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PUBLIC SERVICE
COMMISSION

AGREEMENT FOR PURCHASE OF POWER

AGREEMENT made June 14, 2012 between Owen Electric Cooperative, Inc., P. O. Box 400, Owenton, KY 40359, (hereinafter called the "Seller" and Sanitation District No. 1 called the "Member",

WITNESSETH:

The Seller agrees to sell and to deliver to the Member and the Member agrees to purchase and receive from the Seller all of the electric power and energy which the Member may need at its Narrows Road facility located in Kenton County, Kentucky up to 2,000 KVA upon the following terms:

1. **SERVICE CHARACTERISTICS**

Service hereunder shall be alternating current, three phase, sixty cycles, 12.47/7.2 kV Grounded Wye. The service demarcation point between Seller and Member shall be the primary cable elbow connections at the Member's pad-mounted transformers.

This connection is on the load side of the primary metering installation. The Seller shall own and maintain the riser structures and all other equipment on the riser poles including the primary cables serving the Member's pad-mounted transformers. Member shall be responsible for entire operation, maintenance and replacement of all facilities starting with the pad-mounted transformers and on towards the load.



2. PAYMENT

A. The Member shall pay the Seller for service hereunder at the rates and upon the terms and conditions set forth in Schedule II attached hereto and made a part of this agreement. As the Member's usage may change, Member and Seller may agree upon a different Schedule from time-to-time. Notwithstanding any provision of the Schedule, however, and irrespective of the Member's requirements, the Member shall pay to the Seller not less than \$2,500 per month for service or for having service available hereunder.

B. The initial billing period shall start when Member begins using electrical power and energy or 30 days after the Seller notifies the Member in writing that service is available hereunder, whichever shall occur first.

C. Bills for service hereunder shall be paid monthly within the eighteen (18) day period at the office of the Seller in Owenton, Kentucky. If the Member shall fail to pay any such bill within the eighteen (18) day period, the Seller may discontinue service hereunder by giving ten (10) days notice in writing to the Member.

The Member agrees that if, at any time, the rate under which the Seller purchases or sells electric energy is modified, with approval of the Public Service Commission of Kentucky, the Seller may make a corresponding modification in the rate for service hereunder.



3. CONTINUITY OF SERVICE

A. The Seller shall use reasonable diligence to provide a constant and uninterrupted supply (See Section 8) of electric power and energy.

But if source(s) of supply shall be interrupted or become defective through act of God, or the public enemy, by communication system failures to or from intelligent electronic devices or by accident, strikes, labor troubles, or by action of the elements, or inability to secure right of ways, or other permits needed, or for any other cause beyond the reasonable control of the Seller, the Seller shall not be liable therefor.

B. The Member shall, at his expense provide protection for three-phase motors in the event of single phasing, high or low voltage or any other abnormal conditions beyond the reasonable control of the Seller. The Member shall operate the facility within the guidelines of IEEE 519. Furthermore, the Member shall, at his expense; provide all corrective steps necessary to mitigate any objectionable voltage flicker that should affect the Seller's distribution system, thereby impacting other Customer-members of the Seller.

4. MEMBERSHIP

The Member is presently a member of the Seller. No additional membership fee is required. The Member will be bound by the provisions of the articles of incorporation and by-laws of the Seller and by such rules and regulations as may, from time to time, be



adopted by the Seller.

5. TERMS

This agreement shall become effective on the date first able written and shall remain in effect for five (5) years, following the start of the initial billing period and thereafter until terminated by either party giving to the other six (6) months notice in writing.

6. SUCCESSION

This agreement shall be binding upon and inure of the benefit of the successors, legal representative and assigns of the respective parties hereto.

7. DEPOSIT

The Member shall not be required to make a deposit with the Seller due to its positive credit record on its existing account with the Seller.

8. BACKUP CAPACITY AGREEMENT

The Member has requested from the Seller, a backup three-phase 12.5 kV service to the Narrows Road Facility with the capacity of 2,000 kVA. The Seller's Richardson Substation feeder is presently the normal source of power to the Member. The Seller has entered into an agreement with EKPC (Seller's Wholesale Power Supplier) to reserve 2,000 kVA of backup transformer capacity at the Turkeyfoot 69-12.5 kV, 11.2/14 MVA distribution substation, which will cost \$470/per month.



NOW THEREFORE.

- Member will pay Seller an additional \$470 per month to reserve 2,000 kVA of backup transformer capacity at the Turkeyfoot distribution substation, based on the current distribution transformer nameplate rating and monthly substation charge. Member will pay this backup capacity charge of \$470 per month to seller beginning on July 1, 2012. If the transformer nameplate rating changes for the Turkeyfoot substation, or if there is a change to the monthly substation charge for the substation – due to either a change in EKPC’s established tariff rates or a change in the substation installed capacity – this monthly backup capacity charge will be recalculated accordingly.
- Seller is responsible for providing backup electric service to Member served from the Turkeyfoot distribution substation and feeder. Member has paid a contribution in aid of construction to Seller for the construction of the new Turkeyfoot distribution feeder that provides the backup. Therefore, no monthly capacity charge will be assessed to Member for the distribution portion of the backup capacity.
- Seller reserves the right to reconfigure its distribution system such that the Turkeyfoot distribution feeder may become the normal source and the Richardson distribution feeder become the backup source of power to the Member.
- This backup capacity agreement may be terminated one year after written request for termination of the agreement has been received by Seller.


9. TERMS AND CONDITIONS

The terms and conditions established with this agreement are pending all applicable approvals that may be required by the Parties’ individual Boards of Directors, the Rural Utilities Service, the Kentucky Public Service Commission, and all other local, state, and federal agencies.



IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by an authorized representative.

OWEN ELECTRIC COOPERATIVE

By 

Mark A. Stallons
President and Chief Executive Officer

SANITATION DISTRICT NO. 1 OF NORTHERN KENTUCKY

By 

Chief Operating Officer

Christopher Novak

