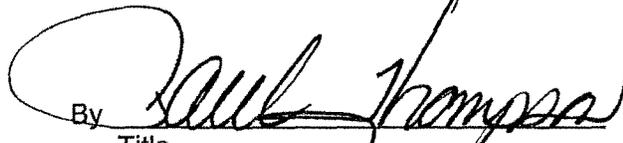
TVA and Distributor will cooperate in providing at the New Substation two 13-kV revenue metering installations (one for each transformer bank) each in accordance with the attached Terms and Conditions. TVA will furnish a telephone switcher and will provide connection points from the metering voltage transformer secondary circuits in the revenue metering installations for connection to Distributor's equipment. Distributor may use these voltage transformers and the potentials from them only in a manner acceptable to TVA (as set out in TVA's Revenue Metering Guide for Customer-Owned Substations) which will not affect the safe and efficient operation of TVA's facilities. These potentials are outputs from the metering installation and are subject to the provisions applicable to metering outputs under section 3 of the Terms and Conditions.

SECTION 6 - RELAY INSTALLATION

TVA and Distributor will cooperate in providing at the New Substation an underfrequency loadshed relay and a lockout relay (Relays). In accordance with plans and specifications satisfactory to TVA, Distributor shall at its expense install the Relays and thereafter remove or replace them at TVA's request. TVA shall at its expense furnish the Relays and any needed replacements for them and shall operate, maintain, and repair the Relays.

IN WITNESS WHEREOF, the parties have caused this agreement to be executed by their duly authorized representatives, as of the day and year first above written.

**TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION**

By 
Title
Exec. V.P. & Gen. Mgr.

TENNESSEE VALLEY AUTHORITY

By 
Senior Vice President
Pricing and Strategic Planning
Customer Resources

TERMS AND CONDITIONS

(New Delivery Point)

SECTION 1 - COORDINATION

1.1 Objectives of Coordination. The parties agree that it is necessary to coordinate their efforts under this agreement to ensure that the following objectives are met: (a) timely and efficient completion of construction and connection of the New Substation to the TVA system, (b) timely and efficient completion of the metering installation, (c) the safe, reliable, and efficient operation of TVA's facilities, (d) prevention of any undue hazards to TVA's facilities and operations, and (e) the safety of the parties' personnel. Each party will use reasonable diligence in carrying out its responsibilities under this agreement and will notify the other of any significant changes in schedule.

1.2 New Substation Plans and Specifications. Distributor shall consult with TVA in designing the New Substation and shall use plans and specifications that TVA concurs will ensure consistency with objectives (c) and (d) in subsection 1.1 above. Distributor will design, construct, operate, and maintain the New Substation in accordance with good, modern practices and procedures.

1.3 New Substation Protective Scheme. Distributor shall also consult with TVA in planning for the installation, operation, testing, calibration, and maintenance of the protective scheme for the New Substation. Such protective scheme shall include backup protection for the New Substation in the event of failure of primary interrupting devices. As a minimum, backup protection would involve equipment (such as backup relays and fault initiating switches) to trigger operation of secondary interrupting devices (typically remote line breakers). Distributor agrees not to install, operate, or maintain any protective devices without TVA's concurrence that objectives (c) and (d) in subsection 1.1 above will be fully met.

1.4 TVA Review. Any review by TVA of Distributor's plans provided for in this agreement should not be considered an endorsement that they are adequate for Distributor's purposes. TVA will not unreasonably withhold its concurrence following any such review.

1.5 Metering. TVA and Distributor will coordinate their work under section 2 below to the extent necessary and practicable.

SECTION 2 - METERING

2.1 TVA's Installation Work. TVA at its expense shall provide and install the revenue meter and related items necessary to determine the power and energy taken by Distributor at the New Substation. This metering installation will be at a mutually satisfactory location in the New Substation.

2.2 Distributor's Installation Work.

2.2.1 Current and Voltage Transformers. Distributor shall, at its expense and in accordance with plans and specifications furnished or approved by TVA, install the metering current and voltage transformers (furnished by TVA). This will be done on the source side of any station service transformers and voltage correction equipment.

2.2.2 Miscellaneous Facilities. Distributor shall install all other facilities required for the metering installation, including a prewired meter cabinet (provided by TVA) and the foundation (if necessary) for TVA's meter cabinet, the primary connections from the metering transformers to Distributor's facilities and the conduit (together with any required test boxes) and cable extending from the metering transformer secondaries to the meter cabinet. Distributor will furnish the supplies and materials needed under this subsection 2.2.2, except that TVA will furnish the cable and test boxes.

2.3 Remote Access to Metering Installation.

2.3.1 Installation of Circuit. For TVA's metering purposes, including power quality monitoring, Distributor shall provide and install (or have installed) a telephone circuit (Circuit) and, if needed, protective conduit extending from TVA's revenue meter to a location specified by TVA. If TVA furnishes a telephone switcher, Distributor shall install it at an agreed upon location. Distributor installation of the Circuit and telephone switcher shall be in accordance with guidelines and specifications furnished or approved by TVA. Distributor shall install and then operate and maintain the Circuit (and any such conduit) at its expense. TVA will connect the Circuit to the revenue meter.

2.3.2 Distributor Access to Meter Data. TVA agrees to allow Distributor (a) remote access to TVA's metering data through the Circuit and (b) access to the metering information available from the readout display of the revenue meter. Use of the Circuit and access to the readout display will be coordinated between TVA's and Distributor's operating representatives to ensure unrestricted telephone access by TVA for data retrieval purposes during such periods as specified by TVA.

2.3.3 Remote Access Equipment. It is recognized that Distributor will need equipment not provided by TVA in order to obtain metering data by remote telephone access. If requested, TVA will assist Distributor in selecting such equipment, but acquisition of the equipment shall be the sole responsibility of Distributor.

2.4 Control of Metering Installation. Except as specifically provided otherwise in this agreement (or as agreed otherwise by TVA), the metering installation shall be for TVA's exclusive use and control. It may be used by TVA separately or in conjunction with any other metering facilities of TVA. TVA will place its seals on the revenue meter and metering facilities in the metering installation, and Distributor shall assure that those seals are not broken except at TVA's request.

2.5 Maintenance of Metering Installation.

2.5.1 TVA's Responsibilities. TVA at its expense shall test, calibrate, operate, maintain, and replace the portion of the metering installation provided and installed by TVA.

2.5.2 Distributor's Responsibilities. As requested by TVA from time to time, Distributor at its expense shall perform necessary maintenance (including making of replacements) of the remaining portion of the metering installation. In doing this work Distributor shall furnish the necessary materials, except that TVA shall furnish for installation by Distributor any replacements required for the current and voltage transformers, metering cable, and test boxes.

SECTION 3 - METERING OUTPUTS

3.1 Access to Outputs. Distributor may desire access to metering outputs from the metering installation for such purposes as monitoring and load control, and TVA is willing to make such access available at no charge. Accordingly, Distributor may, at such time as it deems appropriate, provide and install at its expense such additional facilities as are necessary for obtaining access to metering outputs. This includes provision and installation of cable to be connected by TVA to a terminal block in TVA's meter cabinet. Distributor shall also furnish and install any protective facilities requested by TVA for the protection of TVA's metering installation.

3.2 Approval of Facilities. Distributor shall keep TVA informed as to Distributor's plans for installation of any such additional facilities to the extent necessary and practicable. Distributor shall neither install any facilities which are to be connected to the metering installation nor, once installed, change them without prior written notification from TVA that such installation or change is satisfactory to TVA insofar as required for the safe and efficient operation of the metering installation.

3.3 Noninterference With Metering. In exercising access to metering outputs, Distributor shall not interfere with any operation, use of, or access to the metering installation by TVA. In this regard Distributor agrees to immediately modify its facilities and operations, in any manner requested by TVA, to avoid any such interference.

3.4 No Warranty of Outputs. TVA makes no statement, representation, claim, guarantee, assurance, or warranty of any kind whatsoever, including, but not limited to, representations or warranties, express or implied, (a) as to the accuracy or completeness of the metering outputs or as to such outputs' merchantability or fitness for any purposes for which Distributor uses or will use them or (b) as to quantity, kind, character, quality, capacity, design, performance, compliance with specifications, condition, size, description of any property, merchantability, or fitness for any use or purpose of any facilities through which the metering outputs are supplied. Distributor hereby waives, and releases the United States of America, TVA, and their agents and employees from, any and all claims, demands, or causes of action, including, without limitation, those for consequential damages, arising out of or in any way connected with Distributor's use of the metering outputs.

3.5 Termination of Arrangements. The arrangements set out under this section 3, may be terminated by TVA or Distributor at any time upon at least 120 days' written notice. As soon as practicable following the effective date of such termination, TVA will disconnect the cable from the metering installation.

SECTION 4 - ADJUSTMENT OF METERED AMOUNTS

If the metering installation at the New Substation is not at the point of delivery specified in the Power Contract, the metered amounts of power and energy shall be appropriately adjusted to reflect losses (and non-metered station service or equipment use, if any) between the point of delivery and the metering installation. Distributor shall from time to time furnish TVA with the loss data for Distributor's facilities needed to allow TVA to make such adjustments.

SECTION 5 - RIGHTS OF ACCESS

Distributor hereby grants to TVA such rights to use Distributor's property as are reasonably necessary or desirable to enable TVA to carry out its responsibilities under this agreement. These rights include installation, operation, maintenance, replacement, removal, and inspection of TVA's electrical facilities and equipment (including metering equipment) installed in connection with service to Distributor.

SECTION 6 - POWER REQUIREMENTS

Distributor shall at its expense provide the battery and station service power requirements for TVA's facilities and equipment (including metering equipment) installed at the New Substation.

SECTION 7 - TERM OF AGREEMENT

Except as otherwise provided, this agreement becomes effective as of the date of the agreement and continues in effect for the term of the Power Contract or any renewal, extension, or replacement of it.

SECTION 8 - RESTRICTION OF BENEFITS

No member of or delegate to Congress or Resident Commissioner, or any officer, employee, special Government employee, or agent of TVA shall be admitted to any share or part of this agreement or to any benefit that may arise from it unless the agreement be made with a corporation for its general benefit. Distributor shall not offer or give, directly or indirectly, to any officer, employee, special Government employee, or agent of TVA any gift, gratuity, favor, entertainment, loan, or any other thing of monetary value, except as provided in 5 C.F.R. part 2635 (as amended, supplemented, or replaced). Breach of this provision shall constitute a material breach of this agreement.

SECTION 9 - AMENDMENT

This agreement may be amended only by a writing signed by the parties.



03/12/2007

Laura,
Please file.

Tennessee Valley Authority, 6045 Russelville Road, Bowling Green, Kentucky 42101-7319

March 9, 2007

Thanks,
Jaw

Mr. Paul Thompson
Executive Vice President and
General Manager
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083-0040

Dear Paul:

I have enclosed two duplicate originals of a proposed letter agreement covering arrangements for establishment of a 161-kV delivery point of power at its proposed East Sumner 161-kV Substation from TVA's Portland-Lafayette 161-kV Line.

After you have reviewed the enclosed documents, please have the authorized representative from Tri-County EMC sign both originals and send them back to my office for further handling.

If you have questions regarding this agreement, please call me at (270) 846-7041 or Hugh Meyer at (270) 846-7042.

Sincerely,

Myron N. Callaham
General Manager
Customer Service
Kentucky

Enclosures



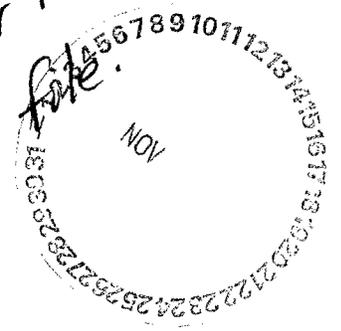
Tennessee Valley Authority, 6045 Russellville Road, Bowling Green, Kentucky 42101-7049

November 8, 2007

Nov. 12, 2007

Tommy,

Please copy for your records & give to Laura to file.



Mr. Paul Thompson
Executive Vice-President and General Manager
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083

Thank you

80

Dear Paul:

I have enclosed a fully executed original of the Enhanced Growth NCL Amendment 2007 Agreement for Tri-County EMC's records. If you have questions regarding this document, please give me a call at (270) 846-7042.

Sincerely,

Hugh A. Meyer
Customer Service Engineer
Kentucky

Enclosure

AGREEMENT
Between
TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION
And
TENNESSEE VALLEY AUTHORITY

Effective Date: December 1, 2007 TV-52337A, Supp. No. 80

THIS AGREEMENT, made and entered into between TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION (Distributor), a cooperative corporation created and existing under and by virtue of the laws of the State of Tennessee, and TENNESSEE VALLEY AUTHORITY (TVA), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended (TVA Act);

WITNESSETH:

WHEREAS, TVA and Distributor have entered into a contract dated July 18, 1979, as amended (Power Contract), under which Distributor purchases its entire requirements for electric power and energy from TVA for resale; and

WHEREAS, notwithstanding the termination notice dated August 13, 2007, the parties wish to supplement and amend the Power Contract in the respects necessary to reaffirm and revise the Enhanced Growth Credit Program to exclude large loads with certain operating characteristics;

NOW, THEREFORE, for and in consideration of the premises and of the mutual agreements set forth below, and subject to the TVA Act, the parties mutually agree as follows:

SECTION 1 - EGCP AGREEMENT AMENDED

Under an agreement numbered TV-52337A, Supp. No. 39 and dated May 5, 1994 as amended (EGCP Agreement), TVA and Distributor are participating in an Enhanced Growth Credit Program (Program) to encourage the fuller and better balanced development of the resources of the region by applying credits against the electric bills of certain eligible new and expanding general power customers of Distributor.

(a) The parties wish to revise the Program in the respects necessary to exclude large industrial customers that exhibit certain adverse load characteristics (Nonconforming Loads). Accordingly, effective as of the Effective Date, (i) as is more expressly set forth in the EGC Participation Agreement Guidelines (December 2007), attached to and made a part of this agreement (Revised Guidelines), the EGCP Agreement is amended in the respects necessary to provide that the definition of Customer provided in Guideline 1.1 shall be not deemed to include

Nonconforming Loads, and (ii) all references to "Guidelines" in the EGCP Agreement shall be deemed to refer to the Revised Guidelines.

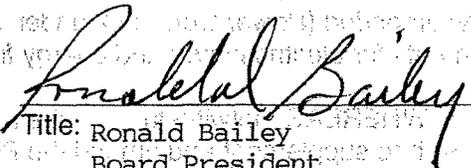
(b) It is expressly recognized and agreed that Distributor will continue to apply the credit amounts provided for in the Guidelines to any Customer which is eligible to receive credits under a Participation Agreement entered into prior to the Effective Date of this agreement.

SECTION 2 - POWER CONTRACT AFFIRMED

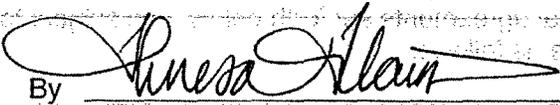
Except as expressly set out above, nothing in this agreement shall affect the other terms of the Power Contract and the termination notice shall be of no force and effect.

IN WITNESS WHEREOF, the parties have caused this agreement to be executed by their duly authorized representatives, as of the day and year first above written.

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

By 
Title: Ronald Bailey
Board President

TENNESSEE VALLEY AUTHORITY

By 
Senior Vice President
Pricing and Contracts

EGC PARTICIPATION AGREEMENT GUIDELINES

(December 2007)

GUIDELINE 1 - DEFINITION OF TERMS

As used in these guidelines:

1.1 "Customer" shall mean a customer of Distributor purchasing power under one of the following rate schedules:

(a) Standard Service Schedules GSA, GSB, GSC, or GSD,

(b) Time-of-Day Service Schedules TGSA, TGSB, TGSC, or TGSD,

(c) Standard Manufacturing Service Schedules MSB, MSC, or MSD, or

(d) Time-of-Day Manufacturing Service Schedules TMSB, TMSC, or TMSD;

except that "Customer" shall not be deemed to include customers taking service under the seasonal service provisions of schedules GSA or TGSA. (All references to a rate schedule in this Guideline 1.1 shall be deemed to refer to that schedule as modified, changed, replaced, or adjusted from time to time in accordance with the provisions of the Power Contract.)

Further, "Customer" shall not be deemed to include customers with a total contract demand of more than 50 MW and with one or more of the following load characteristics (Nonconforming Loads):

(i) expected load swings of approximately 50 MW or more and ramp rates of approximately 10 MW or more per minute;

(ii) loads with expected daily reactive power ramp rates of 50 MVAR or more per minute;

(iii) loads known to create voltage flicker exceeding the limits set out in the Institute of Electrical and Electronics Engineers (IEEE) Standard 1453, or

(iv) loads known to create harmonic current distortions exceeding the limits set out in IEEE Standard 519;

provided; however, that for purposes of determining eligibility for any Nonconforming Load that is expanding under Guideline 3, if in TVA's sole discretion, the expansion load itself exhibits no Nonconforming Load characteristics (without regard to size), the expansion load could qualify for credits under the Program.

1.2 "Power Supply Contract" shall mean a contract between Distributor and a Customer for the sale of power through a specific delivery point.

1.3 "Participation Agreement" shall mean an agreement entered into between Distributor and a Customer in accordance with Guideline 2 or Guideline 3 below.

1.4 Contract Demand

1.4.1 Standard Service. Under a Power Supply Contract with a Standard Service Schedule, "Contract Demand" shall mean the amount of firm power made available under that contract.

1.4.2 Time-of-Day Service. Under a Power Supply Contract with a Time-of-Day Service Schedule, "Contract Demand" shall mean the amount of firm power made available under that contract during onpeak periods.

1.5 Actual Firm Demand

1.5.1 Standard Service. Under a Power Supply Contract with a Standard Service Schedule, "Actual Firm Demand" shall mean an amount equal to the highest billing demand for firm power in any month computed under the Power Supply Contract but without regard to the exception language (Demand Ratchet) set out in the section headed "Determination of Demand" of that rate schedule.

1.5.2 Time-of-Day Service. Under a Power Supply Contract with a Time-of-Day Service Schedule, "Actual Firm Demand" shall mean an amount equal to the highest onpeak billing demand for firm power in any month computed under the Power Supply Contract but without regard to the exception language (Demand Ratchet) set out in the section headed "Determination of Demand" of that rate schedule.

1.6 "Base Amount" shall mean the highest Actual Firm Demand established at the Customer's delivery point during the 12-consecutive-month period immediately preceding the effective date of the Participation Agreement. (In the event that the necessary demand metering data is not available for any part of such a period, Distributor and TVA will jointly develop a reasonable approximation of the metered demands necessary to determine a particular Base Amount.)

1.7 "Total Metered Demand" shall mean the highest average during any 30-consecutive-minute period beginning or ending on a clock hour of the total load at the Customer's delivery point metered in kW.

1.8 "Total Metered Base Amount" shall mean the highest Total Metered Demand established during the 12-consecutive-month period immediately preceding the effective date of the Participation Agreement.

1.9. "SIC Customer" shall mean a Customer with a Contract Demand of at least 100 kW using power taken under a written Power Supply Contract to conduct activities which are classified with one of the following 2-digit Standard Industrial Classification (SIC) codes:

- Division B: Mining 10 through 14, inclusive
- Division D: Manufacturing 20 through 39, inclusive
- Division E: 40 - Railroad Transportation
42 - Motor Freight Transportation and Warehousing
44 - Water Transportation
45 - Transportation by Air

It is recognized that the above SIC codes have been selected to encourage new and expanded electrical loads in cases where the price of electricity has a particularly significant impact upon location, expansion, or fuel choice decisions. TVA may from time to time, by written notice to Distributor, modify the above listing of SIC codes when it deems it necessary to do so in order to better serve such purpose. In addition, in the event that TVA determines that a particular Customer is within the intended scope of the EGC Program but is excluded only because of the technical definition of an SIC code category, TVA and the Distributor may agree to consider that Customer to be an SIC Customer.

1.10. "All-Electric Customer" shall mean a Customer with a Contract Demand of at least 250 kW using power under a written Power Supply Contract where

- (a) the Customer's space conditioning is accomplished solely by an all-electric heating, ventilating, and air conditioning system (HVAC System),
- (b) at least fifty percent (50%) of the Customer's interior floor space at that location is heated and cooled by the all-electric HVAC System; and
- (c) at least fifty percent (50%) of the rated electric load served under the Power Supply Contract is for interior lighting, cooking, and the HVAC System.

GUIDELINE 2 - NEW CUSTOMERS

2.1 Qualification. An SIC Customer or an All-Electric Customer is eligible to enter into a Participation Agreement under 2.2 below if the Customer

- (a) initiates operations at an entirely new facility through a new delivery point, or
- (b) restarts an existing facility with no current Contract Demand which has been operationally shut down for a period of at least 12 consecutive months.

2.2 New Customer Participation Agreement. To participate in the EGC Program, a Customer qualifying under 2.1 above must enter into a Participation Agreement.

The Participation Agreement shall:

- (a) be in a form furnished or approved by TVA;

(b) include (i) a certification by the Customer showing that it qualifies under 2.1 above and (ii) a requirement that the Customer promptly notify Distributor of any change in any aspect of such qualifying status;

(c) provide for a monthly credit to the Customer for the time period and in the credit amount specified in Guideline 4.2, 4.3, 4.4, or 4.5 below for each kW of the Customer's Actual Firm Demand in the month (up to and including the kW amount of the Contract Demand); provided, however, to receive a credit in any month

(i) an SIC Customer must establish an Actual Firm Demand of at least 100 kW in that month, and

(ii) an All-Electric Customer must establish an Actual Firm Demand of at least 250 kW in that month;

(d) provide that a Customer billed under part 2 of the section of schedule GSA or TGSA entitled "Base Charges" shall not receive a credit in any month which exceeds fifty percent (50%) of the amount of the charges billed to the Customer under that section; and

(e) provide for the automatic termination of the Participation Agreement if the Customer (i) does not qualify for a credit under (c), and where applicable

(d), above within 12 months of the effective date of the Participation Agreement or (ii) ceases at any time to qualify for participation in the EGC Program under 2.1 above;

GUIDELINE 3 - EXPANSION CUSTOMER

3.1 Qualification

3.1.1 SIC Customer. An SIC Customer is eligible to enter into a Participation Agreement under 3.2 below if the Customer

(a) initiates an expansion of its facilities served through an existing delivery point, and

(b) on or before the effective date of the Participation Agreement, enters into a written Power Supply Contract specifying a Contract Demand which is at least 100 kW greater than the Base Amount applicable for that Customer.

3.1.2 All-Electric Customer. An All-Electric Customer is eligible to enter into a Participation Agreement under 3.2 below if the Customer

(a) initiates an expansion of its facilities served through an existing delivery point, and

(b) on or before the effective date of the Participation Agreement, enters into a written Power Supply Contract specifying a Contract Demand which