

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

DEC 16 2005

In the Matter of:

PUBLIC SERVICE
COMMISSION

ADJUSTMENT OF RATES)
OF CUMBERLAND VALLEY) CASE NO. 2005-00187
ELECTRIC, INC.)

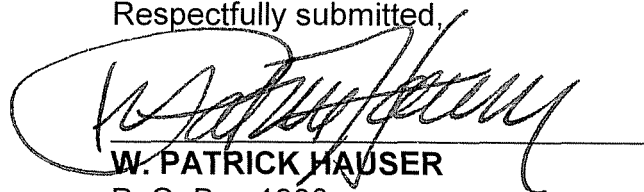
**SUPPLEMENTAL REPLY OF CUMBERLAND VALLEY ELECTRIC, INC.
TO ATTORNEY GENERAL'S SUPPLEMENTAL REQUESTS FOR INFORMATION**

* * * * *

Comes now the Petitioner, Cumberland Valley Electric, Inc., by counsel and submits the following supplemental reply to the Attorney General's supplemental requests for information to items 35, 49, 50 and 51 of said Supplemental Requests for Information.

With respect to items 49, 50 and 51, the Petitioner states that the attached copies are the same as those items copied by the Attorney General at the office of the Petitioner on November 2, 2005. Accordingly, the Petitioner is not providing a copy of those records to the Attorney General with this reply.


Respectfully submitted,



W. PATRICK HAUSER
P. O. Box 1900
Barbourville, KY 40906
(606) 546-3811
**ATTORNEY FOR PETITIONER,
CUMBERLAND VALLEY ELECTRIC, INC.**

CERTIFICATE OF SERVICE AND FILING

Counsel certifies that an original and one photocopy of the Supplemental Reply of Cumberland Valley Electric, Inc., to Attorney General's Supplemental Requests for Information was served by mailing a true and correct copy of the same, first class postage prepaid to Beth O'Donnell, Executive Director, Public Service Commission, 211 Sower Boulevard, Frankfort, Kentucky 40601; furthermore, it was served by mailing a true and correct copy of the same, first class postage prepaid, to Hon. Dennis G. Howard, II, Hon. Elizabeth E. Blackford, Hon. Lawrence W. Cook, Assistant Attorneys General, 1024 Capital Center Drive, Suite 200, Frankfort, Kentucky 40601-8204, all on this *15th* day of December, 2005.



W. PATRICK HAUSER
ATTORNEY AT LAW

2001-2002

RECEIVED

DEC 16 2005

PUBLIC SERVICE
COMMISSION

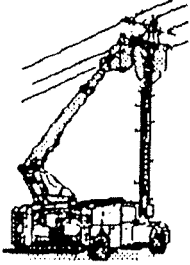
2001/2002 POWER LINE CONSTRUCTION BIDS

	DOBSON 2001	DOBSON 2002	SHELTON 2001	SHELTON 2002	PIKE 2001	PIKE 2002	RICHARDSON 2001	RICHARDSON 2002	FIVE C 2001	FIVE C 2002
FOREMAN	45.00	45.00	33.21	34.54	43.45	43.45	42.00	42.00	36.50	37.58
LINEMAN	40.00	40.00	31.72	32.99	40.48	40.48	39.00	39.00	34.80	35.83
OPERATOR	35.00	35.00	29.05	30.21	32.94	32.94	36.00	36.00	28.00	28.78
GROUNDMAN	30.00	30.00	25.38	26.40	24.45	24.45	32.00	32.00	20.40	21.00
DIGGER	22.00	22.00	18.65	19.40	22.00	22.00	25.00	25.00	18.00	18.00
BUCKET	22.00	22.00	18.48	19.22	15.40	15.40	22.00	22.00	18.31	19.31
TOTALS..	194.00	194.00	156.49	162.76	178.72	178.72	196.00	196.00	156.01	160.50

DOBSON POWER LINE CONSTRUCTION COMPANY, INC.

SINCE 1968

7696 HARRODSBURG ROAD
NICHOLASVILLE, KENTUCKY 40356



JAMES D. DOBSON, JR.
PRESIDENT

NATHAN SEALS
VICE PRESIDENT

PHONE: (859) 885-
FAX : (859) 885-

November 13, 2000

**Cumberland Valley Electric
P.O. Box 440
Gray, Ky 40734**

RE: Quotation for Calendar Years 2001-2002

Dear Ted:

Enclosed is my bid per your request on a cost plus basis. Please feel free to contact me should you have any questions.

Sincerely,

A handwritten signature in cursive script that reads "James D. Dobson Jr.". The signature is fluid and somewhat stylized, with the first and last names being more prominent.

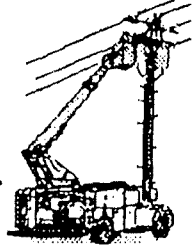
**James D Dobson Jr.
President**

JDD/myp

DOBSON POWER LINE CONSTRUCTION COMPANY, INC.

SINCE 1966

7696 HARRODSBURG ROAD
NICHOLASVILLE, KENTUCKY 40356



JAMES D. DOBSON, JR.
PRESIDENT

NATHAN SEALS
VICE PRESIDENT

PHONE: (859) 885-3227
FAX : (859) 885-1394

November 13, 2000

Quotation for Calendar Years 2001-2002

Cumberland Valley Electric
P.O. Box 440
Gray, Ky 40734

COST PLUS PRICES

<u>Class</u>	<u>Regular rate</u>	<u>OT Rate</u>
Foreman	\$45.00	\$67.50
Lineman	\$40.00	\$60.00
Operator	\$35.00	\$52.50
Groundman	\$30.00	\$45.00

EQUIPMENT

Bucket Truck	\$22.00
Digger Truck	\$22.00
Service Truck	\$12.00
Air Compressor	\$15.00
Wire Puller	\$20.00

Chain Saws, Drills & Necessary Line Tools are furnished with the Equipment.

Bidder: Dobson Power Line Const. Co., Inc.
7696 Harrodsburg Road
Nicholasville, Ky 40356
(859) 885-3227

SHELTON CONSTRUCTION CO., INC.
P. O. BOX 29
WILLIAMSBURG, KENTUCKY 40769

November 3, 2000

Ted Hampton
Cumberland Valley RECC
Gray, Kentucky 40734

Dear Mr. Hampton:

In reply to your letter, concerning bids for a five man crew for 2001 and 2002, I am submitting the following prices:

CLASSIFICATION

PER HOUR

	<u>2001</u>	<u>2002</u>
Foreman	\$ 33.21	\$ 34.54
Lineman-1st Class	31.72	32.99
Lineman-2nd Class	29.93	31.13
Truck Operator	29.05	30.21
Groundman	25.38	26.40

EQUIPMENT

PER ACTUAL TIME USED

Pole Truck & Air Compressor	17.84	18.55
Digger Truck	18.65	19.40
Bucket Truck	18.48	19.22

Sincerely,

SHELTON CONSTRUCTION CO. INC.

BY _____

**SHELTON CONSTRUCTION CO., INC.
P. O. BOX 29
WILLIAMSBURG, KENTUCKY 40769**

November 3, 2000

Ted Hampton
Cumberland Valley RECC
Gray, Kentucky 40734

Dear Mr. Hampton:

In reply to your letter, concerning bids for a dozer and operator for 2001 and 2002, I am submitting the following prices:

<u>EQUIPMENT</u>	<u>PER HOUR ACTUAL TIME USED</u>	
	<u>2001</u>	<u>2002</u>
Bulldozer/Bushog including Operator and Transportation	\$ 38.58	\$40.12

Sincerely,

SHELTON CONSTRUCTION COMPANY, INC.

BY _____



PIKE ELECTRIC, INC., P. O. BOX 868, 100 PIKE WAY, MOUNT AIRY, NC 27030 TELEPHONE: 336-789-2171

Cumberland Valley Electric
 P. O. Box 440
 Gray, Kentucky 40734

Effective January 1, 2001 through December 31, 2002

Overhead Line Crew

<u>CLASSIFICATION</u>	<u>2001 MAXIMUM HOURLY RATE</u>	<u>2002 MAXIMUM HOURLY RATE</u>
General Foreman	23.42	24.59
Foreman	22.28	23.39
Class A Lineman	20.76	21.80
Class B Lineman	17.46 <i>KLAS</i>	18.33
Class C Lineman	15.36	16.13
Equipment Operator	16.89	17.73
Truck Driver	13.00	13.65
Groundman	12.54	13.17

<u>Equipment</u>	<u>2001 HOURLY RATE</u>	<u>2002 HOURLY RATE</u>
Bucket Truck, 55'	15.40	15.40
Line Truck	22.00	22.00
Pickup Truck, 4x4	11.00	11.00
Pickup Truck, 4x2	7.00	7.00
Air Compressor and Tools	6.05	6.05
Pole Trailer	1.65	1.65

Regular Time Percentage Labor Adder 95%
 Premium Time Percentage Labor Adder 15%

Reporting time: 2 hours.

All work on Saturdays and Sundays will be paid as overtime.

Richardson Contracting, Inc.

Power Line Builders

November 1, 2000

P O Box 250 • Owenton KY 40359

Ph (502) 484-5062

Fax (502) 484-5186

Cumberland Valley Electric

Attention: Ted Hampton

P.O. Box 440

Gray, Kentucky 40734

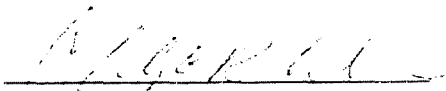
Dear Sir:

Following are our hourly prices for men and equipment:

Foreman	42.00 per hour
Lineman	39.00
Operator	36.00
Groundman	32.00
Bucket Truck	22.00
Digger Truck	25.00
Air Compressor	10.00
Pole Truck	10.00

Thank you for this opportunity to bid.

Sincerely,



Charles E. Richardson

President

CER:alj

Five C Construction Co., Inc.

Rt. 1 Box 367
Gray, Kentucky 40734

November 10, 2000

Cumberland Valley Electric
PO Box 440
Gray, Kentucky 40734

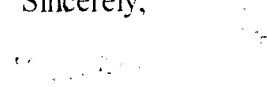
Dear Mr. Hampton:

In response to your request for a labor and equipment bid for 2001 and 2002, we propose the following:

	<u>2001</u>	<u>2002</u>
Foreman	36.50	37.58
Lineman 1st class	34.80	35.83
Lineman 2nd class	32.75	33.71
Groundman	20.40	21.00
Truck Operator	28.00	28.78
Line Truck	18.00	18.00
Bucket Truck	18.31	19.31
Pole Truck	17.32	18.52
Pickup	4.08	4.08

We would like to thank you and the Board again for the opportunity we have had to work with you and look forward to working with you in the up-coming years.

Sincerely,


Ronnie Corey

2001/2002 POWER LINE CONSTRUCTION BIDS

	DOBSON 2001	DOBSON 2002	SHELTON 2001	SHELTON 2002	PIKE 2001	PIKE 2002	RICHARDSON 2001	RICHARDSON 2002	FIVE C 2001	FIVE C 2002
FOREMAN	45.00	45.00	33.21	34.54	43.45	43.45	42.00	42.00	36.50	37.58
LINEMAN	40.00	40.00	31.72	32.99	40.48	40.48	39.00	39.00	34.80	35.83
OPERATOR	35.00	35.00	29.05	30.21	32.94	32.94	36.00	36.00	28.00	28.78
GROUNDMAN	30.00	30.00	25.38	26.40	24.45	24.45	32.00	32.00	20.40	21.00
DIGGER	22.00	22.00	18.65	19.40	22.00	22.00	25.00	25.00	18.00	18.00
BUCKET	22.00	22.00	18.48	19.22	15.40	15.40	22.00	22.00	18.31	19.31
TOTALS..	194.00	194.00	156.49	162.76	178.72	178.72	196.00	196.00	156.01	160.50



Robert B. Ratliff, Jr., PE, Vice President
FAX: 336-719-4582
Bratliff@pike.com

PIKE ELECTRIC, INC., P. O. BOX 868, 100 PIKE WAY, MOUNT AIRY, NC 27030 TELEPHONE: 336-789-2171

November 6, 2000

Mr. Ted Hampton, Manager
Cumberland Valley Electric
P. O. Box 440
Gray, KY 40734

Dear Mr. Hampton:

As requested in your letter of October 26, 2000, enclosed are our 2001 and 2002 rates. Our crews normally work four ten-hour days per week, Monday through Thursday. This would allow us to use Fridays as a make up day if time is lost due to inclement weather.

If there are any questions, please let me know.

Sincerely,

PIKE ELECTRIC, INC.

A handwritten signature in black ink that reads "Robert B. Ratliff, Jr." The signature is written in a cursive, flowing style.

Robert B. Ratliff, Jr., P.E.
Vice President

ar

Enclosure

Ted Hampton
Manager

Telephone: (606) 528-2677
(606) 546-9295
(606) 589-4421
FAX: (606) 528-8458

CUMBERLAND VALLEY ELECTRIC

PO Box 440
Gray, Kentucky 40734

PO Box C
Cumberland, Kentucky, 40823

October 26, 2000

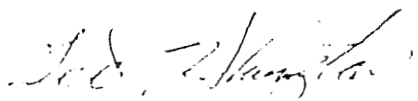
Asplundh Tree Service
Attention: Chuck Combs
202 Two Oaks Drive
Nicholasville, KY 40356

Dear Sir:

The purpose of this letter is to solicit quotations for rights-of-way clearing for the calendar years 2001 and 2002. Cumberland Valley Electric run four (4) trimming crews annually consisting of a working foreman, two (2) trimmers and a general laborer plus the contractor is responsible for furnishing the necessary saws, trucks and related equipment to do the job.

If you are interested in giving us a proposal, please forward the proposal to us no later than November 13, 2000 and I will evaluate your proposal along with the others and if you are successful, I will advise.

Sincerely,



Ted Hampton, Manager

TH:df

Ted Hampton
Manager

Telephone: (606) 528-2677
(606) 546-9295
(606) 589-4421
FAX: (606) 528-8458

CUMBERLAND VALLEY ELECTRIC

P.O. Box 440
Gray, Kentucky 40734

P.O. Box C
Cumberland, Kentucky, 40823

October 26, 2000

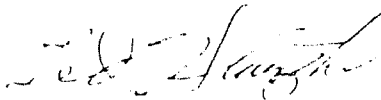
The Townsend Tree Service Co., Inc.
P O Box 991
Muncie, Indiana 47302

Dear Sir:

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Manager

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CUMBERLAND VALLEY ELECTRIC

PO Box 440
Gray, Kentucky 40734

PO Box C
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October 26, 2000

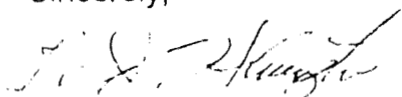
Lay Tree & Brush Company, Inc.
Attention: Kenneth Lay
P O Box 1411
Barbourville, KY 40906

Dear Sir:

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Ted Hampton, Manager

TH:df

Ted Hampton
Manager

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(606) 546-9295
(606) 589-4421
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CUMBERLAND VALLEY ELECTRIC

PO Box 440
Gray, Kentucky 40734

PO Box C
Cumberland, Kentucky, 40823

October 26, 2000

R. H. Boulingny, Inc.
P O Box 5465
Charlotte, N. C.

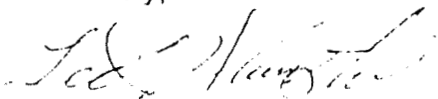
Dear Sir:

Cumberland Valley Electric is accepting quotations for work for the calendar years 2001-2002.

We will be running three and four men crews on a cost plus basis consisting of bucket trucks, line trucks, air compressor, and pole hauling equipment plus other related hand tools.

If you are interested in working for Cumberland Valley Electric, please forward your prices on men and equipment by November 13, 2000. If you are successful, we will contact you after November 13, 2000.

Sincerely,



Ted Hampton, Manager

TH:df

Ted Hampton
Manager

Telephone: (606) 528-2677
(606) 546-9295
(606) 589-4421
FAX: (606) 528-8458

CUMBERLAND VALLEY ELECTRIC

PO Box 440
Gray, Kentucky 40734

PO Box C
Cumberland, Kentucky, 40823

October 26, 2000

Dobson Power Line Construction Co.
Attention: James D. Dobson
87696 Harrodsburg Road
Nicholasville, KY 40356

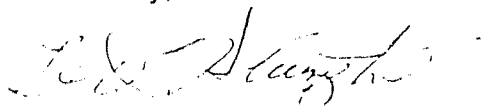
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Sincerely,



Ted Hampton, Manager

TH:df

Ted Hampton
Manager

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(606) 546-9295
(606) 589-4421
FAX (606) 528-8458

CUMBERLAND VALLEY ELECTRIC

PO Box 440
Gray, Kentucky 40734

PO Box C
Cumberland, Kentucky, 40823

October 26, 2000

Floyd S. Pike Contractors
Attention: John M. Merritt
P O Box 868
Mount Airy, N.C. 27030

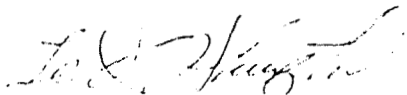
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Ted Hampton, Manager

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Ted Hampton
Manager

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(606) 546-9295
(606) 589-4421
FAX: (606) 528-8458

CUMBERLAND VALLEY ELECTRIC

PO Box 440
Gray, Kentucky 40734

PO Box C
Cumberland, Kentucky, 40823

October 26, 2000

Richardson Contracting, Inc.
Attention: Charlie Richardson
P O Box 250
Owenton, KY 40359

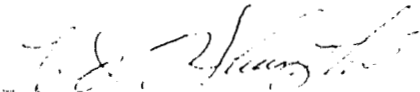
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Ted Hampton, Manager

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Ted Hampton
Manager

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CUMBERLAND VALLEY ELECTRIC

PO Box 440
Gray, Kentucky 40734

PO Box C
Cumberland, Kentucky, 40823

October 26, 2000

Shelton Construction Company
C/O Alan Steely
HC 87 Box 422
Williamsburg, KY 40769

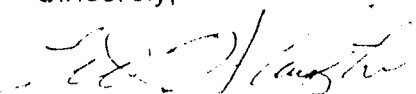
Dear Sir:

Please provide Cumberland Valley Electric with your bid for the following:

Foreman
Lineman 1st Class
Lineman 2nd Class
Groundman
Truck Operator
Line Truck
Bucket Truck
Pole Hauling Truck including Air Comp.
Pick-Up Truck

Cumberland Valley Electric will make the determination to what equipment we will be using for the calendar years 2001 and 2002 as need basis. We need your bid back in our office by November 13, 2000.

Sincerely,



Ted Hampton, Manager

TH:df

Ted Hampton
Manager

Telephone: (606) 528-2677
(606) 546-9295
(606) 589-4421
FAX: (606) 528-8458

CUMBERLAND VALLEY ELECTRIC

PO Box 440
Gray, Kentucky 40734

PO Box C
Cumberland, Kentucky, 40823

October 26, 2000

Five C. Construction Company
Route 1, Box 367
Gray, KY 40734

Dear Sir:

Please provide Cumberland Valley Electric with your bid for the following:

- Foreman
- Lineman 1st Class
- Lineman 2nd Class
- Groundman
- Truck Operator
- Line Truck
- Bucket Truck
- Pole Hauling Truck including Air Comp.
- Pick-Up Truck

Cumberland Valley Electric will make the determination to what equipment we will be using for the calendar years 2001 and 2002 as need basis. We need your bid back in our office by November 13, 2000.

Sincerely,



Ted Hampton, Manager

TH.df

2001/2002
RIGHT OF WAY CLEARING BIDS

<u>PERSONNEL</u>	<u>ASPLUNDH</u>		<u>LAY TREE & BRUSH</u>		<u>TOWNSEND TREE</u>	
	<u>2001</u>	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>	<u>2002</u>
GEN. FOREMAN	* \$16.00	*16.00	\$15.25	\$15.50	DID NOT	
FOREMAN	\$19.03	19.03	\$16.80	\$17.00	SUBMIT A BID	
TRIMMER	\$17.66	17.66	\$15.50	\$16.00		
LABOR	\$13.63	13.63	\$ 9.00	\$ 9.10		
POWER SAW	\$.60	.60	\$.90	\$.90		
CHIP DUMP TRUCK	\$ 5.75	5.75	\$ 2.15	\$ 2.15		
3/4 TON 4X4	\$ 6.00	6.00	\$ 6.75	\$ 6.75		
<hr/> <hr/>						
TOTALS	\$78.67	\$78.67	\$66.35	\$67.40		

* USED SAME AS LAST BID

SCHEDULE "A" CUMBERLAND VALLEY ELECTRIC
DISTRIBUTION/SERVICE LINE RIGHT-OF-WAY CLEARING CONTRACT

Forming part of the General Agreement between CUMBERLAND VALLEY ELECTRIC and APLUNDH TREE EXPERT COMPANY, this date 01/01/2001.

Labor, Material & Equipment Rates:

REGULAR BILLING RATE: Covers a 40-hour work-week (5-8 hour days with a privilege of making up lost time by extending the work day or work week to include Saturdays).

OVERTIME BILLING RATE: Applies to overtime-emergency work when authorized. An additional 45% will be added to straight time billing rates.

	Pay Rates	Billing Regular	Overtime (45%)
FOREMAN A	11.25	19.03	27.59
TRIMMER A	10.30	17.66	25.61
TRIMMER B	9.00	15.79	22.90
LABORER	7.50	13.63	19.76


<u>EQUIPMENT</u>	<u>PER CREW HOUR</u>
Pickup Truck	6.00
Split Dump	5.75
Trim Lift	10.25
12" Chipper	2.25
Power Saw	.60
1 Ton Spray Truck (300 gal tank) *	14.50
Pickup (200 gal tank)	10.50

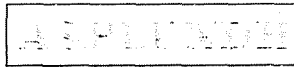
*Rates for equipment not listed can be supplied upon requests.

Approved:
CUMBERLAND VALLEY ELECTRIC

Submitted:
ASPLUNDH TREE EXPERT CO.

By: _____
Title: _____
Date: _____

By:  _____
Title: Manager



ASPLUNDH TREE EXPERT CO.

202 TWO OAKS DRIVE, NICHOLASVILLE, KY 40356 • AREA CODE 606 • TELEPHONE 887-5902 • FAX 687-5956

DAVID L. ELLIFRITZ
MANAGER

November 8, 2000

Mr. Ted Hampton, Manager
Cumberland Valley Electric
PO Box 440
Gray, KY 40734


Dear Ted;

The Asplundh Tree Expert Co. would like to thank you for the opportunity to submit a proposal for your right-of-way clearing work for 2001 and 2002.

During our telephone conversation, you indicated that Cumberland Valley Electric has five (5) right-of-way crews. This consists of one (1) crew and four (4) manual crews. In the proposal you will see labor and equipment rates that should cover your needs with this crew make up. If you need any additional equipment rates, we will furnish those rates as needed.

If you have any questions or need any additional information, please contact me at 859-887-5902.

Sincerely,


Dave Ellifritz, Manager
Asplundh Tree Co.

LAY TREE & BRUSH COMPANY, INC.
U.S. 25E
BAILEY SWITCH, KENTUCKY 40905

Owner: Kenneth Lay

Phone 606-546-8725

Forming part of the general agreement between CUMBERLAND VALLEY ELECTRIC, INC., AND LAY TREE AND BRUSH, INC.

LABOR, MATERIAL & EQUIPMENT RATES

EFFECTIVE: January 1, 2001
EXPIRES: December 31, 2002

REGULAR BILLING RATE: Covers (40) hour work week (four 10 hour days) with privilege of making lost time by extending the work week or work day to include Saturdays.

OVERTIME BILLING RATE: 1 1/2 OF REGULAR RATE WHEN AUTHORIZED

<u>PERSONNEL:</u>	<u>2001 Per Hour Billing</u>	<u>2002 Per Hour Billing</u>
FOREMAN	\$16.80	\$17.00
TRIMMER	\$15.50	\$16.00
LABOR	\$ 9.00	\$ 9.10

GENERAL FOREMAN	\$15.25	\$15.50
-----------------	---------	---------

<u>EQUIPMENT</u>	<u>PER CREW HOUR</u>	<u>PER CREW HOUR</u>
POWER SAW	\$.90	\$.90
TRUCK 3/4 TON 4X4	\$ 6.75	\$ 6.75
CHIP DUMP TRUCK	\$ 2.15	\$ 2.15
BRUSH CUTTER	\$ 1.35	\$ 1.35

APPROVED:

CUMBERLAND VALLEY ELECTRIC, INC.

BY: _____

DATE _____

SUBMITTED:

LAY TREE AND BRUSH, INC.

BY: *Kenneth Lay*

DATE 11-9-00

LAY TREE & BRUSH COMPANY, INC.
U.S. 25E
BAILEY SWITCH, KENTUCKY 40905

Owner: Kenneth Lay

Phone 606-546-8725

Forming part of the general agreement between CUMBERLAND VALLEY ELECTRIC, INC., AND LAY TREE AND BRUSH, INC.

LABOR, MATERIAL & EQUIPMENT RATES

EFFECTIVE: January 1, 2001
EXPIRES: December 31, 2002

REGULAR BILLING RATE: Covers (40) hour work week (four 10 hour days) with privilege of making lost time by extending the work week or work day to include Saturdays.

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<u>PERSONNEL:</u>	<u>2001 Per Hour Billing</u>	<u>2002 Per Hour Billing</u>
FOREMAN	\$16.80	\$17.00
TRIMMER	\$15.50	\$16.00
LABOR	\$ 9.00	\$ 9.10
<hr/>		
GENERAL FOREMAN	\$15.25	\$15.50

<u>EQUIPMENT</u>	<u>PER CREW HOUR</u>	<u>PER CREW HOUR</u>
POWER SAW	\$.90	\$.90
TRUCK 3/4 TON 4X4	\$ 6.75	\$ 6.75
CHIP DUMP TRUCK	\$ 2.15	\$ 2.15
BRUSH CUTTER	\$ 1.35	\$ 1.35

APPROVED:

CUMBERLAND VALLEY ELECTRIC, INC.

BY: Ray Baird

DATE 11-21-2000

SUBMITTED:

LAY TREE AND BRUSH, INC.

BY: Kenneth Lay

DATE 11-9-00

HOLD HARMLESS AGREEMENT BETWEEN
CUMBERLAND VALLEY ELECTRIC, INC
AND
LAY TREE AND BRUSH COMPANY

Lay Tree & Brush Company agrees to defend, pay on behalf of and hold harmless Cumberland Valley Electric, INC. and its directors, officers, agents, and employees from all claims of whatsoever nature or kind, including those brought by employees of Lay Tree & Brush Company, or subcontractors, arising out of or as a result of any act or failure to act whether or not negligent, in connection with the performance of the work to be performed pursuant to this contract by Lay Tree & Brush Company, its employees, agents and subcontractors. Lay Tree & Brush Company agrees to defend and pay all costs in defending these claims, including attorney fees.

Further, Lay Tree & Brush Company agrees to maintain public liability and property damage insurance (including automobile public liability and property damage insurance) to cover the obligations set forth above. The minimum insurance limits of liability shall be \$5,000,000 bodily injury and property damage. Cumberland Valley Electric, INC. shall receive a minimum 30 day notice in the event of cancellation of insurance required by this agreement. Lay Tree & Brush Company shall furnish a certificate of insurance to Cumberland Valley Electric, INC. showing that the above obligations and requirements are provided for by a qualified insurance carrier, and showing Cumberland Valley Electric, INC. as an additional insured on such insurance.

LAY TREE & BRUSH COMPANY

CUMBERLAND VALLEY ELECTRIC, INC.

BY: Kenneth Lay

BY: Ray Baird

DATE: 11-9-00

ACORD™ CERTIFICATE OF LIABILITY INSURANCE

DATE (MM DD YY)
12/19/00

PRODUCER

MOUNTAIN VALLEY INSURANCE AGENCY
818 South Main Street

LONDON KY 40741-
(606) 878-0100 () -

INSURED

Lay Tree & Brush Co. , Inc.
PO Box 1415

Barbourville KY 40906-
(606) 546-5434

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY

A Travelers

COMPANY

B KESA

COMPANY

C

COMPANY

D

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN. THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM DD YY)	POLICY EXPIRATION DATE (MM DD YY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> OWNERS & CONTRACTORS PROT	I660477X6905	12/21/00	12/21/01	GENERAL AGGREGATE \$2,000,000 PRODUCTS - COMP/OP AGG \$2,000,000 PERSONAL & ADV INJURY \$1,000,000 EACH OCCURRENCE \$1,000,000 FIRE DAMAGE (Any one fire) \$100,000 MED EXP (Any one person) \$5,000
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS	I810834D437A	12/21/00	12/21/01	COMBINED SINGLE LIMIT \$1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE \$
	GARAGE LIABILITY <input type="checkbox"/> ANY AUTO		/ /	/ /	AUTO ONLY - EA ACCIDENT \$ OTHER THAN AUTO ONLY \$ EACH ACCIDENT \$ AGGREGATE \$
A	EXCESS LIABILITY <input checked="" type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM	CUP830D073	12/21/00	12/21/01	EACH OCCURRENCE \$1,000,000 AGGREGATE \$1,000,000 retained \$10,000
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY THE PROPRIETOR/ PARTNERS/EXECUTIVE OFFICERS ARE <input type="checkbox"/> INCL <input checked="" type="checkbox"/> EXCL	001000002349098	09/01/00	09/01/01	MIC STATUS / TOI <input checked="" type="checkbox"/> / <input type="checkbox"/> / <input type="checkbox"/> / <input type="checkbox"/> EL EACH ACCIDENT \$2,000,000 EL DISEASE - POLICY LIMIT \$2,000,000 EL DISEASE - EA EMPLOYEE \$2,000,000
	OTHER				

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

CERTIFICATE HOLDER

CUMBERLAND VALLEY ELECTRIC
JS 25 E.
FRAY KY 40734

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

Angela J. Minton

ACORD™ CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YY)

12/28/99

PRODUCER

MOUNTAIN VALLEY INSURANCE
565 W. HWY 192, SUITE 3
LONDON, KY 40741

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

INSURED

LAY TREE AND BRUSH INC.
PO BOX 1415
BARBOURVILLE, KY 40906

- COMPANY A TRAVELERS
- COMPANY B KESA
- COMPANY C
- COMPANY D

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS

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A	<input checked="" type="checkbox"/> GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY CLAIMS MADE <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT	I660-477X6905	12-21-99	12-21-00	GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 PERSONAL & ADV INJURY \$ 1,000,000 EACH OCCURRENCE \$ 1,000,000 FIRE DAMAGE (Any one fire) \$ 100,000 MED EXP (Any one person) \$ 5,000
A	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS	I810-834D437A	12-21-99	12-21-00	COMBINED SINGLE LIMIT \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE \$
	<input type="checkbox"/> GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN AUTO ONLY EACH ACCIDENT \$ AGGREGATE \$
A	<input type="checkbox"/> EXCESS LIABILITY <input type="checkbox"/> UMBRELLA FORM <input checked="" type="checkbox"/> OTHER THAN UMBRELLA FORM	CUP-830D073-A-	12-21-99	12-21-00	EACH OCCURRENCE \$ 1,000,000 AGGREGATE \$ 1,000,000
B	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY THE PROPRIETOR/PARTNERS/EXECUTIVE OFFICERS ARE <input type="checkbox"/> INCL <input checked="" type="checkbox"/> EXCL	001000002349098	09-01-99	09-01-00	<input checked="" type="checkbox"/> WC STATUTORY LIMITS EL EACH ACCIDENT \$ 2,000,000 EL DISEASE - POLICY LIMIT \$ 2,000,000 EL DISEASE - EA EMPLOYEE \$ 2,000,000

OTHER

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

CERTIFICATE HOLDER

CUMBERLAND VALLEY ELECTRIC
US 25 E.
GRAY, KY 40734

CANCELLATION
SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES

AUTHORIZED REPRESENTATIVE
Angela J. M...

ACORD™ CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YY)
09/15/1998

PRODUCER

MOUNTAIN VALLEY INSURANCE
565 WEST HWY 192, SUITE 3
LONDON, KY 40741

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

INSURED

LAY TREE AND BRUSH, INC.
PO BOX 1415
BARBOURVILLE, KY 40906

COMPANY A AMERICAN RESOURCES INS. CO.
COMPANY B KESA
COMPANY C
COMPANY D

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS

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A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT	CP47277	12/21/97	12/21/98	GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 1,000,000 PERSONAL & ADV INJURY \$ 1,000,000 EACH OCCURRENCE \$ 1,000,000 FIRE DAMAGE (Any one fire) \$ 50,000 MED EXP (Any one person) \$ 5,000
A	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input checked="" type="checkbox"/> ALL OWNED AUTOS <input checked="" type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS	BA15578	12/21/97	12/21/98	COMBINED SINGLE LIMIT \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE \$
	GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN AUTO ONLY: EACH ACCIDENT \$ AGGREGATE \$
A	EXCESS LIABILITY <input checked="" type="checkbox"/> UMBRELLA FORM OTHER THAN UMBRELLA FORM	XL51218	12/21/97	12/21/98	EACH OCCURRENCE \$ 1,000,000 AGGREGATE \$ 1,000,000
B	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY THE PROPRIETOR/PARTNERS/EXECUTIVE OFFICERS ARE <input type="checkbox"/> INCL <input checked="" type="checkbox"/> EXCL	001-66254 000	09/01/98	09/01/99	<input checked="" type="checkbox"/> WC STATUTORY LIMITS OTH-ER EL EACH ACCIDENT \$ 1,000,000 EL DISEASE - POLICY LIMIT \$ 1,000,000 EL DISEASE - EA EMPLOYEE \$ 1,000,000

OTHER

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

CERTIFICATE HOLDER

CUMBERLAND VALLEY ELECTRIC
US 25 E.
GRAY, KY 40734

DRUCILLA FOLEY FAX 606-523-2698

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

Angela J. Minton

ACORD CERTIFICATE OF LIABILITY INSURANCE

DATE (MM DD YY)
09/24/01

PRODUCER
MOUNTAIN VALLEY INSURANCE AGENCY
818 South Main Street

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

LONDON KY 40741-
(606) 878-0100 () -

COMPANIES AFFORDING COVERAGE

COMPANY
A Travelers

INSURED
Lay Tree & Brush Co., Inc.
PO Box 1415

COMPANY
B KESA

Barbourville KY 40906-
(606) 546-5434

COMPANY
C

COMPANY
D

COVERAGES

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A	GENERAL LIABILITY X COMMERCIAL GENERAL LIABILITY CLAIMS MADE <input checked="" type="checkbox"/> OCCUR OWNERS & CONTRACTOR'S PROT	I660477X6905	12/21/00	12/21/01	GENERAL AGGREGATE \$2,000,000 PRODUCTS COMP OP AGG \$2,000,000 PERSONAL & ADV INJURY \$1,000,000 EACH OCCURRENCE \$1,000,000 FIRE DAMAGE (Any one fire) \$100,000 MED EXP (Any one person) \$5,000
A	AUTOMOBILE LIABILITY X ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS LEASED AUTOS NON OWNED AUTOS	I810834D437A	12/21/00	12/21/01	COMBINED SINGLE LIMIT \$1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE \$
	GARAGE LIABILITY X ANY AUTO		/ /	/ /	AUTO ONLY - EA ACCIDENT \$ OTHER THAN AUTO ONLY \$ EACH ACCIDENT \$ AGGREGATE \$
A	EXCESS LIABILITY X UMBRELLA FORM OTHER THAN UMBRELLA FORM	CUP830D073	12/21/00	12/21/01	EACH OCCURRENCE \$1,000,000 AGGREGATE \$1,000,000 retained \$10,000
B	WORKERS COMPENSATION AND EMPLOYERS LIABILITY THE PROPRIETOR, PARTNERS, EXECUTIVE OFFICERS ARE <input checked="" type="checkbox"/> INCL <input type="checkbox"/> EXCL OTHER	2349	09/01/01	09/01/02	X VOLUNTARY LIMITS OTHER FL EACH ACCIDENT \$2,000,000 DL DISEASE POLICY LIMIT \$2,000,000 EL DISEASE EA EMPLOYEE \$2,000,000

DESCRIPTION OF OPERATIONS LOCATIONS VEHICLES SPECIAL ITEMS

CERTIFICATE HOLDER

CUMBERLAND VALLEY ELECTRIC
US 25 E.
GRAY KY 40734

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

Angela J. Winston

**DISTRIBUTION LINE EXTENSION
CONSTRUCTION CONTRACT**

(Labor Only)

**FOR CONSTRUCTION OF RURAL ELECTRIC
SYSTEM IMPROVEMENTS & EXTENSIONS**

*Shelton Construction Co.
2001-2002*

**U.S. DEPARTMENT OF AGRICULTURE
RURAL ELECTRIFICATION ADMINISTRATION**

SHELTON CONSTRUCTION CO., INC.
P. O. BOX 29
WILLIAMSBURG, KENTUCKY 40769

November 3, 2000

Ted Hampton
Cumberland Valley RECC
Gray, Kentucky 40734

Dear Mr. Hampton:

In reply to your letter, concerning bids for a five man crew for 2001 and 2002, I am submitting the following prices:

<u>CLASSIFICATION</u>	<u>PER HOUR</u>	
	<u>2001</u>	<u>2002</u>
Foreman	\$ 33.21	\$ 34.54
Lineman-1st Class	31.72	32.99
Lineman-2nd Class	29.93	31.13
Truck Operator	29.05	30.21
Groundman	25.38	26.40

<u>EQUIPMENT</u>	<u>PER ACTUAL TIME USED</u>	
Pole Truck & Air Compressor	17.84	18.55
Digger Truck	18.65	19.40
Bucket Truck	18.48	19.22

Sincerely,

SHELTON CONSTRUCTION CO. INC.

BY  _____

**SHELTON CONSTRUCTION CO., INC.
P. O. BOX 29
WILLIAMSBURG, KENTUCKY 40769**

November 3, 2000

Ted Hampton
Cumberland Valley RECC
Gray, Kentucky 40734

Dear Mr. Hampton:

In reply to your letter, concerning bids for a dozer and operator for 2001 and 2002, I am submitting the following prices:

<u>EQUIPMENT</u>	<u>PER HOUR ACTUAL TIME USED</u>	
	<u>2001</u>	<u>2002</u>
Bulldozer/Bushog including Operator and Transportation	\$ 38.58	\$40.12

Sincerely,

SHELTON CONSTRUCTION COMPANY, INC.

BY 

**HOLD HARMLESS AGREEMENT BETWEEN
CUMBERLAND VALLEY ELECTRIC, INC.
AND
SHELTON CONSTRUCTION COMPANY**

Shelton Construction Company agrees to defend, pay on behalf of and hold harmless **Cumberland Valley Electric Inc.** and its directors, officers, agents, and employees from all claims of whatsoever nature or kind, including those brought by employees of **Shelton Construction Company**, or subcontractors, arising out of or as a result of any act or failure to act whether or not negligent, in connection with the performance of the work to be performed pursuant to this contract by **Shelton Construction Company**, its employees, agents and subcontractors. **Shelton Construction Company** agrees to defend and pay all costs in defending these claims, including attorney fees.

Further, **Shelton Construction Company** agrees to maintain public liability and property damage insurance (including automobile public liability and property damage insurance) to cover the obligations set forth above. The minimum insurance limits of liability shall be \$5,000,000 bodily injury and property damage. **Cumberland Valley Electric INC.** shall receive a minimum 30 day notice in the event of cancellation of insurance required by this agreement. **Shelton Construction Company** shall furnish a certificate of insurance to **Cumberland Valley Electric, Inc** showing that the above obligations and requirements are provided for by a qualified insurance carrier, and showing **Cumberland Valley Electric, INC** as an additional insured on such insurance.

SHELTON CONSTRUCTION COMPANY

CUMBERLAND VALLEY ELECTRIC, INC

BY: *Edna A. Spitzer*

BY: *Ray Baird*

DATE: *11-28-00*

DISTRIBUTION LINE EXTENSION CONSTRUCTION CONTRACT
(REA Form 792)

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PROPOSAL

TO:

Cumberland Valley Electric, Inc.
(hereinafter called the "Owner").

ARTICLE I--GENERAL

Section 1--Offer to Construct. The undersigned (hereinafter called the "Contractor") hereby proposes to construct for the prices hereinafter stated, with materials furnished by the Owner, the rural electric project Misc. Construction 2001-2002 ~~2001~~ ²⁰⁰² Line Extensions (hereinafter called "Project") in strict accordance with the Plans, Specifications, and Construction Drawings hereinafter referred to. The Contractor understands and agrees that the Project will consist of line extensions and additions and line changes or similar work usually associated with overhead or underground distribution system improvement or extension work all located within the area served or ultimately to be served by the Owner and that the exact location and scope of individual sections of the Project (hereinafter called "Sections") will be made known to the Contractor from time to time as provided in Article II, Section 1 hereof; and provided, however, that the Contractor shall not be obligated to start construction of any Section unless the cost of construction of the Section computed on the unit prices of this Proposal shall amount to at least _____ dollars (\$ _____) and provided further that the Owner shall be obligated to release to the Contractor for construction at least one Section pursuant to the provisions of this Proposal.

Section 2--Additional Projects. From time to time the Owner and the Contractor may enter into negotiations for the performance of work at labor prices which may differ from those in the Proposal (such work being hereinafter called "Additional Projects"). Except as may otherwise be agreed upon in writing by the Owner and the Contractor at the time the supplemental contract for the Additional Project is negotiated, the provisions of the Contract for the Project shall apply.

Section 3--Proposal on Unit Basis. The Contractor understands and agrees that the various Construction Units considered in this Proposal are defined by symbols and descriptions in this Proposal, that the Proposal is made on a unit basis, and that the Owner may specify, as provided in Article II, Section 1 hereof, any number or combination of Construction Units which the Owner, may deem necessary for the construction of the Project. If kinds of Construction Units for which prices are not established in this Proposal are necessary for the construction of the Project, the prices of such additional Units shall be as agreed upon in writing by the Owner and the Contractor prior to the time of installation. The unit prices herein set forth are applicable to work performed on unenergized lines. Such unit prices shall be increased by None (_____) percent for all units installed on energized lines in accordance with instructions of the Owner, as provided in Article II, Section 1g.

Section 4--Description of Contract. The Specifications and Construction Drawings set forth in:

- REA Form 804, Specifications and Drawings for 7.2/12.5 kV Line Construction
- REA Form 803, Specifications and Drawings for 14.4/24.9 kV Line Construction
- REA Form 806, Specifications and Drawings for Underground Electric Distribution

as applicable, which by this reference are incorporated herein, together with the Plans, Proposal and Acceptance constitute the Contract. The Plans, consisting of maps and special drawings, and approved modifications in standard specifications are attached hereto and identified as follows:

- g. Specific instruction as to location and extent of work to be performed on energized lines, if any.

The Contractor will not be required to dig holes, set poles, install anchors, install underground conduit, perform any plowing for the installation of underground cable, or dig trenches if there are more than six (6) inches of frost in the ground nor to perform any construction on such days when in the judgment of the Owner snow, rain, or wind or the results of snow, rain, or frost make it impracticable to perform any operations of construction; provided further that the contractor will not perform any plowing for the installation of underground cable on public roads or highways if there are more than two (2) inches of frost in the ground. To the extent of the time lost due to the conditions described herein and approved in writing by the Owner, the time of completion set out above will be extended. The time for completion shall be extended for a period of any reasonable delay (other than a delay resulting from the failure of the Contractor to secure sufficient labor) which is due exclusively to causes beyond the control and without the fault of the Contractor including acts of God, fires, floods, inability to obtain materials, direction of the Owner to cease construction as herein provided, and acts or omissions of the Owner with respect to matters for which the Owner is solely responsible: Provided, however, that no such extension of time for completion shall be granted the Contractor unless within ten (10) days after the happening of any event relied upon by the Contractor for such an extension of time the Contractor shall have made a written request therefor in writing to the Owner, and provided further that no delay in such time of completion or in the progress of the work which results from any of the above causes, except acts or omissions of the Owner, shall result in any liability on the part of the Owner.

Section 2--Changes in Plans, Specifications and Drawings. The Owner may, from time to time during the progress of the construction of the Project, make such changes in, additions to, or subtractions from the Plans, Specifications, and Construction Drawings as conditions may warrant: Provided, however, that if the cost to the Contractor shall be materially increased by any such change or addition, the Owner shall pay the Contractor for the reasonable cost thereof in accordance with a construction contract amendment signed by the Owner and the Contractor, but no claim for additional compensation for any such change or addition will be considered unless the Contractor shall have made a written request therefor to the Owner prior to the commencement of work in connection with such change or addition.

Section 3--Supervision and Inspection.

- a. The Contractor shall cause the construction work on the Project to receive constant supervision by a competent superintendent (hereinafter called the "Superintendent") who shall be present at all times during working hours where construction is being carried on. The Contractor shall also employ, in connection with the construction of the Project, capable, experienced, and reliable foremen and such skilled workmen as may be required for the various classes of work to be performed. Directions and instructions given to the Superintendent by the Owner shall be binding upon the Contractor.
- b. The Owner reserves the right to require the removal from the Project of any employee of the Contractor if in the judgment of the Owner such removal shall be necessary in order to protect the interest of the Owner. The Owner shall have the right to require the Contractor to increase the number of his employees and to increase or change the amount or kind of tools and equipment if at any time the progress of the work shall be unsatisfactory to the Owner; but the failure of the Owner to give any such directions shall not relieve the Contractor of his obligations to complete the work within the time and in the manner specified in this Proposal.
- c. The manner of performance of the work, and all equipment used therein, shall be subject to the inspection, tests, and approval of the Owner. The Owner shall have the right to inspect all payrolls and other data and records of the Contractor relevant to the work. The Contractor will provide all reasonable facilities necessary for such inspection and tests. The Contractor shall have an authorized agent accompany the inspector when final inspection is made and, if requested by the Owner, when any other inspection is made.
- d. In the event that the Owner shall determine that the construction contains or may contain numerous defects, it shall be the duty of the Contractor, if requested by the Owner, to have an inspection made by an engineer approved by the Owner for the purpose of determining the exact nature, extent, and location of such defects.

Section 4--Defective Workmanship. The acceptance of any workmanship by the Owner shall not preclude the subsequent rejection thereof if such workmanship shall be found to be defective after installation, and any such workmanship found defective before final acceptance of the work or within

persons who have furnished labor in connection with the Project and subcontractors who have furnished services for the Project have been paid in full, and (2) an agreement to hold the Owner harmless against any liens arising out of the Contractor's performance hereunder which may have been or may be filed against the Owner.

ARTICLE IV--PARTICULAR UNDERTAKINGS OF THE CONTRACTOR

Section 1. Protection to Persons and Property. The Contractor shall at all times take all reasonable precautions for the safety of employees on the work and of the public, and shall comply with all applicable provisions of Federal, State, and Municipal safety laws and building and construction codes, as well as the safety rules and regulations of the Owner. All machinery and equipment and other physical hazards shall be guarded in accordance with the "Manual of Accident Prevention in Construction" of the Associated General Contractors of America unless such instructions are incompatible with Federal, State, or Municipal laws or regulations.

The following provisions shall not limit the generality of the above requirements:

- a. The Contractor shall at no time and under no circumstances cause or permit any employee of the Contractor to perform any work upon energized lines, or upon poles carrying energized lines, unless otherwise specified in accordance with Article II, Section 1, subsection g.
- b. The Contractor shall so conduct the construction of the Project as to cause the least possible obstruction of public highways.
- c. The Contractor shall provide and maintain all such guard lights and other protection for the public as may be required by applicable statutes, ordinances, and regulations or by local conditions.
- d. The Contractor shall do all things necessary or expedient to protect properly any and all parallel, converging, and intersecting lines, joint line poles, highways, and any and all property of others from damage, and in the event that any such parallel, converging and intersecting lines, joint line poles, highways, or other property are damaged in the course of the construction of the Project the Contractor shall at its own expense restore any or all of such damaged property immediately to as good a state as before such damage occurred.
- e. Where the right-of-way of the Project traverses cultivated lands, the Contractor shall limit the movement of his crews and equipment so as to cause as little damage as possible to crops, orchards, or property and shall endeavor to avoid marring the lands. All fences which are necessarily opened or moved during the construction of the Project shall be replaced in as good condition as they were found and precautions shall be taken to prevent the escape of livestock. Except as otherwise provided in the descriptions of underground plowing and trenching assembly units, the Contractor shall not be responsible for loss of or damage to crops, orchards, or property (other than livestock) on the right-of-way necessarily incident to the construction of the Project and not caused by negligence or inefficient operation of the Contractor. The Contractor shall be responsible for all other loss of or damage to crops, orchards, or property, whether on or off the right-of-way, and for all loss of or damage to livestock caused by the construction of the Project.
- f. The Project, from the commencement of work to completion, or to such earlier date or dates when the Owner may take possession and control in whole or in part as hereinafter provided shall be under the charge and control of the Contractor and during such period of control by the Contractor all risks in connection with the construction of the Project and the materials to be used therein shall be borne by the Contractor. The Contractor shall make good and fully repair all injuries and damages to the Project or any portion thereof under the control of the Contractor by reason of any act of God or other casualty or cause whether or not the same shall have occurred by reason of the Contractor's negligence. The Contractor shall hold the Owner harmless from any and all claims for injuries to persons or for damage to property happening by reason of any negligence on the part of the Contractor or any of the Contractor's agents or employees during the control by the Contractor of the Project or any part thereof.
- g. Any and all excess earth, rock, debris, underbrush, and other useless material shall be removed by the Contractor from the site of the Project as rapidly as practicable as the work progresses.

expense of the Contractor, and the Contractor shall be liable to the Owner for any cost or expense in excess of the Contract price occasioned thereby. In such event the Owner may take possession of and utilize, in completing the construction of the Project, any materials, tools, supplies, equipment, appliance, and plant belonging to the Contractor or any of its subcontractors, which may be situated at the site of the Project. The Owner in such contingency may exercise any rights, claims, or demands which the Contractor may have against third persons in connection with this Proposal and for such purpose the Contractor does hereby assign, transfer, and set over unto the Owner all such rights, claims, and demands.

ARTICLE VI--MISCELLANEOUS

Section 1--Patent Infringement. The Contractor will save harmless and indemnify the Owner from any and all claims, suits, and proceedings for the infringement of any patent or patents covering any equipment used in the work.

Section 2--Permits for Explosives. All permits necessary for the handling or use of dynamite or other explosives in connection with the construction of the Project shall be obtained by and at the expense of the Contractor.

Section 3--Compliance with Statutes and Regulations. The Contractor will comply with all applicable statutes, ordinances, rules, and regulations pertaining to the work. The Contractor acknowledges that it is familiar with the Rural Electrification Act of 1936, as amended, the so-called "Kick-Back" Statute (48 Stat. 948), and regulations issued pursuant thereto, and 18 U.S.C. §§287,1001, as amended. The Contractor understands that the obligations of the parties hereunder are subject to the applicable regulations and orders of Governmental agencies having jurisdiction in the premises.

Section 4. Equal Opportunity Provisions.

a. Contractor's Representations.

The Contractor represents that:

It has , does not have , 100 or more employees, and if it has, that

It has , has not , furnished the Equal Employment Opportunity--Employers Information Report EEO-1, Standard Form 100, required of employers with 100 or more employees pursuant to Executive Order 11246 and Title VII of the Civil Rights Act of 1964.

The Contractor agrees that it will obtain, prior to the award of any subcontract for more than \$10,000 hereunder to a subcontractor with 100 or more employees, a statement, signed by the proposed subcontractor, that the proposed subcontractor has filed a current report on Standard Form 100.

The Contractor agrees that if it has 100 or more employees and has not submitted a report on Standard Form 100 for the current reporting year and that if this Contract will amount to more than \$10,000, the Contractor will file such report, as required by law, and notify the Owner in writing of such filing prior to the Owner's acceptance of this Proposal.

b. Equal Opportunity Clause. During the performance of this Contract, the Contractor agrees as follows:

(1) The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to, the following: Employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this Equal Opportunity Clause.

(2) The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.

Section 7--Definitions.

- a. The term "Owner" shall also include an engineer employed by the Owner, or a firm or engineer retained by the Owner, and designated by the Owner to act in that capacity. The Contractor will be notified in writing by the Owner of those designated to act for the Owner at the time of acceptance of this Proposal.
- b. The term "Completion of Construction" shall mean full performance by the Contractor of the Contractor's obligations under the contract and all amendments and revisions thereof relating to any Section of the Project or to the Project except the Contractor's obligations in respect of (i) Certificate of Contractor and Indemnity Agreement - Line Extensions under Article III, Section 2 hereof and (ii) the Final Inventory referred to in Article III, Section 1a hereof.
- c. The term "Completion" shall mean full performance by the Contractor of the Contractor's obligations under the Contract and all amendments and revisions thereof relating to any Section of the Project or to the Project.

Section 8--Extension to Successors and Assigns. Each and all of the covenants and agreements contained in the Contract effected by the acceptance of the Proposal shall extend to and be binding upon the successors and assigns of the parties thereto.

Shuteau Cantu
(Contractor)

By Robert P. Stitt
(President)

(Address)

ATTEST:

Arucilla Foley
(Secretary)

Date of Proposal _____

This Proposal must be signed with the full name of the Contractor. If the Contractor is a partnership, the Proposal must be signed in the partnership name by a partner. If the Contractor is a corporation, the Proposal must be signed in the corporate name by a duly authorized officer and the corporate seal affixed and attested by the Secretary of the Corporation.

CONSTRUCTION UNITS - NEW CONSTRUCTION

SECTION I -- POLE UNITS

A pole unit consists of the installation of one pole. The first two digits indicate the length of the pole; the third digit shows the classification per A.S.A. (Example: 25-6 means a pole 25 feet long, class 6.)

UNIT NO.	UNIT LABOR PRICE	UNIT NO.	UNIT LABOR PRICE	UNIT NO.	UNIT LABOR PRICE

POLE TOP ASSEMBLY UNITS

A pole top assembly unit consists of the installation of the hardware, crossarms and their appurtenances, insulators, etc., except tie wire, required to support the primary conductors.

SECTION A - 1#		SECTION B - V#		SECTION C - 3#	
UNIT NO.	UNIT LABOR PRICE	UNIT NO.	UNIT LABOR PRICE	UNIT NO.	UNIT LABOR PRICE

SECTION D - CONDUCTOR ASSEMBLY UNITS

A conductor assembly unit consists of the installation of 1,000 feet of conductor or cable for primaries, secondaries or services. Tree trimming necessary for installing services and secondaries on poles not carrying primary line is included with the conductor assembly unit and shall be performed in accordance with the directions of the Owner. The service shall be connected to the secondary or transformer and 2 feet of conductor or cable shall be left for connecting to the consumer's service entrance. In computing the compensation to the Contractor for conductor assembly units only the horizontal distance between conductor supports or pole stakes shall be used. The conductor or cable sizes and types listed are the manufacturer's designation.

UNIT NO.	UNIT LABOR PRICE	UNIT NO.	UNIT LABOR PRICE	UNIT NO.	UNIT LABOR PRICE

SECTION E - GUY ASSEMBLY UNITS

A guy assembly unit consists of the installation of the hardware and wire, and guy insulator where necessary. An overhead guy assembly unit does not include the associated pole and down guy, each of which is listed separately. Guy guards are designated separately.

UNIT NO.	UNIT LABOR PRICE	UNIT NO.	UNIT LABOR PRICE	UNIT NO.	UNIT LABOR PRICE

SECTION F - ANCHOR ASSEMBLY UNITS

An anchor assembly unit consists of the installation of an anchor with rod complete, ready for attaching the guy wire.

UNIT NO.	UNIT LABOR PRICE	UNIT NO.	UNIT LABOR PRICE	UNIT NO.	UNIT LABOR PRICE

Section M - MISCELLANEOUS ASSEMBLY UNITS

A miscellaneous assembly unit consists of the installation of an additional unit needed in the Project for new line construction but not otherwise listed in the Proposal. This section includes the installation of grounding assemblies, fuse cutouts, reclosers, sectionalizers, switches, capacitors, regulators, metering and other assembly units.

Unit No.	Unit Labor Price	Unit No.	Unit Labor Price	Unit No.	Unit Labor Price

Section R--RIGHT-OF-WAY CLEARING UNITS

R1-10. The unit is 1,000 feet in length and 10 feet in width (to be measured on one side of the pole line) of actual clearing of right-of-way. This includes clearing of underbrush, tree removal, and such tree trimming as is required so that the right-of-way, except for tree stumps which shall not exceed _____ in height, shall be clear from the ground up on one side of the line of poles carrying primary conductors.

This unit does not include clearing or trimming associated with secondaries or services which is included with conductor units. The length of actual clearing shall be measured in a straight line parallel to the horizontal line between stakes and across the maximum dimension of foliage cleared projected to the ground line. All trees and underbrush across the width of the right-of-way, as designated by the Owner shall be considered to be grouped together as a single length in measuring the total length of clearing. Spaces along the right-of-way in which no trees are to be removed or trimmed or underbrush cleared shall be omitted from the total measurement. All length thus arrived at, added together and divided by 1,000, shall give the number of 1,000-foot R1-10 units of clearing. This unit includes the removal or topping, at the option of the Contractor, of danger trees outside of the right-of-way when so designated by the Owner. (Danger trees are defined as dead or leaning trees which, in falling, will affect the operation of the line.) The Contractor shall not remove or trim shade, fruit, or ornamental trees unless so directed by the Owner.

Section UD--UNDERGROUND CABLE ASSEMBLY UNITS

An underground cable assembly unit consists of the installation of 1000 feet of cable for underground primaries, secondaries or services. It does not include the plowing, trenching and backfilling, or the termination of the primary cable which are provided for in other assembly units. It includes the labor for the termination, connection and sealing of secondary and service cables and conductors as shown in the specifications and construction drawings, and the labor for making all primary, secondary and service cable splices (buried cable may be spliced only when and where permitted by the Owner).* In computing the compensation to the Contractor for underground cable assembly units, only the distance between stakes, paralleling the cable shall be used. The number of units so computed includes all installation of cable in all specified trenches, risers, conduits, crossings, man-holes, transformers, terminal housings and meter boxes.** The conductor or cables listed are the manufacturer's designation of types, size, voltage rating and material. The Contractor and the Owner shall jointly perform cable acceptance tests on installed cable in accordance with the specifications using test equipment furnished by the _____ .
(Owner to insert Owner or Contractor).

- *Owner check here if primary splices are permitted.
- *Owner check here if secondary and service splices are permitted.
- **Owner check here if 12 feet of service conductor is to be left as a coil three feet from the building with ends capped instead of connection to meter box.

Unit No.	Unit Labor Price	Unit No.	Unit Labor Price	Unit No.	Unit Labor Price

Section UG - UNDERGROUND TRANSFORMER ASSEMBLY UNITS

An underground transformer assembly unit consists of the installation of the transformer, its housing, warning sign, switches, over-current protective devices, grounding loop, and its hardware and leads with their connectors and supporting insulators. This unit also includes the installation of primary cable terminations but not of lightning arresters, fault indicators or ground rods, nor does it include any trenching. For pad-mount transformers, it does not include installation of the pad, drainable material, backfilling, compaction, or site preparation which are included in the pad assembly units. For submersible transformers it includes the installation of cable terminations, of the enclosure and cover, of drainable material (when specified)* and the excavation.

- *Owner check here if drainable material is specified.

Unit No.	Unit Labor Price	Unit No.	Unit Labor Price	Unit No.	Unit Labor Price

Section UR - UNDERGROUND EXCAVATION ASSEMBLY UNITS (Continued)

utilities, this unit will be suffixed by the letter "T". This will be applicable only in those areas predesignated by the Owner on the detail maps herein. All plowing outside of the predesignated area on the map, regardless of the difficulty in placement actually experienced, will be inventoried as the regular UR1-S (D) units. If field conditions show the existence of rock to prevent the placing of the cable in soil to the depth required in the specifications the Owner may specify UR2-R units. Where more than one cable is to be installed in the slot, the UR1-S unit designation should be modified by a suffix corresponding to the number of cables installed. For example, UR1-S(D) 3c for 3 cables plowed at one time.

- UR2-S (D&W) Trenching Assembly Unit, Soil - Consists of one (1) lineal foot of trenching in soil, measured parallel to the surface of the ground, to a specified depth (D) and width (W), in inches, including the excavation, and backfilling and compacting. This unit includes all labor required in the repair and/or replacement of streets, roads, drives, fences, lawns, shrubbery, watermains, pipes, pipelines and contents, underground power and telephone facilities, buried sewerage and drainage facilities, and any other property damaged by the trenching, except as specifically provided for in other units. NOTE: Where in the judgment of the Owner greater than normal difficulty will be involved in trenching because of the presence of underground facilities of other utilities, this unit will be suffixed by the letter "T". This will be applicable only in those areas predesignated by the Owner on the detail maps herein. Where more than one cable is to be installed in the trench, the regular UR2-S unit designation should be modified by a suffix corresponding to the construction drawing for the type of cable placement desired.
- UR2-R (D&W) Trenching Assembly Unit, Rock - Consists of one (1) lineal foot of trenching in rock, measured parallel to the surface of the ground, to specified depth (D) and width (W), in inches, including the excavation, and backfilling and compacting to place cable to the depth specified in the Specifications. This unit will be specified by the Owner only when field conditions at the site show the existence of rock at a depth preventing the placing of the cable in soil to the depths required in the Specifications. This unit includes all labor required in the repair and/or replacement of streets, roads, drives, fences, lawns, shrubbery, watermains, pipes, pipelines and contents, underground power and telephone facilities, buried sewerage and drainage facilities, and any other property damaged by the trenching, except as specifically provided for in other units. This unit does not include underground cable facilities installed in the trench or cable bedding assembly units, when required.
- UR-3 Cable Bedding Assembly Unit - Consists of the installation of one (1) lineal foot of a two-inch bed of clean sand or soil placed in the trench under the cable and a four inch layer of clean sand or soil backfill over the cable to the width of the trench. NOTE: The exact location and number of units shall be determined by the Owner after the trenches are open in those areas where rock or other conditions make special bedding necessary.
- UR-4a Pavement Assembly Unit, Asphalt - Consists of the labor necessary to remove and restore one (1) lineal foot of asphalt pavement, measured along the route of the cable, including any trenching necessary to place the cable at the required depth. All work shall be performed in accordance with the requirements of State or local authorities.
- UR-4c Pavement Assembly Unit, Concrete - Consists of the labor necessary to remove and restore one (1) lineal foot of concrete pavement, measured along the route of the cable, including any trenching necessary to place the cable at the required depth. All work shall be performed in accordance with the requirements of State or local authorities.
- UR-5 () Underground Pipe Crossing Assembly Unit - Consists of the installation of one (1) lineal foot of steel pipe, of the inside diameter, in inches, specified in the last digit of the assembly unit designation, installed in place. This unit includes the pushing of pipe and any excavation, backfilling and tamping necessary for the installation of the pipe. The pipe will be installed at the depth specified by the Owner. The installation of underground cable in the pipe is not included in this unit.

CONSTRUCTION UNITS--LINE CHANGES

The general heading of Line Changes applies to the changing of existing lines or portions thereof from their existing phasing, wire size, and type to new phasing, wire size, and type and the removal of existing lines or portions thereof and replacing with new lines in close proximity thereto. In general line changes involve three types of assembly units as follows:

Section H--Conversion assembly units;

Section I--Removal assembly units;

Section N--New construction assembly units on existing lines or in replacing lines.

The assembly units that are included in Sections H, I, and N are defined by symbols and descriptions which follow together with the applicable descriptions included under New Construction. Where the descriptions are not correct or sufficiently explicit, or when special units are not covered by Construction Drawings, descriptions have been provided by the Owner in the respective sections.

Work included in these sections shall be performed under a schedule of deenergization and operating procedures as set forth by the Owner at the time of release of any Section involving work on existing lines. The Contractor will so plan and perform its work that it will be possible to safely reenergize all lines involved at the expiration of the time limits set up in the schedule to resume service to all consumers being served prior to deenergization. Prior to commencement of work each day on lines to be deenergized, and upon completion of work each day on such lines, the Contractor will notify the Owner thereof in writing or in such other manner as the circumstances permit.

Section H--CONVERSION ASSEMBLY UNITS

Conversion assembly units are pole-top assemblies and cover the furnishing of all labor for changing an existing assembly unit to a new assembly unit, utilizing certain items of materials of the existing assembly unit on poles to be left in place. Any materials removed from the existing assembly units which are not required in the construction of the conversion assembly unit are to be reused by the Contractor in the construction of other assembly units, or returned to Owner's warehouse, as directed by the Owner.

Conversion assembly units are specified by the prefix H with the new construction assembly unit designation shown first and the existing assembly unit designation shown last. For example, an H B1-A1 signifies the conversion of an existing A1 assembly unit to a B1 assembly unit (as was defined in the description of construction assembly units). In this instance the Contractor utilizes the existing pin-type insulator, single upset bolt and neutral spool and installs the additional crossarm, crossarm pins, braces, machine bolt, carriage bolts, lag screw, and insulator supplied by the Owner required for the new unit. The Contractor transports the pole-top pin and two machine bolts to the warehouse or uses them on the Project as directed by the Owner.

The Conversion assembly units also include the furnishing of all labor in the transferring, re-sagging and retying of conductors from one position on the pole to a different position on the pole where such transfers are required. Where replacement of conductor is required, the existing conductor will be removed under Section I and the new conductor installed under Section N.

Where replacement of a pole is required, the existing pole and pole-top assembly will be removed under Section I and the new pole and pole-top assembly will be installed according to Section N and no H units will be involved.

Conversion assemblies are listed in three subsections for converting pole-top assemblies from single to V phase, single to three phase, and V to three phase. The following descriptions apply to only those conversion units not sufficiently explicit:

Unit	Description

Section I--REMOVAL ASSEMBLY UNITS

Removal assembly units cover the furnishing of all labor for the removal of existing units of construction from existing lines, disassembling into material items, and all labor and transportation for the returning of all materials to the warehouse of the Owner in an orderly manner or transporting elsewhere to the site of the Project for reuse in the prosecution of this Contract as directed by the Owner.

The unit removal prices shall include all labor required to reinstall in accordance with specifications any conductors temporarily detached. The Contractor will reinstall at his own expense any other units removed by him for his own convenience.

The removal units are specified by the prefix I and followed by the assembly unit designation of existing assembly unit to be removed. For example, an I-A1 signifies the removal of an A1 assembly unit. The following special notes apply to specific removal units:

a. Poles. All poles of the same height, regardless of pole class, are designated by the same unit. Thus an I-30-foot pole signifies the removal of a 30-foot pole of any class. The Contractor is not required under this unit to remove from the pole any ground wire or pole numbering attached to the pole. This unit includes the refilling and tamping of holes in a workmanlike manner unless they are to be reused.

b. Pole-top Assemblies. The unit of removal of pole-top assemblies includes, in addition to the removal of the assembly itself, any necessary handling, resagging, and retying of conductors in those cases where an existing pole-top assembly will be removed and replaced by a new pole-top assembly and where any existing conductor is to be reused.

The unit of removal of pole-top assemblies also includes any holding or handling of mainline or tap conductors at tap lines, angles, and deadends where such is involved, and the reinstalling of such conductor in accordance with the Specifications; for example, an I-A5-4 will include the disconnection of the tap conductors, snubbing off the tap line at the nearest practical point and the reconnection and resagging of these tap conductors if necessary to the new tap assembly when installed. The new unit of construction, however, will be specified separately in Section N.

c. Conductor. The conductor removal unit covers the removal of 1,000 feet of conductor or cable and reeling or coiling it in a workmanlike manner in such a way that it can be reused by the Contractor or the Owner. The Owner will furnish to the Contractor reels if it is to be returned to the Owner's warehouse on reels. The removal unit for each size of conductor or cable is shown by the prefix I followed by D and the conductor or cable type; thus an I-D 6ACWC signifies the removal unit for 1,000 feet of 6 A Copperweld-copper conductor.

d. Guys. All guys regardless of length, type of attachment, or size of guy strand are specified by the same unit; thus an I-E signifies the removal of any guy.

e. Anchors. Only anchor rods are to be removed by the Contractor in anchor removal units. The anchors will be left in the ground; thus an I-F signifies the removal of any anchor rod. If the rod cannot be unscrewed, the end of the rod shall either be cut off or bent down so that the rod will be at least 18 inches below ground.

f. Transformers. The unit for removal of transformer assembly units is divided into two sections, (1) Conventional Transformer Assembly, and (2) Self-protected Transformer Assembly. Only one unit is specified for each type, and all sizes of transformers from 1 to 15 kVA within each group will be covered by the same unit. "Self-protected" refers to transformers where all protective equipment is mounted on or within the transformer. "Conventional" refers to transformers where protective equipment is mounted separately from the transformer. The unit is designated by the prefix I followed by the description of the unit to be removed; thus, I-G Conventional signifies the removal of a conventional transformer assembly for any size transformer from 1 to 15 kVA.

g. Secondary Units. The unit for removal of secondary assemblies includes, in addition to the removal of the assembly itself, all necessary handling such as untying, resagging, and retying of secondary conductor or cables where existing secondary conductor or cable is to be reused.

In addition, the unit for removal of the secondary assembly includes the handling or holding of any conductor at tap lines where such is involved, and the reinstalling of such tap conductor in accordance with the Specifications.

SECTION II - NEW ASSEMBLY UNITS (Continued)

UNIT NO.	UNIT LABOR PRICE	UNIT NO.	UNIT LABOR PRICE	UNIT NO.	UNIT LABOR PRICE

ACCEPTANCE

The undersigned hereby accepts the foregoing Proposal of Shelton Construction Co
_____, Dated November 20th 19____ to construct the rural electric
Project _____ Line Extensions.

Cumberland Valley Electric, Inc
(Owner)

By Ray Baird
(President)

Dale Tollin
Secretary
Vice President

12-31-2000
Date of Contract

CONTRACTOR'S BOND

1. Know all men that we, _____,
as Principal, and _____,

as Surety, are held and firmly bound unto _____
(hereinafter called the "Owner") and unto the United States of America (hereinafter called the "Gov-
ernment") and unto all persons, firms, and corporations who or which may furnish or perform labor
on a Rural Electrification Project known as Project _____

_____ and to their successors and assigns, in the penal sum of _____
dollars (\$ _____), as hereinafter set forth and for the payment of which sum well and
truly to be made we bind ourselves, our executors, administrators, successors, and assigns jointly
and severally by these presents. Said Project is described in a certain construction contract (herein-
after called the "Construction Contract") between the Owner and the Principal, dated _____,
19_____, pursuant and subject to a certain loan contract (hereinafter called the "Loan Contract")
between the Owner and the Government, acting through the Administrator of the Rural Electrification
Administration (hereinafter called the "Administrator").

2. The condition of this obligation is such that if the Principal shall well and truly perform and fulfill
all the undertakings, covenants, terms, conditions, and agreements of the Construction Contract and
any amendments thereto, whether such amendments are for additions, decreases, or changes in
materials, their quantity, kind, labor costs, mileage, routing, or any other purpose whatsoever, and
whether such amendments are made with or without notice to the Surety, and shall fully indemnify
and save harmless the Owner and the Government from all costs and damages which they, or either
of them, shall suffer or incur by reason of any failure so to do, and shall fully reimburse and repay
the Owner and the Government for all outlay and expense which they, or either of them shall incur in
making good any such failure of performance on the part of the Principal, and shall promptly make
payment to all persons working on or supplying labor for use in the construction of the Project
contemplated in the Construction Contract and any amendments thereto, and shall well and truly
reimburse the Owner and the Government, as their respective interests may appear, for any excess
in cost of construction of said Project over the cost of such construction as provided in the Construc-
tion Contract and any amendments thereto, occasioned by any default of the Principal under the Con-
struction Contract and any amendments thereto, then this obligation shall be null and void, but other-
wise shall remain in full force and effect.

3. It is expressly agreed that this bond shall be deemed amended automatically and immediately,
without formal and separate amendment thereto, upon any amendment to the Construction, so as to
bind the Principal and the Surety to the full and faithful performance of the Construction Contract as
so amended, provided only that the total amount of all increases in the cost of construction shall
not exceed twenty (20) percent of the amount of the maximum price set forth in the Construction
Contract. The term "Amendment," wherever used in this bond, and whether referring to this bond,
the Construction Contract, or the Loan Contract, shall include any alteration, addition, extension,
modification, amendment, rescission, waiver, release, or annulment, of any character whatsoever.

4. It is expressly agreed that any amendment which may be made by agreement or otherwise be-
tween the Principal and the Owner in the terms, provisions, covenants, and conditions of the Con-
struction Contract, or in the terms, provisions, covenants, and conditions of the Loan Contract
(including, without limitation, the granting by the Administrator to the Owner of any extension of
time for the performance of the obligations of the Owner under the Loan Contract or the granting by
the Administrator or the Owner to the Principal of any extension of time for the performance of the
obligations of the Principal under the Construction Contract, or the failure or refusal of the Ad-
ministrator or the Owner to take any action, proceeding, or step to enforce any remedy or exercise
any right under either the Construction Contract or the Loan Contract, or the taking of any action,
proceeding, or step by the Administrator or the Owner, acting in good faith upon the belief that the
same is permitted by the provisions of the Construction Contract or the Loan Contract) shall not in
any way release the Principal and the Surety, or either of them, or their respective executors, ad-
ministrators, successors, or assigns, from liability thereunder. The Surety hereby acknowledges
receipt of notice of any amendment, indulgence, or forbearance, made, granted, or permitted.

SUPPLEMENTAL CONTRACT
FOR
ADDITIONAL PROJECT

DATE

TO:

CONTRACTOR

Pursuant to Article I, Section 2 of the Contractor's Proposal dated _____, for the
rural electric Project _____, we request that you construct
Additional Project No. _____, consisting of approximately the following system improvement and line
extension work: _____

The Additional Project is to be constructed in accordance with all of the provisions of the Contractor's Proposal,
except:

1. The time for completion of the Additional Project shall be _____
2. The prices for Construction Units for the Additional Project are as shown in Appendix A attached
hereto.

Please indicate your acceptance of the foregoing by signing below, return two signed copies and retain one copy.

Sincerely,

Enclosures

OWNER

By

PRESIDENT, VICE PRESIDENT *

ACCEPTANCE:

CONTRACTOR

By

PRESIDENT, VICE PRESIDENT, PARTNER*

DATE

*Strike out inapplicable designation

**CERTIFICATE OF CONTRACTOR
AND INDEMNITY AGREEMENT**
(Line Extensions)

_____, certifies that he is the _____, of _____,
TITLE OR DESIGNATION

_____, the Contractor, in a contract dated _____,
NAME OF CONTRACTOR

_____, 19____ entered into between the Contractor and _____,
NAME OF REALTOR BORROWER

_____, the Owner, for the construction of a rural electric
Project (hereinafter referred to as Project), which bears the Project Designation _____
_____ 19____ Line Extensions, and that he is authorized to and does make this
Certificate and Indemnity Agreement on behalf of said Contractor in order to induce the Owner to make payment
to the Contractor, in accordance with the provisions of the said contract.

Undersigned further says that all persons who have furnished labor in connection with the Section
of the Project represented by the Final Inventory dated _____, in the amount of
\$ _____, have been paid in full, that all manufacturers, materialmen and subcon-
tractors which furnished any materials or services, or both, for the said Section of the Project have been paid
in full; that no lien has been filed against the Project and no person has any right to claim any lien against
the Project.

Undersigned further says that if the Owner pays the Contractor the contract price for the said
Section of the Project the Contractor will indemnify and hold harmless and does hereby undertake and agree
to indemnify and hold harmless the Owner from any claim or lien arising out of the negligence or other fault of
the Contractor in respect of the performance of the contract which may have been or may be filed against the
Owner.

SIGNATURE OF CONTRACTOR

*President, Vice-President, Partner or Owner, or, if signed by other than one of foregoing, Power of
Attorney signed by one of the foregoing should be attached. Indicate applicable designation.