

Filed
26 July 1956

THIS AGREEMENT entered into this 16th day of July, 1956
by and between KENTUCKY POWER COMPANY hereafter called the Company, and
VANCEBURG ELECTRIC LIGHT, HEAT AND POWER SYSTEM and the CITY OF VANCEBURG
of Vanceburg, Kentucky, their successors or assigns, hereafter called
the Customer.

WITNESSETH:

For and in consideration of the mutual covenants and agreements hereinafter contained, the parties hereto agree with each other as follows:

The Company agrees to furnish to the Customer, during the term of this agreement, and the Customer agrees to take from the Company, subject to its regularly filed standard Terms and Conditions of Service appearing on the following pages, which are hereby incorporated in this agreement, all the electric energy of the character specified herein that shall be purchased by the Customer for its transmission and distribution system.

The Company is to furnish and the Customer is to take electric energy under the terms of this agreement for a period of twenty (20) years from the time such service is commenced, and thereafter in successive periods of not less than two (2) years each, until either party shall give the other not less than two (2) years' notice in writing of its or his election to discontinue the service.

The electric energy delivered hereunder shall be alternating current at approximately 33,000 volts, 3 wire, three phase and it shall be delivered at the South Portsmouth switching station of the Company, which shall constitute the point of delivery under this agreement. The said electric energy shall be delivered at reasonably close maintenance to constant potential and frequency and it shall be measured by a meter or meters owned and installed by the Company and located at the South Portsmouth switching station of the Company.

The Customer hereby agrees to pay the Company monthly for electric energy delivered hereunder at the rate and under the provisions of Tariff M.L.P. and Terms and Conditions of Service (copies of which are attached hereto) as long as said tariff is in effect. It is recognized and agreed by both the customer and the company that notwithstanding this agreement the Public Service Commission of Kentucky has continuing jurisdiction over Tariff M.L.P., the rate contained therein, and the Terms and Conditions of Service, and may properly permit or order such tariff to be modified, increased or decreased by filings under Sections 278.180 and 278.190 of the Kentucky Revised Statutes or otherwise so that the company will receive their just and reasonable rates for the

service rendered; and in the event said tariff is replaced by a new tariff incorporating higher or lower rates than those stipulated herein, the Company will continue to furnish service as stipulated in the contract and the Customer will pay for such service at the higher or lower rates from and after the date when such rates are made effective. Should the new tariff incorporate higher rates, the Customer has the option of cancelling the contract prior to its expiration date provided notice of cancellation is furnished the Company within 15 days after the first billing date of the higher rates.

If the Customer shall make default in the payment of any bill as aforesaid, or shall violate any of the terms or conditions of this contract, and after such default or violation the Company shall deliver at such premises addressed to the Customer, a written notice of its intention to cut off the supply of electricity on account of said default or violation, then the Company shall have the right to cut off such supply at the expiration of 5 days after giving such notice unless within such 5 days the Customer shall make good such default or violation. Should the Customer continue in default or violation after service has been discontinued, the Company may continue to withhold the supply of electricity until such time as such default in, or violation of, the terms of this agreement has been made good. Any suspension of service by the Company as provided for herein shall not terminate this contract, and the Customer hereby agrees to pay for the guaranteed minimum consumption specified herein for the period during which service is suspended, in addition to any arrears which may exist.

As an integral part of this agreement and as a part of the consideration for the Kentucky Power Company entering into this agreement, the Vanceburg Electric Light, Heat & Power System and the City of Vanceburg have agreed and hereby agree with the Kentucky Power Company as follows: The Customer hereby grants to the Company, the first option to purchase the entire transmission line, including poles, cross arms and other facilities, including right of way from the point of delivery hereinabove stated to the city limits of the city of Vanceburg, the same being the transmission line over which the electric energy delivered by the Company to the Customer will be delivered to the city of Vanceburg. Transmission line, as used herein, shall also include any distribution or service lines and facilities connected with said transmission line.

This option may be exercised by the Company if and when the Customer decides to sell said transmission line and notifies the Company of its intent to sell.

Upon such notification, the Company and the Customer will immediately undertake to agree upon the purchase price to be paid to the Customer for said transmission line. If they are unable to agree within thirty (30) days, both parties will request the Public Service Commission of Kentucky, or its successor, to state a fair price for

the facilities to be sold; however, neither of said parties will be bound to accept the price as set by said Public Service Commission, or its successor. Upon receipt of the price from the Public Service Commission of Kentucky, or upon receipt of a statement from said Commission that for any reason, it is not naming a price, then the Company and the customer will again enter into negotiations to arrive at a fair purchase price and will have thirty (30) days to agree on the price. If at the end of said thirty (30) days the parties can not agree, then and thereafter during the life of this contract, or any extensions thereof, should the customer receive a bonafide offer from any other person, firm or corporation for the purchase of said facilities, it shall notify the company by registered mail setting out in said notice the terms of said bonafide offer and the Company shall have the right within thirty (30) days after the receipt of said notice to purchase said facilities on the same terms and conditions as contained in said bonafide offer. The same first option, as referred to above, will also apply to the distribution system within the city of Vanceburg, should the customer ever decide to sell this part of its system.

There are no understandings or agreements outside this contract subject to any necessary filing with and approval by the Public Service Commission of Kentucky and the same shall be in full force and effect when signed by the parties hereto. This agreement cancels and supercedes all previous agreements relating to the supply of the service described herein.

KENTUCKY POWER COMPANY

ATTEST:

By H. H. Scott
Assistant General Manager

W. B. Barnett
Assistant Secretary

Approved J. E. Boyd
Vice President and General Manager

ATTEST:

VANCEBURG ELECTRIC LIGHT, HEAT AND POWER SYSTEM

O. L. Mullikin
Secretary

By St. J. Head
Chairman

ATTEST:

CITY OF VANCEBURG

Del. L. Jones
Clerk

By William L. Sullivan
Mayor

CREDITS AND CHARGES MODIFYING RATE (Continued)

A. Power Factor.

The rate set forth in this tariff is based upon the maintenance by the customer of an average power factor of 85% for each month, as shown by integrating instruments. When the average monthly power factor is above or below 85%, the kWhrs as metered will for billing purposes be multiplied by the following constants:

Effective Monthly Power Factor	Constant
1.00	.951
.95	..965
.90	.981
.85	1.000
.80	1.023
.75	1.050
.70	1.0835
.65	1.1255
.60	1.1785
.55	1.2455
.50	1.3335

Constants for other than the effective power factors given in the foregoing table will be determined from the same formula used to determine the given constants.

B. Delivery Voltage.

The rate set forth in this tariff is based upon the delivery and measurement of transformed energy. When the measurement of energy is made at the primary voltage of the transmission or distribution line used to supply the customer, the energy as billed after power factor correction (see Paragraph A) will be multiplied by .95.

C. Equipment Supplied by Customer.

When the customer furnishes and maintains the complete substation equipment including any and all transformers, switches and other apparatus necessary for the customer to take service at the voltage of the primary transmission or distribution line from which said customer is to receive service, the following credit in addition to that set forth in the next preceding paragraph will be applied to each monthly net bill.

Delivery Voltage	Credit per Kva of Monthly Billing Demand
Under 7200	None
7200 and over	\$.15

KENTUCKY POWER COMPANY

TARIFF MLP

(Municipal Light and Power)

AVAILABILITY OF SERVICE.

Available to municipalities purchasing the entire electrical requirements of their distribution system from company.

RATE.

Kwhrs equal to first 30 times the kva of monthly
billing demand 4.00 cents per kwhr

Kwhrs equal to next 170 times the kva of monthly
billing demand 1.20 cents per kwhr

Kwhrs in excess of 200 times the kva of monthly
billing demand 0.6 cents per kwhr

MINIMUM CHARGE.

This tariff is subject to a minimum monthly charge of \$2.00 per kva of monthly billing demand.

DELAYED PAYMENT CHARGE.

This tariff is net if account is paid in full within 15 days of date of bill. On all accounts not so paid an additional charge of 2% of the amount of such bill will be made.

MEASUREMENT OF ENERGY AND DETERMINATION OF DEMAND.

Energy supplied hereunder will be delivered through one meter. Billing demand in kva shall be taken each month as the highest 15-minute integrated peak in kilowatts as registered during the month by a 15-minute integrating demand meter or indicator, or at the company's option as the highest registration of a thermal type demand meter or indicator, divided by the average monthly power factor established during the month corrected to the nearest kva.

CREDITS AND CHARGES MODIFYING RATE.

Bills computed under the rate set forth herein will be modified by debits or credits as follows?

(4) FUEL CLAUSE.

This rate is based upon the weighted average cost of fuel consumed by Appalachian Electric Power Company at its principal generating stations. For the purpose of computing fuel costs under this fuel clause, the price per ton paid for coal will be based solely on purchases from non-affiliated mines.

If during any monthly period such average cost is above 12.5 cents per 1,000,000 BTU by at least .5 cent, an additional charge during the second month thereafter will be made on the actual kWhrs used during said second month at the rate of .006 cent per kwhr for each full .5 cent increase in the cost of fuel above 12.5 cents per 1,000,000 BTU.

If during any monthly period such average cost is less than 12.5 cents per 1,000,000 BTU by at least .5 cent, the bill rendered to the customer for the second succeeding month shall be decreased by an amount equal to the actual kWhrs used during said second month multiplied by .006 cent per kwhr for each full .5 cent decrease in the cost of fuel below 12.5 cents per 1,000,000 BTU.

TERM.

Variable.

TERMS AND CONDITIONS OF SERVICE

(C) APPLICATION.

A copy of the tariffs and standard terms and conditions under which service is to be rendered to the customer will be furnished upon application at the company's office and the customer may elect upon which tariff applicable to his service his application shall be based.

A written application may be required from each customer, which application, when duly accepted by the company, shall constitute the agreement between the company and the customer. A copy of the application will be furnished the customer upon request.

(C) DEPOSITS.

A deposit or a suitable guarantee may be required of the customer before service will be supplied. The company will pay interest on deposits so made in accordance with statutory requirements. Retention by the company, prior to final settlement, of said deposit or guarantee is not a payment or part payment of any bill for service. The company shall have a reasonable time in which to read and remove the meters and to ascertain that the obligations of the customer have been fully performed before being required to return any deposit.

(C) PAYMENTS.

Bills will be rendered by the company to the customer monthly in accordance with the tariff selected applicable to the customer's service. Said bills are payable at the main or branch offices of the company within the time limits specified in the tariff. Failure to receive bill will not entitle customer to the remission of any charge for non-payment within the time specified. The word "month" as used herein and in the tariffs is hereby defined to be the elapsed time between 2 successive meter readings approximately 30 days apart. In the event of the stoppage of or the failure of any meter to register the full amount of current consumed, the customer will be billed for such period on an estimated consumption based upon his use of current in a similar period of like use.

The tariffs of the company are net if the account of the customer is paid within the time limit specified in the tariff applicable to his service. Any one monthly delayed payment charge billed against the customer for non-payment of bill may be remitted, provided the customer's previous accounts are paid in full and provided no delayed payment charge has been remitted under this clause during the preceding 6 months.

INSPECTION.

It is to the interest of the customer to properly install and maintain his wiring and electrical equipment and he shall at all times be responsible for the character and condition thereof. The company makes no inspection thereof and in no event shall be responsible therefor. Before furnishing service the company may require: (1) The customer to furnish a certificate or notice of approval issued by a duly recognized authority, such as the National Board of Fire Underwriters or any underwriter's inspection bureau or any inspector designated by a municipality served by the company; such certificate being to the effect that the wiring and equipment of the customer has been installed in accordance with the requirements of the National Board of Fire Underwriters, or as fixed by the municipality; or, (2) In lieu of the inspection certificate the delivery by the customer to the company of an agreement, duly signed by the owner and tenant of the premises, authorizing the connection to the wiring system of the customer. Any change in or any additions to the original wiring and equipment of the customer may be subject to the above requirements to insure a continuance of service.

No responsibility shall attach to the company because of any waiver of these requirements.

SERVICE CONNECTIONS.

The company will when notified designate the location of its service connection and the customer's wiring must be brought outside the building wall nearest the company's service wires so as to be readily accessible thereto and in such manner that all wiring furnished by the company will be in plain view from the street or alley. The inside wiring must extend at least 18 inches beyond the building for the company to attach its wires thereto, and same must be thoroughly and permanently grounded (to the water supply system if possible), provided the maximum difference of potential between the grounded point and any other point in the circuit does not exceed 150 volts and may be grounded when the maximum difference of potential between the grounded point and any other point in the circuit exceeds 150 volts.

(C) Indicates change.

Issued by
M. C. FUNK, General Manager,
Ashland, Kentucky

Issued July 1, 1940

Effective August 1, 1940

TERMS AND CONDITIONS OF SERVICE

SERVICE CONNECTIONS. (Continued)

Customers desiring an underground service from overhead wires may, at their expense, run service wires from service equipment in buildings to the pole from which connection is to be made, including the necessary run up the side of the pole.

All connections between the customer's service equipment and the company's service wires must be installed as recommended or required by the National Electric Code.

When a customer desires that energy should be delivered at a point or in a manner other than that specified by the company, a charge will be made equal to the additional cost of same.

COMPANY'S LIABILITY.

The company will use reasonable diligence in furnishing a regular and uninterrupted supply of energy, but in case such supply should be interrupted or fail by reason of an act of God, the public enemy, accidents, strikes, legal process, State or Municipal interferences, breakdowns or injury to the machinery, transmission lines or distribution lines of the company, or extraordinary repairs, the company shall not be liable for damages: for interruptions occasioned from any other cause the liability of the company shall be limited to 5 times the amount which the customer would have paid for energy during the period of such interruptions.

The company shall not be liable to the customer, however, for any loss, injury or damage resulting from the customer's use of his equipment or from the use of the energy of the company or from the connections of the company's wires with the customer's wires and appliances.

The company will provide and maintain in proper operative condition the necessary line or service connections, transformers (when same are required by conditions of contract between the parties thereto), meters and other apparatus which may be required for the proper measurement of and protection to its service. All such apparatus shall be and remain the property of the company.

CUSTOMER'S LIABILITY.

In the event of loss or injury of the property of the company through misuse by, or the negligence of, the customer or the employees of the same, the cost of the necessary repairs or replacement thereof shall be paid to the company by the customer.

Customers will be held responsible for tampering with, interfering with, or breaking of seals of meters, or other equipment of the company installed on the customer's premises, and will be held liable for same according to law. The customer hereby agrees that no one except the employees of the company shall be allowed to make any internal or external adjustments of any meter or any other piece of apparatus which shall be the property of the company.

The company shall have the right at all reasonable hours to enter the premises of the customer for the purpose of installing, reading, removing, testing, replacing or otherwise disposing of its apparatus and property, and the right of entire removal of the company's property in the event of the termination of the contract for any cause.

(C) EXTENSION OF SERVICE.

The transmission or distribution lines of the company will be extended to such points as provide sufficient load to justify such extensions, or in lieu of sufficient load, the company may require a long-term contract or such definite and written guarantee from a customer, or group of customers, in addition to any minimum payment required by the tariff, as may be necessary. This requirement may also be made covering the payment by the customer of the cost of tapping existing transmission or distribution lines for light or power service or both, when such service will not provide sufficient load to justify the cost of tapping said lines.

(C) Indicates change.

Issued by
M. C. FUNK, General Manager,
Ashland, Kentucky

Issued July 1, 1940

Effective August 1, 1940

TERMS AND CONDITIONS OF SERVICE

LOCATION AND MAINTENANCE OF COMPANY'S EQUIPMENT.

The company shall have the right, if necessary, to construct its poles, lines and circuits on the property, and to place its transformers and other apparatus on the property or within the buildings of the customer, at a point or points convenient for such purpose, and the customer shall further guarantee the right to use suitable space for the installation of necessary measuring instruments so that the latter may be protected from injury by the elements or through the negligence or deliberate acts of the customer or of any employee of the same.

When the customer desires delivery of energy at more than one point, a separate contract will be required for each separate point of delivery. Service delivered at each point of delivery will be billed separately under the applicable tariff.

USE OF ENERGY BY CUSTOMER.

The tariffs for electric energy given herein are classified by the character of use of such energy. The use of any devices or apparatus whereby the form of energy supplied by the company is altered for the benefit or convenience of the customer, shall not entitle him to any other tariff than is called for by the ultimate use of the energy supplied. Under this rule customers who may install motor generator sets or other converting equipment for the specific purpose of transforming or converting current from one form to another for lighting purposes, shall not be entitled to power tariffs.

With particular reference to power customers it shall be understood that upon the expiration of a contract the customer may elect to renew contract upon the same or another tariff published by the company available in the district in which the customer may reside or operate, and applicable to the customer's requirements, except that in no case shall the company be required to maintain transmission, switching or transformation equipment (either for voltage or form of current change) different from or in addition to that generally furnished to other customers receiving electrical supply under the terms of the tariff elected by the customer.

A customer may not change from one tariff to another during the term of contract except by mutual agreement.

The service connections, transformers, meters and appliances supplied by the company for each customer have a definite capacity and no additions to the equipment, or load connected thereto, will be allowed except by consent of the company.

The customer shall install only motors, apparatus or appliances which are suitable for operation with the character of the service supplied by the company, and which shall not be detrimental to same, and the electric power must not be used in such a manner as to cause unprovided for voltage fluctuations or disturbances in the company's transmission or distribution system. The company shall be the sole judge as to the suitability of apparatus or appliances to be connected to its lines, and also as to whether the operation of such apparatus or appliances will be detrimental to its general service.

No radio, wireless telegraph or wireless telephone antennae may be connected to the company's lines, poles, crossarms, structures, or other facilities.

All apparatus used by the customer shall be of such type as to secure the highest practicable commercial efficiency, power factor and the proper balancing of phases. Motors which are frequently started or motors arranged for automatic control, must be of a type to give maximum starting torque with minimum current flow, and must be of a type, and equipped with controlling devices, approved by the company. In case of violation of this rule, service may be discontinued by the company until such time as the customer's use of the electric energy furnished hereunder shall conform to these regulations. Such suspension of service by the company shall not operate as a cancellation of the contract. The customer agrees to notify the company of any increase or decrease in his connected load.

(N) On and after August 1, 1940, the company will not supply service to new customers who have other sources of energy supply except under tariffs which specifically provide for same.

(N) The customer shall not be permitted to operate his own generating equipment in parallel with the company's service except on written permission of the company.

A customer shall not resell the energy supplied by the Company except by written consent of the company.

POWER FACTOR OF LIGHTING EQUIPMENT.

When neon, fluorescent, or other types of lighting equipment having similar power factor characteristics are installed after December 31, 1939, the customer shall furnish, install and maintain at his own expense, corrective apparatus to increase the power factor of the individual units or the entire group of such units to not less than 90 per cent lagging.

Where old equipment, including signs, is moved to a new location, it will, under this paragraph, be considered as a new installation.

(N) Indicates new.

Issued by
M. C. FUNK, General Manager,
Ashland, Kentucky

TERMS AND CONDITIONS OF SERVICE

DOMESTIC SERVICE.

Individual residences shall be served individually under the appropriate domestic service tariff unless customer requires 3-phase service or requires service for motors in excess of 5 h.p. capacity each, in which event the appropriate commercial tariff shall apply to that portion of the service, or to the entire service, as customer may elect. Customer shall not have the privilege of taking service for 2 or more separate residences through a single point of delivery under any tariff, irrespective of common ownership of the several residences, except that in the case of an apartment house with a number of individual apartments the landlord shall have the choice of providing separate wiring for each apartment so that the company may supply each apartment separately under the appropriate domestic tariff, or of purchasing the entire service through a single meter under the appropriate commercial tariff without submetering the service to the apartments.

The domestic service tariff shall cease to apply to that portion of a residence which becomes regularly used for commercial or manufacturing purposes. Where a portion of a customer's premises becomes regularly used for commercial or manufacturing purposes, customer shall have the privilege of separating the wiring so that the residential portion of the premises is served through a separate meter under the domestic service tariff and the commercial or manufacturing portion of the premises is served through a separate meter or meters under the appropriate commercial and/or industrial tariff. In the event that the customer does not exercise the privilege of separating the wiring the appropriate commercial tariff shall apply to all service supplied, but the bill rendered under such tariff shall in no event be for a less amount than the bill would be under the domestic service tariff.

Detached building, or buildings, actually appurtenant to the residence, such as a garage, stable or barn, may be served by an extension of the customer's residence wiring through the residence meter.

INCIDENTAL POWER.

In commercial lighting installations, where commercial lighting tariffs apply, when the consumption of energy for various power purposes is incidental to the energy purchased from the company for lighting, the total energy consumption may be billed under the lighting tariffs selected by the customer for lighting use; said lighting tariff minimum, however, to be increased at the rate of \$1.00 per month for each h.p. or fraction thereof of such power load as may be connected.

INCIDENTAL LIGHTING.

In industrial power installations exceeding 5 horse power where the consumption of energy for lighting is incidental to the energy used for manufacturing purposes and does not exceed 25% of the energy used for power, the total energy consumption may be billed under the power rates selected by the customer for power use. If said power rate minimum as specified in the tariff is calculated on a basis of connected load, then in case incidental light is included therein, the minimum charge as specified in the tariff shall be increased at the rate of \$1.50 per month for each kw. or fraction thereof of such lighting load as may be connected.

DISCONTINUANCE OF SERVICE.

The company reserves the right to discontinue its service after 5 days' notice in writing, in case the customer is in arrears in the payment of bills, for failure to comply with these terms and conditions or to prevent fraud upon the company.

Any such suspension of service shall not terminate the contract between company and customer nor shall it abrogate any minimum charge which may be effective.

RECONNECTION CHARGE.

In cases where the company has discontinued service for non-payment of bills and/or for other causes stipulated herein, the right is reserved to charge the customer an amount for reconnection commensurate with the cost of same.

(N)

Effective with bills rendered to customers on and after June 1, 1945, the period during which bills may be paid without the imposition of a delayed payment charge is changed to 15 days in the case of all tariffs containing a delayed payment charge provision in Schedule P. S. C. Ky. No. 1 which have heretofore stated 10 days.

(N)

Indicates new.

Issued by
R. E. HODGES, General Manager,
Ashland, Kentucky

Issued May 10, 1945

Effective June 1, 1945