

AGREEMENT
between

(hereinafter called "Distributor")

and

(hereinafter called "Customer")

This agreement will confirm the understandings reached between representatives of Distributor and Customer with respect to Customer's participation in the Growth Credit Program (hereinafter called "Program") being jointly conducted by Distributor and its wholesale power supplier, the Tennessee Valley Authority (hereinafter called "TVA").

It is recognized that Customer has been taking power from Distributor for purposes of operating its facility located at _____ (hereinafter called "Facility") and is expanding the Facility in a manner that requires that an increased amount of electric power be made available. In that connection, the parties hereto have entered into a contract (hereinafter called the "Expansion Contract") dated _____ to provide for the availability of such increased amount.

It is understood and agreed that:

1. This agreement shall become effective on _____, which is the effective date of the Expansion Contract, and shall continue in effect until (a) the obligations of the parties hereunder are fulfilled or (b) Customer ceases to be a customer of Distributor, whichever is earlier.

2. On or as soon as practicable after the effective date of this agreement, Customer shall submit to Distributor an initial notarized statement (in the form of Attachment A hereto) certifying the number of employees Customer reasonably anticipates will be employed as a direct result of the expansion of the Facility at the end of the 6-month period following said effective date. At the end of said 6-month period, and every 6 months thereafter, Customer shall submit to Distributor a notarized statement (in the form of Attachment B hereto) certifying the actual number of employees then employed by Customer at the Facility as a direct result of said expansion. For purposes of this agreement, an employee shall be defined as a person directly employed by Customer on a full-time basis in a position which Customer reasonably expects to remain filled for at least 6 months following the date as of which certification is made. Independent contractors and employees of third parties are expressly excluded from this definition.

During the first 6 months of this agreement, for purposes of determining the new jobs component of any applicable credits under section 3 below, Distributor shall use the estimated number of employees set out in

Customer's initial certification; provided, however, that following receipt of the first certification of actual employment, Distributor shall determine if the actual number of employees was greater or less than the estimate by an amount such that different credit amounts would have applied if the actual employment at the end of 6 months had been known in advance. If so, an adjustment of the new jobs component of the credit amounts applied for the first 6 months will be made on Customer's subsequent bill. For purposes of determining the new jobs component of any credits applicable after the first 6 months of this agreement, Customer's most recent certification of actual employment shall be used.

In the event that it is found that Customer has intentionally, or with deliberate ignorance of or reckless disregard for the truth, provided materially false information in any certification or assurance submitted under the Program, it is agreed that application of all further credits hereunder may be discontinued. Customer shall promptly repay to Distributor any and all credit amounts overpaid to Customer as a result of Distributor's use of such false information. In addition, persons providing false information in connection with this Program may be subject to civil and/or criminal prosecution pursuant to the provisions of 18 U.S.C. § 1001; 31 U.S.C. §§ 3729-3733; 31 U.S.C. §§ 3801-3812.

3. Beginning with the effective date of this agreement and continuing through the last meter reading taken prior to October 1, 1997, Distributor shall apply a credit to Customer's bill for any month during which Customer's measured demand exceeds 1,000 kW and is at least 250 kW greater than an amount (hereinafter called the "Base Amount") equal to the higher of (a) the highest contract demand of Customer during the 12-consecutive-month period immediately preceding the effective date of the Expansion Contract or (b) the highest measured demand established on or after October 1, 1988, up to the effective date of the Expansion Contract. For purposes of this agreement, if Customer's contract demand is over 5,000 kW, the term "measured demand" shall be deemed to refer to the highest average during any 30-consecutive-minute period of the month of the load measured in kW; if customer's contract demand is 5,000 kW or less, the term "measured demand" shall be deemed to refer to the highest average during any 30-consecutive-minute period of the month of the higher of the load measured in kW or 85 percent of the load in kVA plus an additional 10 percent for that part of the load over 5,000 kVA.

The dollar amount of the credit per kW in any month will be the sum of (a) the applicable base amount for that month as set out in Attachment C hereto entitled "Growth Credit Amounts (Expansion Customer)" and (b) the applicable new jobs amount, if any, determined in accordance with said attachment. The dollar amount of the credit will be applied to each kW by which Customer's measured demand in the month (excluding any kW in excess of the firm contract demand) exceeds the Base Amount. (In the event that Customer takes power under a time-of-day rate schedule, said measured demand shall be the onpeak measured demand in the month.) Credit amounts shall be prorated for partial billing months.

4. In the event that Distributor and Customer amend the Expansion Contract during the Program to further increase the firm contract demand, the term "contract demand" as used in section 3 above shall be deemed to refer to said increased contract demand; provided, however, that in the event that TVA notifies Distributor that additional entry into the Program has been suspended, no such contract demand increase which takes effect after Distributor's receipt of such notice shall be recognized for purposes of calculating credit amounts hereunder.

5. Customer shall keep accurate books and records with respect to its employees at the Facility. Distributor, TVA, or their agents and employees, shall have the right to inspect, at any time during normal working hours and upon reasonable notice, any of Customer's books and records related thereto and to require further verification of and supporting documentation for the employment levels certified by Customer.

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

(Distributor)

By _____
(Title)

Accepted and agreed to as of
this ____ day of _____, 19__.

(Customer)

By _____
(Title)

GROWTH CREDIT PROGRAM
EMPLOYMENT CERTIFICATION STATEMENT
Expansion Customer Initial Certification

Customer's full legal name: _____

Customer's address: _____

Customer has agreed with _____ (hereinafter

called "Distributor") to participate in a Growth Credit Program (hereinafter called "Program") offered by Distributor and the Tennessee Valley Authority (hereinafter called "TVA"), an agency and instrumentality of the United States of America. Customer qualifies for the Program, in part, because it is expanding its existing facility (hereinafter called "Facility") located at _____

and has accordingly entered into a contract (hereinafter called the "Expansion Contract") with Distributor providing for an increased amount of electric power to be made available at the Facility. The effective date of the Expansion Contract is _____.

Under the Program, Customer may receive a credit to its electric bills based, in part, upon the number of employees employed by Customer at the Facility as a direct result of the expansion. For purposes of this certification, an employee shall be defined as a person directly employed by Customer on a full-time basis in a position which Customer reasonably expects to remain filled for at least 6 months beyond the date that is 6 months after the effective date of the Expansion Contract.

Customer expects to have _____ employees employed at the Facility 6 months after the effective date of the Expansion Contract as a direct result of the expansion of the Facility.

Customer understands that the credits it receives under the Program will be based in part on the information provided to Distributor and TVA by way of this and subsequent certifications. In the event that it is found that Customer has intentionally, or with deliberate ignorance of or reckless disregard for the truth, provided materially false information on this or any previously submitted certification, Customer understands that application of all credits under the Program may be discontinued. Customer will in any event promptly repay to Distributor any and all credit amounts overpaid to Customer as a result of Distributor's use of such false information. In addition, persons providing false information in connection with the Program may be subject to civil and/or criminal

prosecution pursuant to the provisions of 18 U.S.C. § 1001; 31 U.S.C. §§ 3729-3733; 31 U.S.C. §§ 3801-3812.

Customer hereby certifies to TVA and to Distributor that the information given above is correct, accurate, and complete.

By: _____
Title: _____
Date: _____

Before me appeared _____,
to me personally known, who being by me first duly sworn, did say that
he/she is an officer of _____
_____(Customer), duly authorized to
execute legal instruments on behalf of Customer as its legal agent, and
that he/she signed the foregoing certification in his/her individual
capacity and on behalf of Customer, and he/she acknowledged said
certification to be his/her free act and deed and the free act and deed
of Customer.

Witness my hand and official seal this _____ day of _____, 19____.

Notary Public

My commission expires: _____.

GROWTH CREDIT PROGRAM
EMPLOYMENT CERTIFICATION STATEMENT
Expansion Customer Actual Employment Certification

Customer's full legal name: _____

Customer's address: _____

Six-month period ending: _____ (date)

Customer has agreed with _____ (hereinafter

called "Distributor") to participate in a Growth Credit Program (hereinafter called "Program") offered by Distributor and the Tennessee Valley Authority (hereinafter called "TVA"), an agency and instrumentality of the United States of America. Under the Program, Customer may receive a credit to its electric bills based, in part, upon the number of employees employed by Customer at Customer's expanded facility located at _____

For purposes of this certification, an employee shall be defined as a person directly employed by Customer on a full-time basis in a position which Customer reasonably expects to remain filled for at least 6 months beyond the date specified above.

As of the date specified above, Customer employs _____ employees at the Facility as a direct result of the expansion of the Facility.

Customer understands that the credits it receives under the Program will be based in part on the information provided to Distributor and TVA by way of this and subsequent certifications. In the event that it is found that Customer has intentionally, or with deliberate ignorance of or reckless disregard for the truth, provided materially false information on this or any previously submitted certification, Customer understands that application of all credits under the Program may be discontinued. Customer will in any event promptly repay to Distributor any and all credit amounts overpaid to Customer as a result of Distributor's use of such false information. In addition, persons providing false information in connection with the Program may be subject to civil and/or criminal prosecution pursuant to the provisions of 18 U.S.C. § 1001; 31 U.S.C. §§ 3729-3733; 31 U.S.C. §§ 3801-3812.

Customer hereby certifies to TVA and to Distributor that the information given above is correct, accurate, and complete.

By: _____
Title: _____
Date: _____

Before me appeared _____,
to me personally known, who being by me first duly sworn, did say that
he/she is an officer of _____
_____(Customer), duly authorized to
execute legal instruments on behalf of Customer as its legal agent, and
that he/she signed the foregoing certification in his/her individual
capacity and on behalf of Customer, and he/she acknowledged said
certification to be his/her free act and deed and the free act and deed
of Customer.

Witness my hand and official seal this _____ day of _____, 19_____.

Notary Public

My commission expires: _____.

Growth Credit Amounts
(Expansion Customer)

Applicable for Bills Rendered from Meter Readings Taken From	Base Amount	New Jobs Amount		
		Employment Level 1*	Employment Level 2**	Employment Level 3***
October 1, 1989, through September 30, 1993	\$5.00	\$0.35	\$0.75	\$1.50
October 1, 1993, through September 30, 1994	4.00	0.30	0.60	1.20
October 1, 1994, through September 30, 1995	3.00	0.25	0.45	0.90
October 1, 1995, through September 30, 1996	2.00	0.15	0.30	0.60
October 1, 1996, through September 30, 1997	1.00	0.10	0.15	0.30

In determining additional credit amounts, the number of jobs per 1,000 kW will be rounded to the nearest whole number.

*Level 1 applies if Customer employs as a direct result of the expansion at least one but not more than 25 full-time employees per 1,000 kW of the amount by which the expanded contract demand exceeds the Base Amount.

**Level 2 applies if Customer employs as a direct result of the expansion at least 26 but not more than 75 full-time employees per 1,000 kW of the amount by which the expanded contract demand exceeds the Base Amount.

***Level 3 applies if Customer employs as a direct result of the expansion more than 75 full-time employees per 1,000 kW of the amount by which the expanded contract demand exceeds the Base Amount.

AGREEMENT
between

(hereinafter called "Distributor")

and

(hereinafter called "Customer")

This agreement will confirm the understandings reached between representatives of Distributor and Customer with respect to Customer's participation in the New Jobs Option portion of the Growth Credit Program (hereinafter called "Program") being jointly conducted by Distributor and its wholesale power supplier, the Tennessee Valley Authority (hereinafter called "TVA").

It is recognized that Distributor and Customer have heretofore entered into a contract dated _____ (hereinafter called "Power Supply Contract"), under which firm power is made available to Customer for the operation of its facility located at _____ (hereinafter called "Facility"). It is further recognized that Customer is in the process of hiring new employees in connection with the following expansion initiative at the Facility: _____

It is understood and agreed that:

1. This agreement shall become effective on _____, which is the beginning of the above initiative, and shall continue in effect until (a) the obligations of the parties hereunder are fulfilled, or (b) Customer ceases to be a customer of Distributor, whichever is earlier.

2. Customer's pre-expansion employment level at the Facility (hereinafter called "Pre-expansion Level") is _____, which is the average number of employees employed at Customer's Facility during the 6-consecutive-month period immediately preceding the effective date of this agreement.

At such time after the effective date of this agreement that the total number of employees employed by Customer at the Facility exceeds 115 percent of the Pre-expansion Level, Customer shall submit to Distributor a notarized statement (hereinafter called "Employment Certification") in the form of Attachment A hereto certifying the number of employees in excess of the Pre-expansion Level then employed by Customer. Thereafter, Customer shall submit to Distributor such an Employment Certification every 6 months; provided, however, that if the Customer's total employment level at the end of any 6-month period does not exceed 115 percent of the Pre-expansion Level, no

Employment Certification will be submitted until the employment level does so exceed such level. For purposes of this agreement, an employee shall be defined as a person directly employed by Customer on a full-time basis in a position which Customer reasonably expects to remain filled for at least 6 months. Independent contractors and employees of third parties are expressly excluded from this definition.

In the event that it is found that Customer has intentionally, or with deliberate ignorance of or reckless disregard for the truth, provided materially false information in any certification or assurance submitted under the Program, it is agreed that application of all further credits hereunder may be discontinued. Customer shall promptly repay to Distributor any and all credit amounts overpaid to Customer as a result of Distributor's use of such false information. In addition, persons providing false information in connection with this Program may be subject to civil and/or criminal prosecution pursuant to the provisions of 18 U.S.C. § 1001; 31 U.S.C. §§ 3729-3733; 31 U.S.C. §§ 3801-3812.

3. Following receipt of each Employment Certification appropriately provided under section 2 above, Distributor shall apply a credit to each of the next 6 consecutive bills rendered by Distributor to Customer under the Power Supply Contract; provided, however, that no such credit shall be allowed on any of said 6 bills for any month in which Customer's measured demand during the month does not exceed 1,000 kW. It is expressly understood and agreed that no credit will be applied by Distributor to any bill after said 6 consecutive bills until such time that Distributor has received an appropriate new Employment Certification from Customer. For purposes of this agreement, if Customer's contract demand is over 5,000 kW, the term "measured demand" shall be deemed to refer to the highest average during any 30-consecutive-minute period of the month of the load measured in kW; if Customer's contract demand is 5,000 kW or less, the term "measured demand" shall be deemed to refer to the highest average during any 30-consecutive-minute period of the month of the higher of the load measured in kW or 85 percent of the load in kVA, plus an additional 10 percent for that part of the load over 5,000 kVA.

The dollar amount of the credit per kW in any month will be the applicable new jobs amount determined in accordance with Attachment B hereto entitled "New Jobs Credit Amounts (Growth Customer)." The dollar amount of the credit will be applied to a portion of Customer's billing demand during the month as determined hereinbelow (hereinafter called "Qualifying Demand"). The Qualifying Demand shall be equal to the amount determined by multiplying (a) the ratio of (i) the number of new employees certified by Customer pursuant to section 2 hereof to (ii) the sum of such number of new employees and the Pre-expansion Level times (b) Customer's billing demand (excluding any billing demand in excess of the firm contract demand) determined in accordance with the section headed "Determination of Demand" of TVA's General Power Rate--Schedule GP-____ (as it may be modified, changed, replaced, or adjusted

from time to time as provided under contractual arrangements between Distributor and TVA). Credit amounts shall be prorated for partial billing months.

4. Customer shall keep accurate books and records with respect to its employees at the Facility. Distributor, TVA, or their agents and employees, shall have the right to inspect, at any time during normal working hours and upon reasonable notice, any of Customer's books and records related thereto and to require further verification of and supporting documentation for the employment levels certified by Customer.

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

(Distributor)

By _____
(Title)

Accepted and agreed to as of
this ____ day of _____, 199__.

(Customer)

By _____
(Title)

GROWTH CREDIT PROGRAM
EMPLOYMENT CERTIFICATION STATEMENT
Growth Customer Employment Certification

Customer's full legal name: _____

Customer's address: _____

Date: _____

Customer has agreed with _____ (hereinafter

called "Distributor") to participate in a Growth Credit Program (hereinafter called "Program") offered by Distributor and the Tennessee Valley Authority (hereinafter called "TVA"), an agency and instrumentality of the United States of America. Under the Program, Customer may receive a credit to its electric bills based upon the number of new employees employed by Customer as a result of expansion initiatives at Customer's facility (hereinafter called "Facility") located at _____.

For purposes of this certification, an employee shall be defined as a person directly employed by Customer on a full-time basis in a position which Customer reasonably expects to remain filled for at least 6 months beyond the date specified above.

As of the date specified above, Customer employs _____ employees at the Facility as a direct result of the expansion initiatives at the Facility.

Customer understands that the credits it receives under the Program will be based in part on the information provided to Distributor and TVA by way of this and subsequent certifications. In the event that it is found that Customer has intentionally, or with deliberate ignorance of or reckless disregard for the truth, provided materially false information on this or any previously submitted certification, Customer understands that application of all credits under the Program may be discontinued. Customer will in any event promptly repay to Distributor any and all credit amounts overpaid to Customer as a result of Distributor's use of such false information. In addition, persons providing false information in connection with the Program may be subject to civil and/or criminal prosecution pursuant to the provisions of 18 U.S.C. § 1001; 31 U.S.C. §§ 3729-3733; 31 U.S.C. §§ 3801-3812.

Customer hereby certifies to TVA and to Distributor that the information given above is correct, accurate, and complete.

By: _____
Title: _____
Date: _____

Before me appeared _____,
to me personally known, who being by me first duly sworn, did say that
he/she is an officer of _____

_____ (Customer), duly authorized to
execute legal instruments on behalf of Customer as its legal agent, and
that he/she signed the foregoing certification in his/her individual
capacity and on behalf of Customer, and he/she acknowledged said
certification to be his/her free act and deed and the free act and deed
of Customer.

Witness my hand and official seal this _____ day of _____, 19____.

Notary Public

My commission expires: _____.

New Jobs Credit Amounts
(Growth Customer)

Applicable for Bills Rendered from Meter Readings Taken From	Credit Amount		
	Employment Level 1*	Employment Level 2**	Employment Level 3***
Inception of Program through September 30, 1993	\$0.35	\$0.75	\$1.50
October 1, 1993, through September 30, 1994	0.30	0.60	1.20
October 1, 1994, through September 30, 1995	0.25	0.45	0.90
October 1, 1995, through September 30, 1996	0.15	0.30	0.60
October 1, 1996, through September 30, 1997	0.10	0.15	0.30

In determining credit amounts, the number of employees will be equal to the sum of Customer's Pre-expansion Employment Level and the number of employees reported under Customer's most recently submitted Employment Certification Statement, and the resulting number of employees per 1,000 kW will be rounded to the nearest whole number.

*Level 1 applies if Customer's operations utilize at least one but not more than 25 full-time employees per 1,000 kW of applicable firm contract demand.

**Level 2 applies if Customer's operations utilize at least 26 but not more than 75 full-time employees per 1,000 kW of applicable firm contract demand.

***Level 3 applies if Customer's operations utilize more than 75 full-time employees per 1,000 kW of applicable firm contract demand.

AGREEMENT
Between
TENNESSEE VALLEY AUTHORITY
And
WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

THIS AGREEMENT, made and entered into as of the 1st day of May, 1992, by and between TENNESSEE VALLEY AUTHORITY (TVA), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended (TVA Act), and WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION (Distributor), a cooperative corporation duly created, organized, and existing under and by virtue of the laws of the Commonwealth of Kentucky;

W I T N E S S E T H:

WHEREAS, TVA and Distributor have heretofore entered into a contract dated April 26, 1982, as amended (Power Contract), under which electric power and energy are supplied by TVA at wholesale and purchased by Distributor for resale; and

WHEREAS, after appropriate studies and investigations and after continued discussions between TVA and the distributors, certain changes have been developed in the wholesale and resale rate schedules in accordance with the provisions of the Power Contract; and

WHEREAS, the parties wish to amend the Power Contract in the respects necessary to place into effect such changed schedules and in certain other respects;

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

1. The Schedule of Rates and Charges attached to and made a part of the Power Contract contains a wholesale rate schedule (Existing Wholesale Schedule) and various resale rate schedules (Existing Resale Schedules). A substitute wholesale schedule, designated Schedule WS (Changed Wholesale Schedule) and dated May 1992, and substitute resale schedules, designated Schedules RS, GSA, GSB, GSC, GSD, LS, TGSB, TGSC, and TGSD (Changed Resale Schedules) and dated May 1992, are attached hereto. The Existing Wholesale Schedule shall remain in full force and effect for all bills rendered from wholesale meter readings scheduled to be taken before May 2, 1992, and the Changed Wholesale Schedule shall become effective in accordance with the provisions thereof for all bills rendered from wholesale meter readings scheduled to be taken on and after May 2, 1992. Commencing with the first application of the Changed Wholesale Schedule, all references in the

Power Contract to the Existing Wholesale Schedule shall be deemed to refer to the Changed Wholesale Schedule. The Existing Resale Schedules shall remain in full force and effect for all bills rendered from resale meter readings taken for revenue months of Distributor prior to Distributor's May 1992 revenue month, and the respective Changed Resale Schedules shall become effective in accordance with the provisions thereof for all bills rendered from resale meter readings taken for revenue months of Distributor beginning with the May 1992 revenue month. Distributor will, promptly upon execution of this agreement, inform TVA of the period that will comprise its revenue month and will inform TVA of any changes thereto. Commencing with the first application of each of the Changed Resale Schedules, all references in the Power Contract to an Existing Resale Schedule shall be deemed to refer to the corresponding Changed Resale Schedule as designated in the Resale Schedules Replacement Table attached hereto.

2. Beginning with Distributor's May 1992 revenue month, Distributor shall provide electric service to all customers at and in accordance with the rates, charges, and provisions of the appropriate Changed Resale Schedule and the provisions of the Power Contract as supplemented and amended by this agreement.

3. It is recognized that, under the Changed Wholesale Schedule, (a) a portion of Distributor's wholesale bill each month will be computed by applying the base demand and energy charges set out in the Changed Wholesale Schedule to the amounts of power and energy resold to Distributor's customers under the Changed Resale Schedules and (b) another portion of Distributor's wholesale bill will be determined by applying other charges set out in the Changed Wholesale Schedule to deliveries of power and energy by TVA to Distributor at the delivery points provided for in the Power Contract. For purposes of determining said portion under (a) above, Distributor shall, as soon as practicable after the end of each revenue month beginning with the May 1992 revenue month, report to TVA in a form specified by TVA said amounts of power and energy resold to Distributor's customers during the revenue month under the Changed Resale Schedules. To the extent that said amounts are not so reported by Distributor by the time that TVA has determined said deliveries of power and energy to Distributor under (b) above and is prepared to bill Distributor therefor, TVA shall be entitled to bill Distributor, and Distributor shall pay, based upon amounts estimated by TVA to have been resold by Distributor during said revenue month. In the event that TVA renders such an estimated bill, following provision by Distributor of the necessary data and calculation by TVA of an appropriate billing adjustment to reflect the actual amounts of power and energy so resold to Distributor's customers during said revenue month, said adjustment will be included as a part of the next wholesale bill to Distributor.

It is recognized that under section 1(b) of the Schedule of Terms and Conditions attached to and made a part of the Power Contract, TVA has access at all reasonable times to Distributor's books and records relating to electric system operations, including access to records of the amounts of power and energy resold by Distributor and used by TVA to compute the wholesale bill under the Changed Wholesale Schedule. It is further recognized that some distributors of TVA power utilize a third-party service for billing their customers and that TVA needs comparable access to the resale billing data in the possession of such third parties. It is therefore agreed that in the event that Distributor utilizes a third-party billing service to assist it in billing its customers, Distributor shall enter into such arrangements with said third party as are necessary to grant TVA and its agents the right to examine, upon reasonable notice and during normal working hours, said third party's records and books (including computer software) solely as they relate to the processing or reporting of resale billing data of Distributor.

4. In the event that any amount accrues to TVA under Adjustment 3 of the Changed Wholesale Schedule with respect to a customer of Distributor, and that customer then fails to pay any of the minimum bill obligations which caused that amount to accrue, Distributor shall promptly so notify TVA in writing. Within 90 days after the date on which a customer becomes past due in making payment on any such minimum bill obligations, Distributor, after consultation with TVA, shall institute litigation to enforce payment of the minimum bill obligations. To the extent determined by TVA to be appropriate, TVA will assist Distributor in such efforts. Upon failure of Distributor to do so, TVA may institute such litigation in the name of Distributor, or in the name of TVA, or in the name of both, and any actions taken by TVA in connection with such litigation shall be binding on Distributor.

For all wholesale bills rendered after the initiation of any such litigation, the provisions of this paragraph shall apply, notwithstanding any provision of the Changed Wholesale Schedule. The amounts applicable under Adjustment 3 as a result of service to a customer being sued shall continue to accrue but shall not become payable by Distributor until collections are being made from the customer. If all legal remedies are pursued and less than full recovery is realized, Distributor's payment obligations to TVA on the amounts which accrue under Adjustment 3 shall be limited to (a) 50 percent of the amount recovered from a customer covered only by the first paragraph of Adjustment 3 and (b) 75 percent of the amount recovered from a customer covered by the first paragraph of Adjustment 3 as modified by the second paragraph. If all legal remedies are pursued by Distributor, Distributor's payment obligations to TVA on the amounts which accrue under Adjustment 3 shall be reduced (a) by 50 percent of the costs (not recovered from the customer) reasonably incurred by Distributor in the prosecution of such litigation with respect to a customer covered only by the first paragraph of Adjustment 3 and (b) by 75 percent of the costs (not recovered from the

customer) reasonably incurred by Distributor in the prosecution of such litigation with respect to a customer covered by the first paragraph of Adjustment 3 as modified by the second paragraph. Notwithstanding any other provision of this agreement, in the event litigation was brought by TVA under the preceding paragraph, unless otherwise agreed by TVA and Distributor, all costs (including personnel costs of attorneys and all other employees engaged in the prosecution of such litigation) incurred by TVA in its collection efforts shall be reimbursed to TVA from the portion of any amounts recovered that Distributor would otherwise be entitled to receive or retain.

5. Notwithstanding anything in the Changed Wholesale Schedule to the contrary and except with respect to any customer supplied through a delivery point which serves only that customer (Special Delivery Point), in calculating the wholesale bill, the base demand and energy charges set out in the Changed Wholesale Schedule for Schedules GSD and TGSD shall be divided by 1.03. For any such customer supplied through a Special Delivery Point, said charges shall be divided by a factor of 1 plus the percentage (expressed in decimal form) of actual losses, if any, occurring between the Special Delivery Point and the point of delivery of power and energy by Distributor to the customer. Said adjusted charges shall also be used for the distribution loss calculation made in determining the wholesale bill.

6. It is recognized that, under the provisions of the section entitled "Distribution Loss Charge" of the Changed Wholesale Schedule, an Annual Loss Adjustment is applied to Distributor's wholesale bill to reflect distribution losses actually incurred during the 12-month period ending on June 30 of each year. Notwithstanding anything appearing in said section, the Annual Loss Adjustment for the period ending on June 30, 1992, shall be determined in such a manner as to reflect distribution losses actually incurred during the first 2 months of application under this agreement.

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

8. It is recognized that the parties have heretofore entered into an agreement dated September 23, 1986 (1986 Agreement), placing into effect changes developed for the wholesale and resale rate schedules. Effective with the effective date of this agreement (except to the extent necessary to allow any final applications of the Existing Wholesale Schedule or of the existing Resale Schedules), the 1986 Agreement is hereby terminated.

9. It is recognized that TVA and Distributor have heretofore entered into agreements amending the Power Contract to provide for wholesale billing arrangements in connection with the supply of Limited Interruptible Power (LIP) to certain customers of Distributor. Such agreements and customers are identified in the tabulation below. The tri-party contracts for the supply of power to each such customer are referred to below as Company Contracts.

Agreement Nos. and Dates

Customers

TV-59577A, Supp. 10 November 21, 1986 General Tire, Inc.

Effective with the first application of the Changed Wholesale Schedule to Distributor, the section entitled "Adjustments to Distributor's Wholesale Billing" in each agreement listed above is hereby amended in the respects necessary to provide that the following steps will be taken, in lieu of the steps presently set out in said section, with respect to the wholesale bill each month to Distributor for the power and energy delivered to each such customer:

(a) In accordance with the Changed Wholesale Schedule, Distributor will be billed demand and energy charges as provided in the Changed Wholesale Schedule for any firm power and energy resold under the Company Contract; provided, however, that for the purposes of calculating said charges for any billing month in which the customer has taken any LIP energy or replacement power under said contract, the term "metered demand" in the Changed Wholesale Schedule shall be deemed to refer to an amount equal to the sum of the billing demand for firm power and any billing demand for excess power (as those demands are calculated under the Company Contract).

(b) The total dollar amount of base demand and energy charges calculated under the Changed Wholesale Schedule shall be increased by adding thereto an amount equal to the sum of (i) Distributor's monthly charges (exclusive of any surcharge for distribution costs) to the customer for LIP demand and energy (as determined under the Company Contract and adjusted to reflect losses as provided in (c) below) and (ii) any charges to the customer for replacement power scheduled during the month (as determined under said contract and adjusted to reflect losses as provided in (c) below). In addition, an amount equal to any additional charge that becomes applicable under the Company Contract if the customer's bill does not exceed specified levels will be included as part of the wholesale bill.

(c) The loss adjustments provided for in the first sentence of (b) above shall be made by dividing the charges to be adjusted by 1.03.

(d) The amounts added to the base charges of the wholesale bill pursuant to the first sentence of (b) above shall also be added to the "sum of all charges" used for the distribution loss calculation under the section

entitled "Distribution Loss Charge" of the Changed Wholesale Schedule. In the event that any kWh amount of replacement power for LIP deemed taken by the customer under the Company Contract in any month exceeds the metered amount of the customer's total energy takings for the month, the total amount of energy resold by Distributor to such customer during that month shall be reduced by the amount of said excess for the purpose of determining the Loss Factor under said Distribution Loss Charge section.

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

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

TENNESSEE VALLEY AUTHORITY

By *Patricia H. Miller*
Manager of Business Resources

WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION

Attest:

Jessie L. Conner
Secretary

By *Ralph C. Edrington*
President

RESALE SCHEDULES REPLACEMENT TABLE

The table below lists existing resale schedules (Existing Resale Schedules) offered by distributors of TVA power as of the April 1992 resale revenue month and the corresponding substitute resale schedules (Changed Resale Schedules) that will replace each of them (or the specified part thereof), effective for all bills rendered from resale meter readings taken for revenue months beginning with the May 1992 resale revenue month.

<u>Existing Resale Schedules</u>	<u>Changed Resale Schedules</u>
RP-1 through RP-20	RS
GP-1 through GP-20, Part A	GSA
GP-1 through GP-20, Part B*	GSB*
GP-1 through GP-20, Part B*	GSC*
GP-1 through GP-20, Part C	GSD
LP	LS
RPT-1 through RPT-20	TRS
GPT-1 through GPT-20	TGSA
GPTA-1 through GPTA-20	TGSA
SPT-1 through SPT-20	TGSA
TGP, Part I**	TGSB**
TGP, Part I**	TGSC**
TGP, Part II	TGSD
DPP-1 through DPP-20	DPS

* GSB will apply for customers with contract demands greater than 5,000 kW but not more than 15,000 kW and GSC will apply for customers with contract demands greater than 15,000 kW but not more than 25,000 kW.

** TGSB will apply for customers with contract demands greater than 5,000 kW but not more than 15,000 kW and TGSC will apply for customers with contract demands greater than 15,000 kW but not more than 25,000 kW.

**TENNESSEE VALLEY AUTHORITY
SCHEDULE OF RATES AND CHARGES**

**WHOLESALE POWER RATE--SCHEDULE WS
(May 1992)**

Availability

Firm power available under long-term contracts with, and for distribution and resale by, States, counties, municipalities, and cooperative organizations of citizens or farmers, all referred to herein as "Distributor."

Base Charges

Delivery Point Charge: \$1,500 for one delivery point to Distributor per month and
 \$2,000 for each additional delivery point to Distributor per month

Demand and Energy Charges:

The base demand and energy charges are listed below. In calculating the wholesale bill for any month, the charges set out below for the respective schedules shall be applied to the total firm power and energy amounts resold by Distributor (in the corresponding resale revenue month) to its customers under each of the resale rate schedules referred to below (Resale Schedules). Distributor will resell power and energy only under such Resale Schedules unless otherwise agreed by TVA and Distributor. Such power and energy amounts shall be determined from data reported by Distributor each month in a form specified by TVA or, to the extent such data is not so reported on a timely basis, from estimates determined by TVA. Distributor's resale revenue month shall be the period of time from a particular point in one calendar month to the point in the following calendar month during which a complete cycle of meter readings for all meter routes (from which the revenue and sales statistics are derived) is scheduled. Other terms used in this section shall have the same meaning as they have in the corresponding Resale Schedules.

STANDARD SERVICE

Residential Service

Schedule RS

Energy Charge: 4.427¢ per kWh per month

General Power Service

Schedule GSA

Part 1 Energy Charge: 5.112¢ per kWh per month

Part 2 Demand Charge: First 50 kW of measured demand per month, no charge
Excess over 50 kW of measured demand per month, at \$6.92 per kW

Energy Charge: First 15,000 kWh per month, at 5.112¢ per kWh
Additional kWh per month, at 2.921¢ per kWh

Part 3 Demand Charge: First 1,000 kW of measured demand per month, at \$7.39 per kW
Excess over 1,000 kW of measured demand per month, at \$8.50 per kW

Energy Charge: 2.921¢ per kWh per month

Schedule GSB

Demand Charge: \$9.08 per kW of metered demand per month

Energy Charge: 2.609¢ per kWh for up to 620 hours use of metered demand per month
2.129¢ per kWh for additional kWh per month

Schedule GSC

Demand Charge: \$9.08 per kW of metered demand per month

Energy Charge: 2.609¢ per kWh for up to 620 hours use of metered demand per month
2.129¢ per kWh for additional kWh per month

Schedule GSD

Demand Charge: \$11.61 per kW of metered demand per month

Energy Charge: 2.154¢ per kWh per month

Outdoor Lighting Service

Schedule LS

Energy Charge: 2.921¢ per kWh per month

TIME-OF-DAY SERVICE

Residential Service

Schedule TRS

Energy Charge: 7.534¢ per kWh for all onpeak kWh per month
2.449¢ per kWh for all offpeak kWh per month

General Power Service

Schedule TGSA

Part 1 Energy Charge: 9.008¢ per kWh for all onpeak kWh per month
2.449¢ per kWh for all offpeak kWh per month

Part 2 Demand Charge: \$6.92 for each kW of measured onpeak demand per month
\$0.96 per month for each kW, if any, by which measured offpeak demand exceeds measured onpeak demand

Energy Charge: 3.813¢ per kWh for all onpeak kWh per month
2.349¢ per kWh for all offpeak kWh per month

Part 3 Demand Charge: \$8.06 for each kW of measured onpeak demand per month
\$0.96 per month for each kW, if any, by which measured offpeak demand exceeds measured onpeak demand

Energy Charge: 3.813¢ per kWh for all onpeak kWh per month
2.349¢ per kWh for all offpeak kWh per month

Schedule TGSB

Demand Charge: \$9.08 for each kW of metered onpeak demand per month

\$0.96 per month for each kW, if any, by which metered offpeak demand exceeds metered onpeak demand

Energy Charge: 3.497¢ per kWh for all onpeak kWh per month
2.084¢ per kWh for all offpeak kWh per month

Schedule TGSC

Demand Charge: \$9.08 for each kW of metered onpeak demand per month
\$0.96 per month for each kW, if any, by which metered offpeak demand exceeds metered onpeak demand

Energy Charge: 3.497¢ per kWh for all onpeak kWh per month
2.084¢ per kWh for all offpeak kWh per month

Schedule TGSD

Demand Charge: \$11.71 for each kW of metered onpeak demand per month
\$1.60 per month for each kW, if any, by which metered offpeak demand exceeds metered onpeak demand

Energy Charge: 2.249¢ per kWh for all onpeak kWh per month
2.102¢ per kWh for all offpeak kWh per month

Adjustments

1. The base demand and energy charges in this rate schedule shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA.

2. Distributor's bill for each month shall be adjusted by subtracting \$4.00 for each customer served by Distributor under Schedules RS and TRS. However, such dollar amount and the base demand and energy charges listed above may be increased or decreased by TVA from time to time to appropriately reflect changes in the value of the hydro generation benefits allocated by TVA to residential customers, and in such event, TVA shall make corresponding increases or decreases in Distributor's Resale Schedules.

3. In any case in which a bill involving a metered demand less than the billing demand is applicable to a customer of Distributor with a contract demand in excess of 5,000 kW, Distributor's bill under this rate schedule shall be adjusted by adding thereto for each such customer an amount computed as provided below. When such bill involves a customer served under a standard schedule, the amount added shall be computed by multiplying (except as provided in the next paragraph) 50 percent of the amount by which the customer's billing demand exceeds the metered demand times the appropriate base demand charge, as adjusted, of this rate schedule. When such bill involves a customer served under a time-of-day rate schedule, the amount added shall be (except as provided in the next paragraph) 50 percent of the amount by which (a) the amount computed by applying the appropriate base demand charges of this rate schedule, as adjusted, to the customer's onpeak billing demand and to its excess of offpeak billing demand over onpeak billing demand exceeds (b) the amount computed by applying the appropriate base demand charges of this rate schedule, as adjusted, to the customer's metered onpeak demand and to its excess of metered offpeak demand over metered onpeak demand.

For purposes of applying this adjustment with respect to customers with contract demands in excess of 25,000 kW, all references to the term "50 percent" in the preceding paragraph shall be replaced with the term "75 percent".

Distribution Loss Charge

There shall be added to Distributor's bill each month a distribution loss charge. Such charge shall be determined by applying a Loss Factor, as determined below, to the sum of all charges for that month applicable under "Demand and Energy Charges" above. The Loss Factor for each month shall be determined by (a) taking the ratio of (i) the sum of all energy takings of Distributor measured at each delivery point to Distributor for the preceding 12 wholesale billing months to (ii) the amount of energy resold by Distributor during its preceding 12 revenue months and (b) subtracting 1 from such ratio.

As soon as practicable after June 30 of each year, an Annual Loss Adjustment will be applied to Distributor's wholesale bill to reflect distribution losses actually incurred during the preceding 12 months. The Annual Loss Adjustment shall be applied by (a) recalculating the distribution loss charges applied under the preceding paragraph by substituting the Loss Factor determined for the July wholesale billing month of that year for each of the 12 monthly Loss-Factors so applied under the preceding paragraph and (b) making the appropriate billing adjustment to account for the difference.

Facilities Rental Charge

There shall be no facilities rental charge under this rate schedule for delivery at bulk transmission voltage levels of 161 kV or higher. For delivery to Distributor at less than 161 kV, there shall be added to Distributor's bill a facilities rental charge. This charge shall be 36¢ per kW per month, except for delivery at voltages below 46 kV, in which case the charge shall be 93¢ per kW per month for the first 10,000 kW and 73¢ per kW per month for the excess over 10,000 kW. For each delivery point, such charge shall be applied to the higher of (1) the highest average demand during any 60-consecutive-minute period (beginning on the clock hour) for each month of the preceding 12-consecutive-month period of the load measured in kW (Delivery Point Demand) or (2) the sum of the currently effective contract demands for all customers, whose contract demands are greater than 5,000 kW, served by Distributor with power and energy taken from such point. (For purposes of this calculation for a customer taking power under a time-of-day rate schedule, the term "contract demand" shall mean the higher of the onpeak or offpeak contract demands). The facilities rental charge shall be in addition to all other charges under this rate schedule, including minimum bill charges, and such amounts in cents per kW may be increased or decreased by TVA, effective with the effective date of any Adjustment Addendum published by TVA, to reflect changes in the costs of providing for delivery at voltage levels below 161 kV.

Reactive Demand Charges

For each delivery point to Distributor, if the reactive demand (in kVAR) is lagging during the 60-consecutive-minute period of the month in which the Delivery Point Demand occurs, there shall be added to Distributor's bill for the following month a reactive charge of 78¢ per kVAR of the amount, if any, by which the reactive demand exceeds 33 percent of the Delivery Point Demand. If the reactive demand (in kVAR) at a delivery point is leading during the 60-consecutive-minute period (beginning on the clock hour) of the month in which Distributor's lowest measured demand (excluding

any measured demands which are less than 25 percent of the Delivery Point Demand) occurs, there shall be added to Distributor's bill for the following month a reactive charge of 33¢ per kVAR of the amount of reactive demand. Such charges shall be in addition to all other charges under this rate schedule, including minimum bill charges, and such amounts in cents per kVAR may be increased or decreased by TVA, effective with the effective date of any Adjustment Addendum published by TVA, to reflect changes in the costs of providing reactive power.

Minimum Bill

The monthly bill under this rate schedule, exclusive of any applicable facilities rental charges and any reactive charges, shall not be less than the higher of (a) the base delivery point charge or (b) 35 percent of the highest bill to Distributor, exclusive of any applicable facilities rental charge and any reactive charges, rendered under this rate schedule in the preceding 36-consecutive-month period.

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

RESIDENTIAL RATE--SCHEDULE RS

(May 1992)

Availability

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

Character of Service

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

Base Charges

Customer Charge: \$10.20 per month, less

Hydro Allocation Credit: \$4.00 per month

Energy Charge: 6.080¢ per kWh per month

Adjustment

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

Minimum Monthly Bill

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

Payment

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

Single-Point Delivery

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

Service is subject to Rules and Regulations of Distributor.

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

GENERAL POWER RATE--SCHEDULE GSA

(May 1992)

Availability

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

Character of Service

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

Base Charges

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

Customer Charge: \$11.20 per delivery point per month

Energy Charge: 7.071¢ per kWh per month

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

Customer Charge: \$11.20 per delivery point per month

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

Excess over 50 kW of billing demand per month, at \$12.33 per kW

Energy Charge: First 15,000 kWh per month at 7.071¢ per kWh

Additional kWh per month at 3.047¢ per kWh

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

Customer Charge: \$11.20 per delivery point per month

Demand Charge: First 1,000 kW of billing demand per month, at \$11.71 per kW

Excess over 1,000 kW of billing demand per month, at
\$12.33 per kW, plus an additional

\$12.33 per kW per month for each kW, if any, of the amount by
which the customer's billing demand exceeds the higher of
2,500 kW or its contract demand

Energy Charge: 3.047¢ per kWh per month

Adjustment

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

Determination of Demand

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

Minimum Bill

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

Distributor may require minimum bills higher than those stated above.

Seasonal Service

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

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

Contract Requirement

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

Payment

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

Single-Point Delivery

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

Service is subject to Rules and Regulations of Distributor.

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

GENERAL POWER RATE--SCHEDULE GSB

(May 1992)

Availability

This rate shall apply to the firm electric power requirements where a customer's currently effective contract demand is greater than 5,000 kW but not more than 15,000 kW.

Character of Service

Alternating current, single- or three-phase, 60 hertz. Power shall be delivered at a transmission voltage of 161 kV or, if such transmission voltage is not available, at the highest voltage available in the vicinity, unless at the customer's request a lower standard voltage is agreed upon.

Base Charges

Customer Charge:	\$1,500 per delivery point per month
Demand Charge:	\$10.36 per kW of billing demand per month, plus an additional \$10.36 per kW per month for each kW, if any, of the amount by which the customer's billing demand exceeds its contract demand
Energy Charge:	2.687¢ per kWh for up to 620 hours use of metered demand per month 2.193¢ per kWh for all additional kWh per month

Adjustment

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

Facilities Rental Charge

There shall be no facilities rental charge under this rate schedule for delivery at bulk transmission voltage levels of 161 kV or higher. For delivery at less than 161 kV, there shall be added to the customer's bill a facilities rental charge. This charge shall be 36¢ per kW per month except for delivery at voltages below 46 kV, in which case the charge shall be 93¢ per kW per month for the first 10,000 kW and 73¢ per kW per month for the excess over 10,000 kW.

Such charge shall be applied to the higher of (1) the highest billing demand established during the latest 12-consecutive-month period or (2) the customer's currently effective contract demand and shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Reactive Demand Charges

If the reactive demand (in kVAR) is lagging during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's highest metered demand occurs, there shall be added to the customer's bill a reactive charge of 78¢ per kVAR of the amount, if any, by which the reactive demand exceeds 33 percent of such metered demand. If the reactive demand (in kVAR) is leading during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's lowest metered demand (excluding any metered demands which are less than 25 percent of the highest metered demand) occurs, there shall be added to the customer's bill a reactive charge of 33¢ per kVAR of the amount of reactive demand. Such charges shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Determination of Demand

Distributor shall meter the demands in kW of all customers served under this rate schedule. The metered demand for any month shall be the highest average during any 30-consecutive-minute period beginning or ending on a clock hour of the month of the load metered in kW, and such amount shall be used as the billing demand, except that the billing demand for any month shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW and (2) 40 percent of any kW in excess of 5,000 kW of the higher of the currently effective contract demand or the highest billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule, excluding any facilities rental charges and any reactive charges, shall not be less than the sum of (1) the base customer charge, (2) the base demand charge, as adjusted (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applied to the customer's billing demand, and (3) the base energy charge, as adjusted, applied to the customer's energy takings.

Distributor may require minimum bills higher than those stated above.

Contract Requirement

Distributor shall require contracts for all service provided under this rate schedule. The contract shall be for an initial term of at least 5 years and any renewals or extensions of the initial contract shall be for a term of at least 1 year; after 10 years of service, any such contract for the renewal or extension of service may provide for termination upon not less than 4 months' notice. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and Distributor shall not be obligated to supply power in greater amount at any time than the customer's currently effective contract demand. If the customer uses any power other than that supplied by Distributor under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as provided under the power contract between Distributor and TVA.

Payment

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

Single-Point Delivery

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

Service is subject to Rules and Regulations of Distributor.

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

GENERAL POWER RATE--SCHEDULE GSC

(May 1992)

Availability

This rate shall apply to the firm electric power requirements where a customer's currently effective contract demand is greater than 15,000 kW but not more than 25,000 kW.

Character of Service

Alternating current, single- or three-phase, 60 hertz. Power shall be delivered at a transmission voltage of 161 kV or, if such transmission voltage is not available, at the highest voltage available in the vicinity, unless at the customer's request a lower standard voltage is agreed upon.

Base Charges

Customer Charge:	\$1,500 per delivery point per month
Demand Charge:	\$9.85 per kW of billing demand per month, plus an additional \$9.85 per kW per month for each kW, if any, of the amount by which the customer's billing demand exceeds its contract demand
Energy Charge:	2.687¢ per kWh for up to 620 hours use of metered demand per month 2.193¢ per kWh for all additional kWh per month

Adjustment

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

Facilities Rental Charge

There shall be no facilities rental charge under this rate schedule for delivery at bulk transmission voltage levels of 161 kV or higher. For delivery at less than 161 kV, there shall be added to the customer's bill a facilities rental charge. This charge shall be 36¢ per kW per

month except for delivery at voltages below 46 kV, in which case the charge shall be 93¢ per kW per month for the first 10,000 kW and 73¢ per kW per month for the excess over 10,000 kW. Such charge shall be applied to the higher of (1) the highest billing demand established during the latest 12-consecutive-month period or (2) the customer's currently effective contract demand and shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Reactive Demand Charges

If the reactive demand (in kVAR) is lagging during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's highest metered demand occurs, there shall be added to the customer's bill a reactive charge of 78¢ per kVAR of the amount, if any, by which the reactive demand exceeds 33 percent of such metered demand. If the reactive demand (in kVAR) is leading during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's lowest metered demand (excluding any metered demands which are less than 25 percent of the highest metered demand) occurs, there shall be added to the customer's bill a reactive charge of 33¢ per kVAR of the amount of reactive demand. Such charges shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Determination of Demand

Distributor shall meter the demands in kW of all customers served under this rate schedule. The metered demand for any month shall be the highest average during any 30-consecutive-minute period beginning or ending on a clock hour of the month of the load metered in kW, and such amount shall be used as the billing demand, except that the billing demand for any month shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW, (2) 40 percent of the next 20,000 kW, and (3) 50 percent of any kW in excess of 25,000 kW of the higher of the currently effective contract demand or the highest billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule, excluding any facilities rental charges and any reactive charges, shall not be less than the sum of (1) the base customer charge, (2) the base demand charge, as adjusted (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applied to the customer's billing demand, and (3) the base energy charge, as adjusted, applied to the customer's energy takings.

Distributor may require minimum bills higher than those stated above.

Contract Requirement

Distributor shall require contracts for all service provided under this rate schedule. The contract shall be for an initial term of at least 5 years and any renewals or extensions of the initial contract shall be for a term of at least 1 year; after 10 years of service, any such contract for the renewal or extension of service may provide for termination upon not less than 4 months' notice. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and Distributor shall not be obligated to supply power in greater amount at any time than the customer's currently effective contract demand. If the customer uses any power other than that supplied by Distributor under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as provided under the power contract between Distributor and TVA.

Payment

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

Single-Point Delivery

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

Service is subject to Rules and Regulations of Distributor.

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

GENERAL POWER RATE--SCHEDULE GSD

(May 1992)

Availability

This rate shall apply to the firm electric power requirements where a customer's currently effective contract demand is greater than 25,000 kW.

Character of Service

Alternating current, single-or three-phase, 60 hertz. Power shall be delivered at a transmission voltage of 161 kV or, if such transmission voltage is not available, at the highest voltage available in the vicinity, unless at the customer's request a lower standard voltage is agreed upon.

Base Charges

Customer Charge:	\$1,500 per delivery point per month
Demand Charge:	\$12.01 per kW of billing demand per month, plus an additional \$12.01 per kW per month for each kW, if any, of the amount by which the customer's billing demand exceeds its contract demand
Energy Charge:	2.154¢ per kWh per month

Adjustment

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

Facilities Rental Charge

There shall be no facilities rental charge under this rate schedule for delivery at bulk transmission voltage levels of 161 kV or higher. For delivery at less than 161 kV, there shall be added to the customer's bill a facilities rental charge. This charge shall be 36¢ per kW per month except for delivery at voltages below 46 kV, in which case the charge shall be 93¢ per kW per month for the first 10,000 kW and 73¢ per kW per month for the excess over 10,000 kW.

Such charge shall be applied to the higher of (1) the highest billing demand established during the latest 12-consecutive-month period or (2) the customer's currently effective contract demand and shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Reactive Demand Charges

If the reactive demand (in kVAR) is lagging during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's highest metered demand occurs, there shall be added to the customer's bill a reactive charge of 78¢ per kVAR of the amount, if any, by which the reactive demand exceeds 33 percent of such metered demand. If the reactive demand (in kVAR) is leading during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's lowest metered demand (excluding any metered demands which are less than 25 percent of the highest metered demand) occurs, there shall be added to the customer's bill a reactive charge of 33¢ per kVAR of the amount of reactive demand. Such charges shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Determination of Demand

Distributor shall meter the demands in kW of all customers served under this rate schedule. The metered demand for any month shall be the highest average during any 30-consecutive-minute period beginning or ending on a clock hour of the month of the load metered in kW, and such amount shall be used as the billing demand, except that the billing demand for any month shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW, (2) 40 percent of the next 20,000 kW, (3) 50 percent of the next 25,000 kW, (4) 60 percent of the next 50,000 kW, (5) 70 percent of the next 100,000 kW, (6) 80 percent of the next 150,000 kW, and (7) 85 percent of all kW in excess of 350,000 kW of the higher of the currently effective contract demand or the highest billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule, excluding any facilities rental charges and any reactive charges, shall not be less than the sum of (1) the base customer charge, (2) the base demand charge, as adjusted (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applied to the customer's billing demand, and (3) the base energy charge, as adjusted, applied to the customer's energy takings.

Distributor may require minimum bills higher than those stated above.

Contract Requirement

Distributor shall require contracts for all service provided under this rate schedule. The contract shall be for an initial term of at least 5 years and any renewals or extensions of the initial contract shall be for a term of at least 5 years; after 10 years of service, any such contract for the renewal or extension of service may provide for termination upon not less than 16 months' notice. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and Distributor shall not be obligated to supply power in greater amount at any time than the customer's currently effective contract demand. If the customer uses any power other than that supplied by Distributor under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as provided under the power contract between Distributor and TVA.

Payment

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

Single-Point Delivery

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

Service is subject to Rules and Regulations of Distributor.

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

OUTDOOR LIGHTING RATE--SCHEDULE LS

(May 1992)

Availability

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

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

Payment

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

Adjustment

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

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

- I. Energy Charge: 4.221¢ per kWh per month
- II. Facility Charge

The annual facility charge shall be 12 percent of the installed cost to Distributor's electric system of the facilities devoted to street and park lighting service specified in this Part A. Such installed cost shall be recomputed on July 1 of each year, or more often if substantial changes in the facilities are made. Each month, one-twelfth of the then total annual facility charge shall be billed to the customer. If any part of the facilities has not been provided at the electric system's expense or if the installed cost of any portion thereof is reflected on the books of another municipality or agency or department, the annual facility charge shall be adjusted to reflect properly the remaining cost to be borne by the electric system.

Traffic signal systems and athletic field lighting installations shall be provided, owned, and maintained by and at the expense of the customer, except as Distributor may agree

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

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

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

Distributor shall apply a uniform monthly customer charge of \$2.50 for service to each traffic signal system or athletic field lighting installation.

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

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

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

Metering

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

Revenue and Cost Review

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

PART B--CHARGES FOR OUTDOOR LIGHTING FOR INDIVIDUAL CUSTOMERS

Charges Per Fixture Per Month

<u>(a) Type of Fixture</u>	<u>Lamp Size</u>		<u>Rated</u>	<u>Facility</u>
	<u>(Watts)</u>	<u>(Lumens)</u>	<u>kWh</u>	<u>Charge</u>
Mercury Vapor or Incandescent	175	7,650	70	\$2.71
	250	10,400	98	\$3.21
	400	19,100	155	\$4.06
	700	33,600	266	\$5.48
	1,000	47,500	378	\$6.98
High Pressure Sodium	70	4,860	31	\$3.85
	100	8,550	42	\$4.12
	150	14,400	63	\$4.24
	200	18,900	82	\$4.61
	250	23,000	105	\$4.87
	400	45,000	165	\$5.78
Low Pressure Sodium	1,000	126,000	385	\$9.24
	55	7,650	32	\$3.87
	90	12,750	53	\$6.44
	135	22,000	75	\$8.49
	180	33,000	93	\$9.64

(b) Energy Charge: For each lamp size under (a) above, 4.221¢ per rated kWh per month

Additional Facilities

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

Lamp Replacements

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

Special Outdoor Lighting Installations

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

Service is subject of Rules and Regulations of Distributor.

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

TIME-OF-DAY GENERAL POWER RATE--SCHEDULE TGSB

(May 1992)

Availability

This rate shall be available for the firm electric power requirements where the higher of a customer's currently effective onpeak or offpeak contract demand is greater than 5,000 kW but not more than 15,000 kW, provided that the other conditions of this section are met.

For a customer requesting that its onpeak contract demand be different from its offpeak contract demand, this schedule shall be available only for (1) a new contract, (2) a replacement or renewal contract following expiration of the existing contract, or (3) a replacement or renewal contract or an amended existing contract in which the customer is increasing its demand requirements above the existing contract demand level, but under this item (3) neither the new onpeak nor the new offpeak contract demand shall be lower than the customer's existing contract demand.

Character of Service

Alternating current, single- or three-phase, 60 hertz. Power shall be delivered at a transmission voltage of 161 kV or, if such transmission voltage is not available, at the highest voltage available in the vicinity, unless at the customer's request a lower standard voltage is agreed upon.

Base Charges

Customer Charge: \$1,500 per delivery point per month

Demand Charge: \$10.36 per kW per month of the customer's onpeak billing demand, plus

\$2.00 per month for each kW, if any, of the amount by which the customer's offpeak billing demand exceeds its onpeak billing demand, plus an additional

\$10.36 per kW per month for each kW, if any, of the amount by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher

Energy Charge: 3.602¢ per kWh per month for all onpeak kWh
 2.147¢ per kWh per month for all offpeak kWh

Adjustment

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

Facilities Rental Charge

There shall be no facilities rental charge under this rate schedule for delivery at bulk transmission voltage levels of 161 kV or higher. For delivery at less than 161 kV, there shall be added to the customer's bill a facilities rental charge. This charge shall be 36¢ per kW per month except for delivery at voltages below 46 kV, in which case the charge shall be 93¢ per kW per month for the first 10,000 kW and 73¢ per kW per month for the excess over 10,000 kW. Such charge shall be applied to the highest of (1) the highest onpeak or offpeak billing demand established during the latest 12-consecutive-month period, (2) the customer's currently effective onpeak contract demand, or (3) the customer's currently effective offpeak contract demand and shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Reactive Demand Charges

If the reactive demand (in kVAR) is lagging during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's highest metered demand occurs, there shall be added to the customer's bill a reactive charge of 78¢ per kVAR of the amount, if any, by which the reactive demand exceeds 33 percent of such metered demand. If the reactive demand (in kVAR) is leading during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's lowest metered demand (excluding any metered demands which are less than 25 percent of the highest metered demand) occurs, there shall be added to the customer's bill a reactive charge of 33¢ per kVAR of the amount of reactive demand. Such charges shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Determination of Onpeak and Offpeak Hours

Except for Saturdays and Sundays and the weekdays that are observed as Federal holidays for New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day, onpeak hours for each day shall be 10 a.m. to 10 p.m. during calendar months of

May through September and from 6 a.m. to 12 noon and from 4 p.m. to 10 p.m. during all other calendar months. All other hours of each day and all hours of such excepted days shall be offpeak hours. Such times shall be Central Standard Time or Central Daylight Time, whichever is then in effect. The onpeak and offpeak hours under this rate schedule are subject to change by TVA. In the event TVA determines that such changed onpeak and offpeak hours are appropriate, it shall so notify Distributor at least 12 months prior to the effective date of such changed hours, and Distributor shall promptly notify customer.

Determination of Onpeak and Offpeak Demands and Energy Amounts

The onpeak and offpeak kWh for any month shall be the energy amounts taken during the respective hours of the month designated under this rate schedule as onpeak and offpeak hours.

Distributor shall meter the onpeak and offpeak demands in kW of all customers taking service under this rate schedule. The onpeak metered demand and offpeak metered demand for any month shall be determined separately for the respective hours of the month designated under this rate schedule as onpeak and offpeak hours and in each case shall be the highest average during any 30-consecutive-minute period beginning or ending on a clock hour of the month of the load metered in kW, and, except as provided below in this section, such amounts shall be used as the onpeak and offpeak billing demands. The onpeak billing demand shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW and (2) 40 percent of any kW in excess of 5,000 kW of the higher of the currently effective onpeak contract demand or the highest onpeak billing demand established during the preceding 12 months. The offpeak billing demand shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW and (2) 40 percent of any kW in excess of 5,000 kW of the higher of the currently effective offpeak contract demand or the highest offpeak billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill, excluding any facilities rental charges and any reactive charges, shall not be less than the sum of (1) the base customer charge, (2) the portion of the base demand charge, as adjusted, applicable to onpeak billing demand applied to the customer's onpeak billing demand, (3) the portion of the base demand charge, as adjusted, applicable to any excess of offpeak over onpeak billing demand applied to the amount, if any, by which the customer's offpeak billing demand exceeds its onpeak billing demand, (4) the base onpeak energy charge, as adjusted, applied to the customer's onpeak energy takings, and (5) the base offpeak energy charge, as adjusted, applied to the customer's offpeak energy takings.

Distributor may require minimum bills higher than those stated above.

Contract Requirement

Distributor shall require contracts for all service provided under this rate schedule. The contract shall be for an initial term of at least 5 years and any renewals or extensions of the initial contract shall be for a term of at least 1 year; after 10 years of service, any such contract for the renewal or extension of service may provide for termination upon not less than 4 months' notice. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and Distributor shall not be obligated to supply power in greater amount at any time than the customer's currently effective contract demand. If the customer uses any power other than that supplied by Distributor under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as provided under the power contract between Distributor and TVA.

After having received service for at least one year under this rate schedule, the customer, subject to appropriate amendments in its power contract with Distributor, may receive service under the General Power Rate--Schedule GSB. In such case the term of the power contract shall remain the same and the contract demand for service under the General Power Rate--Schedule GSB shall not be less than the onpeak contract demand in effect when service was taken under this rate schedule.

Payment

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

Single-Point Delivery

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

Service is subject to Rules and Regulations of Distributor.

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

TIME-OF-DAY GENERAL POWER RATE--SCHEDULE TGSC

(May 1992)

Availability

This rate shall be available for the firm electric power requirements where the higher of a customer's currently effective onpeak or offpeak contract demand is greater than 15,000 kW but not more than 25,000 kW, provided that the other conditions of this section are met.

For a customer requesting that its onpeak contract demand be different from its offpeak contract demand, this schedule shall be available only for (1) a new contract, (2) a replacement or renewal contract following expiration of the existing contract, or (3) a replacement or renewal contract or an amended existing contract in which the customer is increasing its demand requirements above the existing contract demand level, but under this item (3) neither the new onpeak nor the new offpeak contract demand shall be lower than the customer's existing contract demand.

Character of Service

Alternating current, single- or three-phase, 60 hertz. Power shall be delivered at a transmission voltage of 161 kV or, if such transmission voltage is not available, at the highest voltage available in the vicinity, unless at the customer's request a lower standard voltage is agreed upon.

Base Charges

Customer Charge:	\$1,500 per delivery point per month
Demand Charge:	\$9.85 per kW per month of the customer's onpeak billing demand, plus \$1.49 per month for each kW, if any, of the amount by which the customer's offpeak billing demand exceeds its onpeak billing demand, plus an additional \$9.85 per kW per month for each kW, if any, of the amount by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher
Energy Charge:	3.602¢ per kWh per month for all onpeak kWh 2.147¢ per kWh per month for all offpeak kWh

Adjustment

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

Facilities Rental Charge

There shall be no facilities rental charge under this rate schedule for delivery at bulk transmission voltage levels of 161 kV or higher. For delivery at less than 161 kV, there shall be added to the customer's bill a facilities rental charge. This charge shall be 36¢ per kW per month except for delivery at voltages below 46 kV, in which case the charge shall be 93¢ per kW per month for the first 10,000 kW and 73¢ per kW per month for the excess over 10,000 kW. Such charge shall be applied to the highest of (1) the highest onpeak or offpeak billing demand established during the latest 12-consecutive-month period, (2) the customer's currently effective onpeak contract demand, or (3) the customer's currently effective offpeak contract demand and shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Reactive Demand Charges

If the reactive demand (in kVAR) is lagging during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's highest metered demand occurs, there shall be added to the customer's bill a reactive charge of 78¢ per kVAR of the amount, if any, by which the reactive demand exceeds 33 percent of such metered demand. If the reactive demand (in kVAR) is leading during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's lowest metered demand (excluding any metered demands which are less than 25 percent of the highest metered demand) occurs, there shall be added to the customer's bill a reactive charge of 33¢ per kVAR of the amount of reactive demand. Such charges shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Determination of Onpeak and Offpeak Hours

Except for Saturdays and Sundays and the weekdays that are observed as Federal holidays for New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day, onpeak hours for each day shall be 10 a.m. to 10 p.m. during calendar months of May through September and from 6 a.m. to 12 noon and from 4 p.m. to 10 p.m. during all other calendar months. All other hours of each day and all hours of such excepted days shall be offpeak hours. Such times shall be Central Standard Time or Central Daylight Time, whichever is then in effect. The onpeak and offpeak hours under this rate schedule are subject to change by TVA. In the event TVA determines that such changed onpeak and offpeak hours are appropriate, it shall so notify Distributor at least 12 months prior to the effective date of such changed hours, and Distributor shall promptly notify customer.

Determination of Onpeak and Offpeak Demands and Energy Amounts

The onpeak and offpeak kWh for any month shall be the energy amounts taken during the respective hours of the month designated under this rate schedule as onpeak and offpeak hours.

Distributor shall meter the onpeak and offpeak demands in kW of all customers taking service under this rate schedule. The onpeak metered demand and offpeak metered demand for any month shall be determined separately for the respective hours of the month designated under this rate schedule as onpeak and offpeak hours and in each case shall be the highest average during any 30-consecutive-minute period beginning or ending on a clock hour of the month of the load metered in kW, and, except as provided below in this section, such amounts shall be used as the onpeak and offpeak billing demands. The onpeak billing demand shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW, (2) 40 percent of the next 20,000 kW, and (3) 50 percent of any kW in excess of 25,000 kW of the higher of the currently effective onpeak contract demand or the highest onpeak billing demand established during the preceding 12 months. The offpeak billing demand shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW, (2) 40 percent of the next 20,000 kW, and (3) 50 percent of any kW in excess of 25,000 kW of the higher of the currently effective offpeak contract demand or the highest offpeak billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill, excluding any facilities rental charges and any reactive charges, shall not be less than the sum of (1) the base customer charge, (2) the portion of the base demand charge, as adjusted, applicable to onpeak billing demand applied to the customer's onpeak billing demand, (3) the portion of the base demand charge, as adjusted, applicable to any excess of offpeak over onpeak billing demand applied to the amount, if any, by which the customer's offpeak billing demand exceeds its onpeak billing demand, (4) the base onpeak energy charge, as adjusted, applied to the customer's onpeak energy takings, and (5) the base offpeak energy charge, as adjusted, applied to the customer's offpeak energy takings.

Distributor may require minimum bills higher than those stated above.

Contract Requirement

Distributor shall require contracts for all service provided under this rate schedule. The contract shall be for an initial term of at least 5 years and any renewals or extensions of the initial contract shall be for a term of at least 1 year; after 10 years of service, any such contract for the renewal or extension of service may provide for termination upon not less than 4 months' notice. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and Distributor shall not be obligated to supply power in greater amount at any time than the customer's currently effective contract demand. If the customer uses any power other than that supplied by Distributor under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as provided under the power contract between Distributor and TVA.

After having received service for at least 1 year under this rate schedule, the customer, subject to appropriate amendments in its power contract with Distributor, may receive service under the General Power Rate--Schedule GSC. In such case the term of the power contract shall remain the same and the contract demand for service under the General Power Rate--Schedule GSC shall not be less than the onpeak contract demand in effect when service was taken under this rate schedule.

Payment

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

Single-Point Delivery

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

Service is subject to Rules and Regulations of Distributor.

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

TIME-OF-DAY GENERAL POWER RATE--SCHEDULE TGSD

(May 1992)

Availability

This rate shall be available for the firm electric power requirements where the higher of a customer's currently effective onpeak or offpeak contract demand is greater than 25,000 kW, provided that the other conditions of this section are met.

For a customer requesting that its onpeak contract demand be different from its offpeak contract demand, this schedule shall be available only for (1) a new contract, (2) a replacement or renewal contract following expiration of the existing contract, or (3) a replacement or renewal contract or an amended existing contract in which the customer is increasing its demand requirements above the existing contract demand level, but under this item (3) neither the new onpeak nor the new offpeak contract demand shall be lower than the customer's existing contract demand.

Character of Service

Alternating current, single- or three-phase, 60 hertz. Power shall be delivered at a transmission voltage of 161 kV or, if such transmission voltage is not available, at the highest voltage available in the vicinity, unless at the customer's request a lower standard voltage is agreed upon.

Base Charges

Customer Charge:	\$1,500 per delivery point per month
Demand Charge:	\$12.11 per kW per month of the customer's onpeak billing demand, plus \$2.00 per month for each kW, if any, of the amount by which the customer's offpeak billing demand exceeds its onpeak billing demand, plus an additional \$12.11 per kW per month for each kW, if any, of the amount by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher
Energy Charge:	2.249¢ per kWh per month for all onpeak kWh 2.102¢ per kWh per month for all offpeak kWh

Adjustment

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

Facilities Rental Charge

There shall be no facilities rental charge under this rate schedule for delivery at bulk transmission voltage levels of 161 kV or higher. For delivery at less than 161 kV, there shall be added to the customer's bill a facilities rental charge. This charge shall be 36¢ per kW per month except for delivery at voltages below 46 kV, in which case the charge shall be 93¢ per kW per month for the first 10,000 kW and 73¢ per kW per month for the excess over 10,000 kW. Such charge shall be applied to the highest of (1) the highest onpeak or offpeak billing demand established during the latest 12-consecutive-month period, (2) the customer's currently effective onpeak contract demand, or (3) the customer's currently effective offpeak contract demand and shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Reactive Demand Charges

If the reactive demand (in kVAR) is lagging during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's highest metered demand occurs, there shall be added to the customer's bill a reactive charge of 78¢ per kVAR of the amount, if any, by which the reactive demand exceeds 33 percent of such metered demand. If the reactive demand (in kVAR) is leading during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's lowest metered demand (excluding any metered demands which are less than 25 percent of the highest metered demand) occurs, there shall be added to the customer's bill a reactive charge of 33¢ per kVAR of the amount of reactive demand. Such charges shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Determination of Onpeak and Offpeak Hours

Except for Saturdays and Sundays and the weekdays that are observed as Federal holidays for New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day, onpeak hours for each day shall be 10 a.m. to 10 p.m. during calendar months of May through September and from 6 a.m. to 12 noon and from 4 p.m. to 10 p.m. during all other calendar months. All other hours of each day and all hours of such excepted days shall be offpeak hours. Such times shall be Central Standard Time or Central Daylight Time, whichever is then in effect. The onpeak and offpeak hours under this rate schedule are subject to change by TVA. In the event TVA determines that such changed onpeak and offpeak hours are appropriate, it shall so notify Distributor at least 12 months prior to the effective date of such changed hours, and Distributor shall promptly notify customer.

Determination of Onpeak and Offpeak Demands and Energy Amounts

The onpeak and offpeak kWh for any month shall be the energy amounts taken during the respective hours of the month designated under this rate schedule as onpeak and offpeak hours.

Distributor shall meter the onpeak and offpeak demands in kW of all customers taking service under this rate schedule. The onpeak metered demand and offpeak metered demand for any month shall be determined separately for the respective hours of the month designated under this rate schedule as onpeak and offpeak hours and in each case shall be the highest average during any 30-consecutive-minute period beginning or ending on a clock hour of the month of the load metered in kW, and, except as provided below in this section, such amounts shall be used as the onpeak and offpeak billing demands. The onpeak billing demand shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW, (2) 40 percent of the next 20,000 kW, (3) 50 percent of the next 25,000 kW, (4) 60 percent of the next 50,000 kW (5) 70 percent of the next 100,000 kW, (6) 80 percent of the next 150,000 kW, and (7) 85 percent of all kW in excess of 350,000 kW of the higher of the currently effective onpeak contract demand or the highest onpeak billing demand established during the preceding 12 months. The offpeak billing demand shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW, (2) 40 percent of the next 20,000 kW, (3) 50 percent of the next 25,000 kW, (4) 60 percent of the next 50,000 kW (5) 70 percent of the next 100,000 kW, (6) 80 percent of the next 150,000 kW, and (7) 85 percent of all kW in excess of 350,000 kW of the higher of the currently effective offpeak contract demand or the highest offpeak billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill, excluding any facilities rental charges and any reactive charges, shall not be less than the sum of (1) the base customer charge, (2) the portion of the base demand charge, as adjusted, applicable to onpeak billing demand applied to the customer's onpeak billing demand, (3) the portion of the base demand charge, as adjusted, applicable to any excess of offpeak over onpeak billing demand applied to the amount, if any, by which the customer's offpeak billing demand exceeds its onpeak billing demand, (4) the base onpeak energy charge, as adjusted, applied to the customer's onpeak energy takings, and (5) the base offpeak energy charge, as adjusted, applied to the customer's offpeak energy takings.

Distributor may require minimum bills higher than those stated above.

Contract Requirement

Distributor shall require contracts for all service provided under this rate schedule. The contract shall be for an initial term of at least 5 years and any renewals or extensions of the initial contract shall be for a term of at least 5 years; after 10 years of service, any such contract for the renewal or extension of service may provide for termination upon not less than 16 months' notice. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and Distributor shall not be obligated to supply power in greater amount at any time than the customer's currently effective contract demand. If the

customer uses any power other than that supplied by Distributor under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as provided under the power contract between Distributor and TVA.

After having received service for at least 1 year under this rate schedule, the customer, subject to appropriate amendments in its power contract with Distributor, may receive service under the General Power Rate--Schedule GSD. In such case the term of the power contract shall remain the same and the contract demand for service under the General Power Rate--Schedule GSD shall not be less than the onpeak contract demand in effect when service was taken under this rate schedule.

Payment

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

Single-Point Delivery

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

Service is subject to Rules and Regulations of Distributor.

AGREEMENT
Between
TENNESSEE VALLEY AUTHORITY
And
WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

THIS AGREEMENT, made and entered into as of the 1st day of May, 1992, by and between TENNESSEE VALLEY AUTHORITY (TVA), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended (TVA Act), and WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION (Distributor), a cooperative corporation duly created, organized, and existing under and by virtue of the laws of the Commonwealth of Kentucky;

W I T N E S S E T H:

WHEREAS, TVA and Distributor have heretofore entered into a contract dated April 26, 1982, as amended (Power Contract), under which electric power and energy are supplied by TVA at wholesale and purchased by Distributor for resale; and

WHEREAS, the TVA Act provides that among TVA's objectives shall be those of promoting the wider and better use of electric power, of supplying electric power at the lowest feasible rates, and of applying electric power to the fuller and better balanced development of the resources of the region; and

WHEREAS, TVA and Distributor wish to cooperate in a program (Program) to encourage the fuller and better balanced development of the resources of the region by the application of credits against the electric bills of public educational institutions and manufacturing industries served by Distributor; and

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

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

1. Identification of Eligible Accounts. Distributor shall announce the availability of the Program and endeavor to identify its customer accounts that meet the eligibility requirements for participation in the Program set forth in Attachment A, which is made a part of this agreement. TVA will assist Distributor by providing for Distributor's use any information it has about eligible customer accounts. In the event that a particular customer account is not clearly eligible, TVA shall make the eligibility determination.

2. Application Forms. As soon as practicable after execution of this agreement, Distributor shall provide (a) each identified public education system, as determined by the government of the state in which such system is located, (System) an application form for credit for each account (Public Education Account) of System which qualifies for participation in the Program under paragraph A of Attachment A and (b) each identified general power customer an application form for credit for each account (Manufacturing Account) of such customer which qualifies for participation in the Program under paragraph B of Attachment A. The application forms shall be in a form provided or approved by TVA.

Distributor shall furnish TVA a copy of each completed application form and shall notify TVA of any additions to or deletions of such accounts. It is understood and agreed that credits shall not be allowed by Distributor for any account until a completed application is received and approved by TVA.

3. Allowance of Credit. Notwithstanding anything appearing in the Power Contract (including the Schedule of Rates and Charges) that may be construed to the contrary, beginning with Distributor's May 1992 revenue month (as that term is defined in Wholesale Power Rate--Schedule WS, attached to and made a part of the Power Contract) and continuing through the April 1993 revenue month, Distributor shall apply a credit against the electric bill of each Public Education and Manufacturing Account as provided below. Distributor may, at its option, provide such monthly credit amount as a direct cash payment.

(a) Public Education Accounts. Subject to (c) below, for each Public Education Account served under a General Power Rate Schedule, the credit shall be equal to 10 percent of the portion of the customer's monthly bill calculated under the Base Charges section of such schedule. For each Public Education Account served under Distributor's Outdoor Lighting Rate Schedule, the credit shall be equal to 10 percent of the monthly bill computed by applying the rate schedule charges.

(b) Manufacturing Accounts. Subject to (c) below, for each manufacturing account, the credit shall be equal to 5 percent of the portion of the customer's monthly bill calculated under the Base Charges section of Distributor's applicable General Power Rate Schedule.

(c) Ineligible Bill Components. No credit shall be allowed against any portion of customer's bill for nonfirm power, for special facilities charges, or for any amount calculated under sections of the General Power Rate Schedule other than the Base Charges section. Before applying any credit, the customer's bill shall first be reduced by any amounts that will apply under the Growth Credit program.

4. Alternative Payment Option for Public Education Accounts. If Distributor chooses to make this option available, it shall pay to any requesting System an initial amount (Initial Amount) upon its entry into the Program. The Initial Amount shall be equal to 80 percent of the total amount the System would have received (for all eligible accounts) under the Program

if the Program had been in effect for the 12 full billing months prior to Distributor's May 1992 revenue month. If the System elects this option after receiving any amounts under section 3 above, those amounts shall be offset against the Initial Amount before it is paid.

As soon as practicable after the end of Distributor's April 1993 revenue month, System's bill(s) from Distributor shall be appropriately adjusted to reflect any remaining credit due or any overpayment under the preceding paragraph. The amount of any remaining credit due will be the amount by which the total credits (Total Credits) that would have been due under section 3 above for the 12-consecutive-month period beginning with the May 1992 revenue month exceeds the Initial Amount. The amount of any overpayment will be the amount by which the Initial Amount exceeds the Total Credits.

5. Reports. Distributor shall submit to TVA a monthly report (in a form furnished or approved by TVA) showing for each Public Education and Manufacturing Account amounts billed to the customer for firm power and energy and the amount of the credit applied during that revenue month pursuant to sections 3 and 4 hereof, together with such other information as may be reasonably required by TVA. Following receipt and verification of said information, TVA shall apply a credit to Distributor's wholesale power bill equal to the total credits appropriately applied by Distributor during that revenue month. In the event that information becomes available which indicates that the credit amounts were incorrectly applied to a customer's bill for any reason, Distributor shall make an appropriate adjustment to the customer's bill and TVA shall make a corresponding adjustment to Distributor's wholesale power bill.

6. False Information Submitted by Applicant. It is recognized that the determination of a customer's eligibility may be based in part on information provided by such customer. In the event that it is subsequently determined that the customer has intentionally, or with deliberate ignorance of or reckless disregard for the truth, provided materially false information to Distributor, Distributor shall, if so requested by TVA's Operating Representative, terminate the payment of any further credits to that customer. Additionally, Distributor shall cooperate with TVA in collecting from such customer any and all credit amounts paid to such customer as a result of Distributor's use of such information.

7. Reimbursement of Distributor's Costs. In order to reimburse Distributor for costs incurred under the Program, TVA will apply each month to Distributor's wholesale bill a credit of (a) \$300 plus (b) an amount equal to (i) Three Dollars multiplied by (ii) the number of Public Education and Manufacturing Accounts entitled to such credits during the month.

8. Effective Date. Except as otherwise provided herein, this agreement shall become effective as of the date first above written, and shall continue in effect until all of the obligations of the parties hereto have been fulfilled.

9. Operating Representatives. TVA's Operating Representative for administration of this agreement shall be the President, Customer Group, or a designee. Distributor's Operating Representative for administration of this agreement shall be the manager of its electric system or a designee. Subject to the provisions of this agreement, the Power Contract, and any applicable law, the Operating Representatives shall be authorized to agree upon such incidental administrative arrangements as are appropriate for the efficient and expeditious implementation of this agreement.

10. Program Guidelines. From time to time TVA shall furnish Distributor with Guidelines, consistent with the provisions of this agreement, providing for the efficient operation of the program.

11. Indemnity. TVA hereby releases Distributor, its officials, agents, and employees from, and shall indemnify and save harmless Distributor, its officials, agents, and employees from, any and all claims, demands, or causes of action of any kind or character whatsoever arising out of or in any way connected with TVA's development of or performance under this agreement. However, TVA's release and indemnity obligations to Distributor under this paragraph shall not apply unless such claims, demands, or causes of action are proximately caused by TVA's development, performance, or failure to perform any of its obligations under this agreement or by the negligence or other wrongful acts of TVA or its agents or employees.

Distributor hereby releases the United States of America, TVA, their officials, agents, and employees from, and shall indemnify and save harmless the United States of America, TVA, their officials, agents, and employees from, any and all claims, demands, or causes of action of any kind or character whatsoever arising out of or in any way connected with Distributor's performance under this agreement. However, Distributor's release and indemnity obligations to TVA under this paragraph shall not apply unless such claims, demands, or causes of action are proximately caused by Distributor's failure to perform any of its obligations under this agreement or by the negligence or other wrongful acts of Distributor or its agents or employees.

Either party shall, along with a request for indemnification or reimbursement for a claim submitted to the other party, provide the other party with the information, explanation, and documentation necessary for the other party to determine that the indemnification or reimbursement of the requesting party is appropriate pursuant to the provisions contained in this section.

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

13. Officials Not to Benefit. No member of or delegate to Congress or Resident Commissioner, or any officer, employee, special Government employee, or agent of TVA shall be admitted to any share or part of this agreement or to any benefit that may arise from it unless the agreement is

made with a corporation for its general benefit, nor shall Distributor offer or give, directly or indirectly, to any officer, employee, special Government employee, or agent of TVA any gift, gratuity, favor, entertainment, loan, or any other thing of monetary value, except as provided in 18 C.F.R. § 1300.735-12 or -34. Breach of this provision shall constitute a material breach of this agreement.

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

TENNESSEE VALLEY AUTHORITY

By Mary Sharye May
President, Customer Group

Attest:

WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION

Jessie Conner
Secretary

By Ralph C. Edrington
President

Eligibility Requirements

- A. Public Education Account. A Public Education Account shall be a billing account for a delivery point serving any primary, secondary, and higher education facility owned and operated by a System. Such account includes administrative offices, warehouses, and athletic field lighting installations receiving power and energy from Distributor as long as the charges for power and energy are paid all or in part from tax revenues allocated as of January 1, 1992, to said public education system.

- B. Manufacturing Account. A Manufacturing Account shall be a billing account for delivery point serving any general power customer of Distributor which is (1) served under (a) Parts 2 or 3 of Schedule GSA or under Schedules GSB, GSC, or GSD or (b) Parts 2 or 3 of Time-of-Day Schedule TGSA or under Time-of-Day Schedules TGSB, TGSC, or TGSD and (2) where the activities conducted at such delivery point are classified with a 2-digit Standard Industrial Classification code between 20 and 39, inclusive.



TV-59577A
Supp No. 24

Tennessee Valley Authority, Post Office Box 509, Mayfield, Kentucky 42066

September 1, 1992

Mr. Michael Alderdice, Manager
West Kentucky RECC
P.O. Box 589
Mayfield, Kentucky 42066-0589

Dear Mr. Alderdice:

This is to confirm our understanding relative to supplementing the wholesale power contract dated April 26, 1982, between TVA and West Kentucky RECC to cover our cooperation in a marketing training program to help promote the better use of electricity.

We understand that you will arrange with AHP Systems, Inc., to conduct for your employees a training seminar entitled "Where the Rubber Meets the Road." You will schedule and make all necessary arrangements (including providing the facilities) with AHP Systems for this training seminar. If attendance space permits, you will arrange for TVA's employees to attend this seminar as well. After receipt of an invoice, TVA will reimburse your electric system in the amount of \$1,000, which is about one-half the seminar costs (as billed to your electric system by AHP Systems).

If this letter correctly states our understandings about this program, please sign in the space provided below and return two copies to me. The original is for your files.

Very truly yours,

for Dave Inc Mullin
Myron N. Callaham, Manager
Kentucky Customer Service Center

Accepted and agreed to as of
the 8 day of Sept, 1992.

WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION

By 
Manager

4668L

AMENDATORY AGREEMENT
Between
TENNESSEE VALLEY AUTHORITY
And
WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

THIS AGREEMENT, made and entered into as of the first day of October, 1992, by and between TENNESSEE VALLEY AUTHORITY (TVA), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended (TVA Act), and WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION (Distributor), a cooperative corporation duly created, organized, and existing under and by virtue of the laws of the Commonwealth of Kentucky;

W I T N E S S E T H:

WHEREAS, TVA and Distributor have heretofore entered into a contract dated April 26, 1982, as amended (Power Contract), under which electric power and energy are supplied by TVA at wholesale and purchased by Distributor for resale; and

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

NOW, THEREFORE, for and in consideration of the premises and of the mutual covenants hereinafter set forth, and subject to the provisions of the Tennessee Valley Authority Act of 1933, as amended, the parties hereto mutually covenant and agree as follows:

1. Term of Agreement. This agreement shall become effective as of the date first above written, and shall continue in effect until termination of the Power Contract.

2. Determination of Reactive Demand on Simultaneous Basis. For all bills rendered from wholesale meter readings scheduled to be taken on or after October 2, 1992, for purposes of determining any applicable reactive charges under the Reactive Demand Charges section of Schedule WS, that section shall be applied to all delivery points to Distributor considered together, and the terms "Delivery Point Demand" and "lowest measured demand" appearing in that section shall mean the highest sum and the lowest sum, respectively, of the average demands measured in kW for all delivery points to Distributor.

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

4. Restriction of Benefits. No member of or delegate to Congress or Resident Commissioner, or any officer, employee, special Government employee, or agent of TVA shall be admitted to any share or part of this agreement or to any benefit that may arise therefrom unless the agreement be made with a corporation for its general benefit, nor shall Distributor offer or give, directly or indirectly, to any officer, employee, special Government employee, or agent of TVA any gift, gratuity, favor, entertainment, loan, or any other thing of monetary value, except as provided in 18 C.F.R. § 1300.735-12 or -34. Breach of this provision shall constitute a material breach of this agreement.

5. Affirmation of Power Contract. Except as expressly supplemented and amended herein, the Power Contract is hereby ratified as the continuing obligation of the parties.

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

TENNESSEE VALLEY AUTHORITY

By *John N. Miller*
Manager of Business Resources

WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION

Attest:

James A. Ormer
Secretary

By *Ralph C. Edrington*
President

AGREEMENT
Between
TENNESSEE VALLEY AUTHORITY
And
WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

THIS AGREEMENT, made and entered into as of the 14th day of April, 1993, by and between TENNESSEE VALLEY AUTHORITY (TVA), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended (TVA Act), and WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION (Distributor), a cooperative corporation duly created, organized, and existing under and by virtue of the laws of the Commonwealth of Kentucky;

W I T N E S S E T H:

WHEREAS, Distributor purchases power for resale from TVA under a contract dated April 26, 1982 (Power Contract); and

WHEREAS, under certain agreements (Lease Agreements), effective on or after January 1, 1977, Distributor has leased with the option to purchase (and may have purchased) all or portions of certain former TVA substation sites (Substation Sites), which Lease Agreements and Substation Sites are identified in the tabulations below:

<u>List of Lease Agreements</u>	
<u>Agreement Nos.</u>	<u>Dates of Agreements</u>
TV-23488A, Supp. No. 13	November 9, 1979
TV-23488A, Supp. No. 14	January 17, 1980
TV-59577A, Supp. No. 14	March 12, 1988

<u>List of Substation Sites</u>	
Benton	Milburn
Gilbertsville	Hickory Grove
East Murray	Hardin
Coldwater	Pilot Oak

NOW, THEREFORE, in consideration of the mutual promises in this agreement, and subject to the provisions of the TVA Act, TVA and Distributor mutually agree as follows:

1. Test and Reclassify Equipment. No later than October 1, 1993, Distributor and TVA shall each at its expense perform, or cause to be performed, necessary testing of its equipment located on the Substation Sites (Distributor's equipment includes that leased by Distributor under the Lease Agreements) for polychlorinated biphenyl (PCB) content to determine whether such equipment is classified in accordance with Federal environmental

regulations as non-PCB, PCB, or PCB-contaminated. The requirements of this section 1, however, do not apply to equipment of Distributor or of TVA on the Substation Sites (such as transformer bushings, instrument transformers, and hermetically sealed equipment) which contains small amounts of fluid, is essential to Distributor or TVA system operation, and cannot be removed from service. By October 1, 1994, Distributor and TVA shall each, at its expense, (a) remove its equipment classified as PCB or PCB-contaminated from the Substation Sites for proper reuse or disposal or (b) replace the PCB fluid in said equipment with non-PCB fluid so as to reclassify it as non-PCB equipment.

2. TVA Disposal. TVA will at its expense accept for disposal certain small, burnable PCB or PCB-contaminated equipment (such as capacitor units) or the fluids from any PCB or PCB-contaminated equipment so long as Distributor (a) leased such equipment (or fluids) under the Lease Agreements, (b) provides TVA by October 1, 1993, a schedule for the removal of such equipment (or fluids), (c) removes and delivers such equipment (or fluids) to TVA at a mutually agreeable location prior to October 1, 1994 (unless otherwise agreed by TVA), and (d) has, at no expense to TVA, provided and installed any required replacements for such equipment (or fluids).

3. PCB Prohibition. Neither Distributor nor TVA, without express permission from the other, shall knowingly bring or allow any third party to bring any equipment known to contain 50 ppm or more of PCBs onto the Substation Sites for any purposes in the future. For any equipment that has not been certified non-PCB or tested and found to contain less than 50 ppm of PCBs that in the future is brought on the Substation Sites by Distributor or TVA, Distributor or TVA respectively shall at its expense within ninety (90) days test such equipment and, if it is found to contain 50 ppm or more of PCBs, promptly remove or reclassify it as non-PCB equipment.

4. Cost Sharing. If a past spill of PCBs is discovered for which an agency responsible for PCB regulation requires cleanup on any of the Substation Sites, notwithstanding anything that may be construed to the contrary appearing in the Lease Agreements (or in any instruments transferring title to the Substation Sites to Distributor), a party which has satisfactorily carried out its obligations under sections 1 through 3 of this agreement shall be entitled to receive from the other party reimbursement of amounts that will result in the parties' sharing the costs of any such cleanup as follows: Distributor shall pay the first \$10,000 and 30 percent of any excess over \$10,000, and TVA shall pay 70 percent of any excess over \$10,000 for each Substation Site; provided that the cleanup costs are consistent with applicable laws and regulations or required by such agency.

5. Exclusion of Substation Site. For each of the Substation Sites currently leased with an option to purchase, if Distributor provides written notice of the exercise of its option to purchase to TVA at least 180 days prior to the anticipated purchase date, then TVA shall at least 90 days prior to the anticipated purchase date inform Distributor whether, based on a search of TVA's files to provide the notice required by section 120(h) of the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), 42 U.S.C. § 9620(h), TVA records indicate that a spill of PCBs has occurred. For any of the Substation Sites for which TVA records indicate that a spill of PCBs occurred, Distributor may then elect to make the provisions of

BILL CREDIT EXTENSION AGREEMENT

AMENDATORY AGREEMENT
Between
TENNESSEE VALLEY AUTHORITY
And
WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

THIS AGREEMENT, made and entered into as of the 1st day of May, 1993, by and between TENNESSEE VALLEY AUTHORITY (TVA), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended (TVA Act), and WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION (Distributor), a cooperative corporation duly created, organized, and existing under and by virtue of the laws of the Commonwealth of Kentucky;

W I T N E S S E T H:

WHEREAS, TVA and Distributor have heretofore entered into a contract dated April 26, 1982, as amended (Power Contract), under which electric power and energy are supplied by TVA at wholesale and purchased by Distributor for resale; and

WHEREAS, TVA and Distributor have entered into an agreement dated May 1, 1992 (1992 Agreement), under which the parties are cooperating in a program (Program) under which eligible public educational institutions and manufacturing industries served by Distributor may receive a credit against their electric bills; and

WHEREAS, the parties wish to amend the 1992 Agreement to extend the period in which qualifying customers may receive credits;

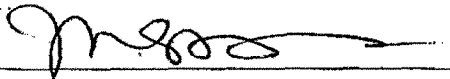
NOW, THEREFORE, for and in consideration of the mutual covenants set forth, and subject to the provisions of the TVA Act, the parties mutually agree as follows:

1. Extension of Program. By this agreement TVA and Distributor amend the 1992 Agreement so that the Program will not end with the April 1993 revenue month. Instead, Distributor will continue applying the credits provided for in the 1992 Agreement until the earlier of (a) the end of the June 1994 revenue month or (b) implementation of the next rate change as provided for in the paragraph entitled "Change" under section 6 of the Schedule of Terms and Conditions attached to and made a part of the Power Contract.

2. Affirmation of the 1992 Agreement. Except as amended by this agreement (and except for the provisions of the first paragraph of section 4 of the 1992 Agreement, which are obsolete and no longer applicable) the provisions of the 1992 Agreement, are expressly reaffirmed, and the parties will each carry out their responsibilities under the Program in full accord with those provisions.


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

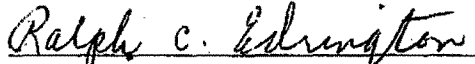
TENNESSEE VALLEY AUTHORITY

By 
President
Customer Group

Attest:

WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION


Secretary

By 
President

AGREEMENT

Among
TENNESSEE VALLEY AUTHORITY,
ELECTRIC PLANT BOARD OF THE CITY OF MAYFIELD, KENTUCKY,
and
WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

THIS AGREEMENT, made and entered into as of the 3rd day of December, 1993, by and between the TENNESSEE VALLEY AUTHORITY (TVA), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended (TVA Act); the ELECTRIC PLANT BOARD OF THE CITY OF MAYFIELD, KENTUCKY (Board), duly created, organized, and existing under and by virtue of the laws of the Commonwealth of Kentucky; and WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION (Cooperative), a cooperative corporation duly created, organized, and existing under and by virtue of the laws of the Commonwealth of Kentucky;

W I T N E S S E T H:

WHEREAS, Board purchases power for resale from TVA under a contract dated March 25, 1982, as amended (Board Power Contract); and

WHEREAS, Cooperative purchases power for resale from TVA under a contract dated April 26, 1982, as amended (Cooperative Power Contract); and

WHEREAS, under Lease and Amendatory Agreement TV-59310A, Supplement No. 1/TV-59577A, Supplement No. 3, dated May 14, 1983 (Lease Agreement), Board and Cooperative have jointly leased with the option to purchase (and may have purchased) all or a portion of the former TVA Mayfield District Substation site which includes Parcel 1A (Substation Site) and Parcel 1B, as indicated on the drawing attached hereto as Exhibit A and made a part of this agreement;

NOW, THEREFORE, in consideration of the mutual promises in this agreement, and subject to the provisions of the TVA Act, the parties mutually agree as follows:

1. Test and Reclassify Equipment. No later than October 1, 1993, Board, Cooperative, and TVA shall each at its expense perform, or cause to be performed, necessary testing of the equipment located on the Substation Site (Board's and Cooperative's equipment includes that leased by Board and Cooperative under the Lease Agreement) for polychlorinated biphenyl (PCB) content to determine whether such equipment is classified in accordance with Federal environmental regulations as non-PCB, PCB, or PCB-contaminated. The requirements of this section 1, however, do not apply to equipment of Board, Cooperative, or TVA on the Substation Site (such as transformer bushings,

instrument transformers, and hermetically sealed equipment) which contains small amounts of fluid, is essential to Board, Cooperative, or TVA system operation, and cannot be removed from service. By October 1, 1994, Board, Cooperative, and TVA shall each, at its expense, (a) remove its equipment classified as PCB or PCB-contaminated from the Substation Site for proper reuse or disposal or (b) replace the PCB fluid in said equipment with non-PCB fluid so as to reclassify it as non-PCB equipment.

2. TVA Disposal. TVA will at its expense accept for disposal certain small, burnable PCB or PCB-contaminated equipment (such as capacitor units) or the fluids from any PCB or PCB-contaminated equipment so long as Board and Cooperative (a) leased such equipment (or fluids) under the Lease Agreement, (b) provide TVA by October 1, 1993, a schedule for the removal of such equipment (or fluids), (c) remove and deliver such equipment (or fluids) to TVA at a mutually agreeable location prior to October 1, 1994 (unless otherwise agreed by TVA), and (d) have, at no expense to TVA, provided and installed any required replacements for such equipment (or fluids).

3. PCB Prohibition. Neither Board, Cooperative, nor TVA, without express permission from the others, shall knowingly bring or allow any third party to bring any equipment known to contain 50 ppm or more of PCBs onto the Substation Site for any purposes in the future. For any equipment that has not been certified non-PCB or tested and found to contain less than 50 ppm of PCBs that in the future is brought on the Substation Sites by Board, Cooperative, or TVA, Board, Cooperative, or TVA respectively shall at its expense within ninety (90) days test such equipment and, if it is found to contain 50 ppm or more of PCBs, promptly remove or reclassify it as non-PCB equipment.

4. Cost Sharing. As set out under the section entitled "Division of Facilities Capability," section 1.2, of the Lease Agreement, Board and Cooperative have agreed upon the percentage of use of the Substation Site to which each is entitled (B percent and C percent respectively). If a past spill of PCBs is discovered for which an agency responsible for PCB regulation requires cleanup on the Substation Site, notwithstanding anything that may be construed to the contrary appearing in the Lease Agreement (or in any instruments transferring title to the Substation Site to Board and Cooperative), a party which has satisfactorily carried its their obligations under sections 1 through 3 of this agreement shall be entitled to receive from the other parties reimbursement of amounts that will result in the parties' sharing the costs of any such cleanup as follows: Board shall pay B percent of the first \$10,000 and B percent of 30 percent of any excess over \$10,000, and Cooperative shall pay C percent of the first \$10,000 and C percent of 30 percent of any excess over \$10,000, and TVA shall pay 70 percent of any excess over \$10,000 for the Substation Site; provided that the cleanup costs are consistent with applicable laws and regulations or required by such agency.

5. Exclusion of Substation Site. If the Substation Site is currently leased with an option to purchase and Board and Cooperative provide written notice of the exercise of their option to purchase to TVA at least 180 days prior to the anticipated purchase date, then TVA shall at least 90 days prior to the anticipated purchase date inform Board and Cooperative whether, based on a search of TVA's files to provide the notice required by section 120(h) of the Comprehensive Environmental Response, Compensation, and Liability Act. (CERCLA), 42 U.S.C. § 9620(h), TVA records indicate that a spill of PCBs has occurred. If TVA records indicate that a spill of PCBs occurred on the Substation Site, Board and Cooperative may then elect to make the provisions of this agreement inapplicable by so notifying TVA in writing, and, upon such notification, the rights and obligations of the parties shall be as if this agreement had never applied with respect to the Substation Site.

6. Restriction of Benefits. No member of or delegate to Congress or Resident Commissioner, or any officer, employee, special Government employee, or agent of TVA shall be admitted to any share or part of this agreement or to any benefit that may arise therefrom unless the agreement be made with a corporation for its general benefit, nor shall Board or Cooperative offer or give, directly or indirectly, to any officer, employee, special Government employee, or agent of TVA any gift, gratuity, favor, entertainment, loan, or any other thing of monetary value, except as provided in 5 C.F.R. part 2635 (as amended, supplemented, or replaced). Breach of this provision shall constitute a material breach of this agreement.

7. Ratification. The Lease Agreement, as amended by this agreement, is hereby ratified and confirmed as the continuing obligation of the parties.

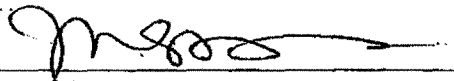
8. Statutory effect. It is the intention of the parties that this agreement shall not affect the statutory rights or obligations of any party.

9. Term of Agreement. Except as otherwise provided herein, this agreement shall become effective as of the date first above written and shall continue in effect as long as both the Board Power Contract (or any extension, renewal, or replacement thereof) and the Cooperative Power Contract (or any extension, renewal, or replacement thereof) continue in effect.

2. Affirmation of the 1992 Agreement. Except as amended by this agreement (and except for the provisions of the first paragraph of section 4 of the 1992 Agreement, which are obsolete and no longer applicable) the provisions of the 1992 Agreement, are expressly reaffirmed, and the parties will each carry out their responsibilities under the Program in full accord with those provisions.


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

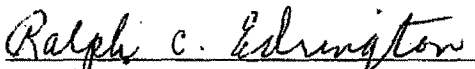
TENNESSEE VALLEY AUTHORITY

By 
President
Customer Group

Attest:

WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION


Secretary

By 
President



TV-59577A
Supp No. 29

Tennessee Valley Authority, 1101 Market Street, Chattanooga, Tennessee 37402-2801

Mary Sharpe Hayes
President, Customer Group

November 23, 1993

Mr. Ralph Edrington, President
West Kentucky Rural Electric
Cooperative Corporation
P.O. Box 589
Mayfield, Kentucky 42066

Dear Mr. Edrington:

This will confirm the arrangements developed between representatives of Tennessee Valley Authority (TVA) and West Kentucky Rural Electric Cooperative Corporation (Distributor) to amend and supplement their wholesale power contract dated April 26, 1982, so that Distributor will be able to utilize the financing being made available by TVA under its wholesale power contract arrangements as part of the efforts to provide low-cost service to power consumers.

It is understood and agreed that:

1. TVA will upon request and subject to development of arrangements make available financing assistance to Distributor to provide, consistent with the criteria and conditions established by TVA, financing for Distributor's capital needs and other electric system purposes approved by TVA.
2. In consideration of such financing being made available by TVA, Distributor, unless otherwise agreed by TVA, will make available to its customers TVA's programs that are developed for the benefit of consumers such as those for Economy Surplus Power and Growth Credits, and Distributor will comply with all other terms and conditions applicable with respect to any financing obtained from TVA.
3. Any such financial transaction exceeding \$150,000 is subject to the requirements of Public Law No. 101-121 (codified at 31 U.S.C. 1352), which prohibits certain lobbying activities and requires disclosure of certain others, and to TVA's implementing

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Mr. Ralph Edrington
Page 2
November 23, 1993

regulations published at 55 Fed. Reg. 6736 (codified at 18 C.F.R. 1315). In compliance with this law, when applicable, Distributor will execute the certification attached to and made a part of this agreement.

4. No member of or delegate to Congress or Resident Commissioner, or any officer, employee, special Government employee, or agent of TVA shall be admitted to any share or part of this agreement or to any benefit that may arise therefrom unless the agreement be made with a corporation for its general benefit, nor shall Distributor offer or give, directly or indirectly, to any officer, employee, special Government employee, or agent of TVA any gift, gratuity, favor, entertainment, loan, or any other thing of monetary value, except as provided in 5 C.F.R. part 2635 (as such provisions may subsequently be amended, supplemented, or replaced). Breach of this provision shall constitute a material breach of this agreement.

If this letter satisfactorily sets forth our understandings, please execute three counterparts hereof and return them to the TVA customer service center. Upon execution by TVA, this letter shall be a binding agreement, and a fully executed counterpart will be returned to you.

Sincerely,

Mary Sharpe Hayes

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

WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION

Ralph C. Edrington

By _____
(title)

Attest:

By *[Signature]*
(title)

Certification for Contracts, Grants,
Loans, and Cooperative Agreements

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

1. No Federal appropriated funds have been paid or will be paid by or on behalf of the undersigned to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure of Lobbying Activities," in accordance with its instructions.

3. The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

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

WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION

Ralph C. Edrington

By _____
(title)

Date December 10, 1993

AGREEMENT
Between
TENNESSEE VALLEY AUTHORITY
And
WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

THIS AGREEMENT, made and entered into as of the 24TH day of MARCH, 1994, by and between TENNESSEE VALLEY AUTHORITY (TVA), a corporation created and existing under and by virtue of Tennessee Valley Authority Act of 1933, as amended, and WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION (Distributor), a cooperative corporation duly created, organized, and existing under and by virtue of the laws of the Commonwealth of Kentucky;

W I T N E S S E T H:

WHEREAS, TVA and Distributor have heretofore entered into a power contract dated as of April 26, 1982, as amended (Power Contract), under which electric power and energy are supplied by TVA at wholesale and purchased by Distributor for resale; and

WHEREAS, TVA, Distributor, and Old Hickory Clay Company (Company) have entered into a contract of even date herewith (Company Contract) covering arrangements under which TVA will make available to Distributor for resale to Company a supply of firm power and of economy surplus power (ESP) for operation of Company's plant near Hickory, Kentucky; and

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

NOW, THEREFORE, for and in consideration of the premises and of the mutual covenants hereinafter set forth, and subject to the provisions of the Tennessee Valley Authority Act of 1933, as amended, the parties hereto mutually covenant and agree as follows:

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

2. Billing Data. It is recognized that data obtained from the metering facilities described in section 4 hereof will be used by Distributor for the purposes of determining the power and energy taken by Company and by TVA for determining applicable adjustments for Distributor's wholesale bill. Accordingly, TVA will supply Distributor by the fourth working day following

Company's scheduled meter-reading date the information regarding the amounts of ESP scheduled, the times such power was scheduled, the price for such power, and such other information as may be necessary so that Distributor may be able to calculate Company's bill under the Company Contract. In order to facilitate TVA's preparation of the bill to Distributor for power and energy made available under the Power Contract, each month Distributor shall furnish to TVA a copy of Distributor's bill to Company for power and energy made available under the Company Contract when it is rendered and such other information related to Company's power and energy takings as TVA may require.

3. Adjustments to Distributor's Wholesale Billing. In calculating the wholesale bill each month for Distributor, the following steps will be taken with respect to Company:

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

(b) The total dollar amount of base demand and energy charges calculated under the Wholesale Schedule shall be increased by adding thereto an amount equal to the sum of Distributor's monthly charges (exclusive of any surcharge applicable under the last paragraph of section F of the ESP Attachment to the Company Contract) to Company for ESP energy and unscheduled ESP (as determined under the Company Contract and adjusted to reflect losses as provided in (c) below). In addition, an amount equal to the applicable charges billed to Company in accordance with the second and third paragraphs of section A of the ESP Attachment to the Company Contract will be included as part of the wholesale bill.

(c) The loss adjustments provided for in the first sentence of (b) above shall be made by dividing the charges to be adjusted by 1.03.

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

4. Metering Facilities. It is recognized that the existing metering facilities heretofore used by Distributor in determining the firm power and energy taken by Company are inadequate for determining the amounts of power and energy associated with ESP to be taken by Company under the Company Contract. Accordingly, TVA and Distributor have arranged to replace the revenue meter in the existing metering facilities with a solid-state type revenue meter (Replacement Meter) capable of remote telephone access. Distributor will, at its expense, provide the equipment and materials and perform the work necessary to install the Replacement Meter, which will be provided by TVA at its expense. Thereafter, Distributor shall test, calibrate, operate, maintain, repair, and replace all facilities in the metering installation, except that TVA shall provide any necessary replacements for the Replacement Meter.

It is recognized that remote access to the metering data recorded by the Replacement Meter requires installation of a telephone circuit. Distributor shall, at its expense, provide and install, or cause to be installed, and thereafter maintain a telephone circuit to be connected (through a modem furnished by TVA at its expense) to the Replacement Meter. Said telephone circuit shall be installed in accordance with guidelines and specifications furnished or approved by TVA. TVA hereby agrees to permit Distributor remote access through the telephone circuit to the metering data, and TVA will provide Distributor any information necessary for the exercise of such access. It is recognized that Distributor will require equipment not provided by TVA to exercise such access. TVA will assist Distributor in determining the equipment to be utilized, but it is understood that acquisition of such equipment shall be the sole responsibility of Distributor. The use of the telephone circuit and access to the metering data will be coordinated by TVA's and Distributor's operating representatives to ensure unrestricted access by TVA for data retrieval purposes during such periods as specified by TVA. It is hereby agreed that Distributor will not use the Replacement Meter for any purpose other than as specifically provided herein unless it first obtains TVA's written agreement.

Distributor shall reimburse TVA for any damage to the Replacement Meter caused by the negligence or other wrongful act or omission of Distributor or its agents or employees and shall promptly return said meter to TVA upon expiration or termination of the Company Contract or the availability of ESP thereunder, whichever first occurs. The obligations of this paragraph shall survive the expiration or termination of this agreement until they are discharged.

It is recognized that Distributor has requested access to metering outputs from the Replacement Meter for such purposes as monitoring and load control and that TVA is willing to make such access available at no charge to Distributor. Accordingly, Distributor may, at such time as it deems appropriate, provide and install at its expense such additional facilities as are necessary for obtaining access to metering outputs hereunder, including the provision and installation of a cable to be connected by Distributor to a terminal block in the meter cabinet. Distributor will keep TVA informed as to

Distributor's plans for installation of said cable to the extent necessary and practicable. Distributor will neither install any facilities which are to be connected to the Replacement Meter nor, once installed, change them without prior written notification from TVA that such installation or change is satisfactory to TVA insofar as required for the safe and efficient operation of the metering installation. It is understood that the arrangements set out under this paragraph may be terminated by TVA or Distributor at any time upon at least 120 days' written notice to the other party. As soon as practicable following the effective date of such termination, Distributor will disconnect said metering cable from said terminal block.

It is recognized that the Replacement Meter is being installed, operated, and maintained for measuring the power and energy taken by Distributor for resale to Company. In recognition of the allowance of access to the metering outputs at no charge to Distributor, it is understood and agreed that Distributor shall reimburse TVA for any damage to TVA's property and to property in TVA's custody, and Distributor hereby waives, and releases the United States of America, TVA, and their agents and employees from, and shall indemnify and save harmless the United States of America, TVA, and their agents and employees from, any and all claims, demands, or causes of action, including, without limitation, those for personal injuries, property damage, loss of life or property, or consequential damages sustained by Distributor, its agents or employees, or third parties, arising out of or in any way connected with (a) any of Distributor's work under the preceding paragraph or (b) Distributor's exercise of access to the metering outputs; provided, however, that the provisions of this sentence shall apply only if the personal injuries, property damage, loss of life or property, consequential damages, or other damage or loss is caused by the negligence or other wrongful act or omission of Distributor or its agents or employees.

TVA makes no statement, representation, claim, guarantee, assurance, or warranty of any kind whatsoever, including, but not limited to, representations or warranties, express or implied, (a) as to the accuracy or completeness of the metering outputs to which Distributor has access hereunder or as to such outputs' merchantability or fitness for any purposes for which Distributor uses or will use them or (b) as to quantity, kind, character, quality, capacity, design, performance, compliance with specifications, condition, size, description of any property, merchantability, or fitness for any use or purpose of any facilities through which the metering outputs are supplied. Distributor hereby waives, and releases the United States of America, TVA, and their agents and employees from, any and all claims, demands, or causes of action, including, without limitation, consequential damages, arising out of or in any way connected with Distributor's use of the metering outputs. Distributor's obligations under this and the preceding paragraph shall survive any expiration or termination of this agreement until they are discharged.

It is understood and agreed that in exercising its access to metering outputs hereunder Distributor shall not interfere with TVA's access to the Replacement Meter. In this regard Distributor agrees to immediately modify its facilities and operations in any manner as may be requested by TVA to avoid such interference.

5. Restriction of Benefits. No member of or delegate to Congress or Resident Commissioner, or any officer, employee, special Government employee, or agent of TVA shall be admitted to any share or part of this agreement or to any benefit that may arise therefrom unless the agreement be made with a corporation for its general benefit, nor shall Distributor offer or give, directly or indirectly, to any officer, employee, special Government employee, or agent of TVA any gift, gratuity, favor, entertainment, loan, or any other thing of monetary value, except as provided in 5 C.F.R. part 2635 (as amended, supplemented, or replaced). Breach of this provision shall constitute a material breach of this agreement.

6. Affirmation of Power Contract. Except as expressly supplemented and amended herein, the Power Contract is hereby ratified as the continuing obligation of the parties.

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

TENNESSEE VALLEY AUTHORITY

By Richard D. Young, Jr.
President
Customer Group

Attest:

WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION

Lucille Connor
Secretary

By Ralph C. Edrington
President

AGREEMENT
Between
WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION
And
TENNESSEE VALLEY AUTHORITY

DATE: April 24, 1994

TV-59577A
Supp No. 31

THIS AGREEMENT, made and entered into between WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION (Distributor), a cooperative corporation created and existing under and by virtue of the laws of the Commonwealth of Kentucky and TENNESSEE VALLEY AUTHORITY (TVA), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended;

W I T N E S S E T H:

WHEREAS, under Power Contract TV-59577A, dated April 26, 1982, as amended (Power Contract), electric power and energy are supplied by TVA at wholesale and purchased by Distributor for resale; and

WHEREAS, TVA, Distributor, and Kentucky-Tennessee Clay Company (Company) have entered into a contract of even date herewith (Company Contract) covering arrangements under which TVA will make available to Distributor for resale to Company a supply of firm power and of economy surplus power (ESP) for operation of Company's plant near Mayfield, Kentucky; and

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

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

SECTION 1 - TERM OF AGREEMENT

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

SECTION 2 - BILLING DATA

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

SECTION 3 - ADJUSTMENTS TO DISTRIBUTOR'S WHOLESALE BILLING

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

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

3.2 ESP Energy. (a) The total dollar amount of base demand and energy charges calculated under the Wholesale Schedule shall be increased by adding thereto an amount equal to Distributor's monthly charge to Company for ESP energy under the first paragraph of section C of the ESP Attachment to the Company Contract, (as determined under the Company Contract and adjusted to reflect losses as provided in (b) below).

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

(c) The amount added to the base charges of the wholesale bill pursuant to (a) above shall also be added to the "sum of all charges" used for the distribution loss calculation under the section entitled "Distribution Loss Charge" of the Wholesale Schedule. In the event the ESP energy amount deemed taken by Company under the Company Contract in any month exceeds the metered amount of Company's total energy takings for the

month, the total amount of energy resold by Distributor to such customer during that month shall be reduced by the amount of said excess for the purpose of determining the Loss Factor under said Distribution Loss Charge section.

3.3 Administrative Costs Charge. An amount equal to the charge billed to Company in accordance with section A of the ESP Attachment will be included as part of the wholesale bill.

SECTION 4 - METERING FACILITIES

4.1 Replacement Metering. The metering facilities previously used by Distributor in determining the power and energy taken by Company are inadequate for determining the amounts of power and energy associated with ESP. Accordingly, TVA and Distributor have arranged to replace the revenue meter in the existing metering facilities with a solid-state type revenue meter (Replacement Meter) capable of remote telephone access. Distributor will, at its expense, provide the equipment and materials and perform the work necessary to install the Replacement Meter, which will be provided by TVA at its expense. Thereafter, Distributor shall test, calibrate, operate, maintain, repair, and replace all facilities in the metering installation, except that TVA shall provide any necessary replacements for the Replacement Meter.

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

4.3 Telephone Circuit for Remote Access. To allow remote access to the metering data recorded by the Replacement Meter, Distributor shall, at its expense, provide and install, or cause to be installed, and thereafter maintain a telephone circuit to be connected (through a modem furnished by TVA at its expense) to the Replacement Meter. The telephone circuit shall be installed in accordance with guidelines and specifications furnished or approved by TVA. TVA agrees to permit Distributor remote access through the telephone circuit to the metering data, and TVA will provide Distributor any information necessary for the exercise of such access. Distributor will require equipment not provided by TVA to exercise such access and TVA will assist Distributor in determining the equipment to be utilized; however, the acquisition of such equipment shall be the sole responsibility of Distributor. The use of the telephone circuit and access to the metering data will be coordinated by TVA's and Distributor's operating representatives to ensure unrestricted access by TVA for data retrieval purposes during such periods as specified by TVA.

4.4 Metering Outputs. Metering outputs from the Replacement Meter for such purposes as monitoring and load control will be available to Distributor under the provisions set out in the attachment entitled "Metering Outputs Attachment," which is made a part of this agreement.

SECTION 5 - RESTRICTION OF BENEFITS

No member of or delegate to Congress or Resident Commissioner, or any officer, employee, special Government employee, or agent of TVA shall be admitted to any share or part of this agreement or to any benefit that may arise from it unless the agreement be made with a corporation for its general benefit. Distributor shall not offer or give, directly or indirectly, to any officer, employee, special Government employee, or agent of TVA any gift, gratuity, favor, entertainment, loan, or any other thing of monetary value, except as provided in 5 C.F.R. part 2635 (as amended, supplemented, or replaced). Breach of this provision shall constitute a material breach of this agreement.

SECTION 6 - AFFIRMATION OF POWER CONTRACT

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

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

Attest:

WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION

James M. Brown
Secretary

By Ralph C. Edrington
President

TENNESSEE VALLEY AUTHORITY

By Richard M. Jones
President
Customer Group

METERING OUTPUTS ATTACHMENT

Under the provisions of the body of this agreement, TVA provides a revenue meter or meters for use in determining the amounts of power and energy taken under the Company Contract. If Distributor desires access to metering outputs from that metering installation for such purposes as monitoring and load control, TVA will make such access available at no charge under the conditions set forth below.

A. Access to Outputs

Distributor may, at such time as it deems appropriate, provide and install at its expense such additional facilities as are necessary for obtaining access to metering outputs, including provision and installation of cable to be connected to the metering installation by Distributor (or by TVA in the event that this agreement provides for TVA to maintain the metering installation). Distributor shall also furnish and install any protective facilities requested by TVA for the protection of TVA's meter(s).

B. Approval of Facilities

Distributor shall keep TVA informed as to Distributor's plans for installation of any such additional facilities to the extent necessary and practicable. Distributor shall neither install any facilities which are to be connected to TVA's meter(s) nor, once installed, change them without prior written notification from TVA that such installation or change is satisfactory to TVA insofar as required for the safe and efficient operation of the metering installation.

C. Noninterference With Metering

In exercising access to metering outputs, Distributor shall not interfere with any operation, use of, or access to the metering installation by TVA. In this regard Distributor agrees to immediately modify its facilities and operations, in any manner requested by TVA, to avoid any such interference.

D. Distributor Responsibility for Risk

The metering installation is operated and maintained for the purpose of measuring the power and energy taken under the Company Contract. In recognition of the allowance of access to the metering outputs at no charge to Distributor, it is understood and agreed that Distributor shall reimburse TVA for any damage to TVA's property and to property in TVA's custody, and Distributor waives, and releases the United States of America, TVA, and their agents and employees from, and shall indemnify and save harmless the United States of America, TVA, and their agents and employees from, any and all claims, demands, or causes of action, including, without limitation,

those for personal injuries, property damage, loss of life or property, or consequential damages sustained by Distributor, its agents or employees, or third parties, arising out of or in any way connected with (a) any of the work under section A above or (b) Distributor's exercise of access to the metering outputs; provided, however, that the provisions of this sentence shall apply only if the personal injuries, property damage, loss of life or property, consequential damages, or other damage or loss is caused by the negligence or other wrongful act or omission of Distributor or its agents or employees.

E. No Warranty of Outputs

TVA makes no statement, representation, claim, guarantee, assurance, or warranty of any kind whatsoever, including, but not limited to, representations or warranties, express or implied, (a) as to the accuracy or completeness of the metering outputs or as to such outputs' merchantability or fitness for any purposes for which Distributor uses or will use them or (b) as to quantity, kind, character, quality, capacity, design, performance, compliance with specifications, condition, size, description of any property, merchantability, or fitness for any use or purpose of any facilities through which the metering outputs are supplied. Distributor hereby waives, and releases the United States of America, TVA, and their agents and employees from, any and all claims, demands, or causes of action, including, without limitation, those for consequential damages, arising out of or in any way connected with Distributor's use of the metering outputs. Distributor's obligations under section D above and this section E shall survive any termination of the arrangements set out in this attachment, or any expiration or termination of this agreement until they are discharged.

F. Termination of Arrangements

The arrangements set out in this attachment may be terminated by TVA or Distributor at any time upon at least 120 days' written notice. As soon as practicable following the effective date of such termination, Distributor (or TVA in the event that this agreement provides for TVA to maintain the metering installation) will disconnect the cable from the metering installation.

POWER SUPPLY CONTRACT
Among
WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION,
KENTUCKY-TENNESSEE CLAY COMPANY,
And
TENNESSEE VALLEY AUTHORITY

DATE: April 24, 1994

TV- 88552U

THIS CONTRACT, made and entered into by and among WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION (Distributor), a cooperative corporation created and existing under and by virtue of the laws of the Commonwealth of Kentucky; KENTUCKY-TENNESSEE CLAY COMPANY (Company), a corporation duly created and existing under and by virtue of the laws of the State of Delaware; and TENNESSEE VALLEY AUTHORITY (TVA), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended;

W I T N E S S E T H:

WHEREAS, Distributor purchases power from TVA for resale under Power Contract TV-59577A, dated April 26, 1982, as amended (Power Contract); and

WHEREAS, Company and Distributor have previously entered into arrangements under which Company has been purchasing power from Distributor for the operation of Company's plant near Mayfield, Kentucky, and Company has requested a new contract providing for the supply of firm power and economy surplus power (ESP) for operation of the plant; and

WHEREAS, the parties hereto wish to agree upon the terms and conditions under which firm power and ESP will be made available by Distributor to Company;

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

SECTION 1 - DEFINITION OF TERMS

1.1 "Meter-Reading Time" for any calendar month shall mean 0000 hours CST or CDT, whichever is currently effective, on the twenty-fourth day of that calendar month, except that Distributor, after first obtaining TVA's concurrence, may change the time and date of the meter reading upon notice to Company and TVA.

1.2 "Firm Contract Demand" shall mean the amount of firm power made available under this contract.

1.3 "Billing Month" shall mean the period of time from the Meter-Reading Time in one calendar month to the Meter-Reading Time in the next calendar month.

1.4 "Billing Period" shall mean a period of time used to determine the power and energy amounts for which Company is to be billed. The Billing Period shall be the same period of time as the Billing Month, except that any Billing Month during which there is a change in the availability of ESP will be divided for billing purposes into separate Billing Periods. When a Billing Month is so divided, each Billing Period shall be comprised of the intervals in which the same amounts of each type of power are available, whether or not they are consecutive intervals.

1.5 "Total Half-Hour Demand" for each clock half-hour shall be the average amount during that half-hour of Company's load measured in kW.

1.6 "Total Demand" for each Billing Period shall be the highest Total Half-Hour Demand during that Billing Period.

1.7 "Rate Schedule" shall mean the Distributor's General Power Rate--Schedule GSB, which is attached to and made a part of this contract, as it may be modified, changed, replaced, or adjusted from time to time as provided under contractual arrangements between Distributor and TVA.

1.8 "Excess Demand" for each clock half-hour shall be the amount, if any, by which the Total Half-Hour Demand exceeds the aggregate amount of firm power and ESP available during that clock half-hour.

1.9 "Excess Billing Demand" shall be the highest Excess Demand established during a Billing Month.

1.10 "ESP Billing Demand" for any clock half-hour shall be the amount (up to the kW amount of ESP available in that half-hour), if any, by which the Total Half-Hour Demand for that half-hour exceeds the Firm Contract Demand. Such ESP shall be deemed to have been made available by TVA and used by Company at 100 percent load factor during that half-hour for purposes of determining the amounts of ESP energy deemed to have been taken by Company.

1.11 "ESP Month" shall mean any Billing Month in which an ESP Billing Demand is established for one or more clock half-hours.

1.12 "Demand Ratchet" shall mean the exception language set out in the section headed "Determination of Demand" of the Rate Schedule which establishes the level below which firm billing demand cannot fall.

SECTION 2 - POWER AVAILABILITY

2.1 Firm Power. Distributor shall make available to Company 100 kW of firm power.

2.2 ESP. In addition to firm power, Distributor shall make available ESP Option C in such amounts as TVA, in its judgment, is able to supply, up to and including 1,000 kW.

2.3 Other Contract Provisions. Power availability shall be subject to the other provisions of this contract. Various additional provisions governing the supply of ESP to Company are set out in the attachment entitled "ESP Attachment," which is made a part of this contract.

It is recognized that TVA is presently revising the System referred to in section B of this ESP Attachment and that due to such revisions the System cannot at this time be made available for Company's use in obtaining price estimates. Accordingly, the provisions of section B shall be of no force and effect until such time as TVA notifies Company that the System is available for its use.

SECTION 3 - DELIVERY VOLTAGE

The power made available under this contract shall be delivered at a nominal voltage of 7,200 volts, subject to the provisions of section 1.1 of the attached Terms and Conditions.

SECTION 4 - DELIVERY POINT

The point of delivery for power and energy made available under this contract shall be the point of interconnection of Distributor's 7.2-kV facilities and Company's 7.2-kV facilities.

SECTION 5 - TERM OF CONTRACT

5.1 Contract Term. This contract shall become effective as of 0000 hours CST or CDT, whichever is currently effective, on the date first above written (Effective Date). It shall continue in effect through the first Meter-Reading Time that falls at least 10 years after the Effective Date, unless it is sooner terminated as provided below.

5.2 Termination of ESP. The provisions of this contract covering the availability and supply of the total amount of ESP (ESP Provisions) may be terminated:

- (a) by any party at any time upon at least 36 months' written notice, or
- (b) as provided in the ESP Attachment.

5.3 Termination of Firm Power. The provisions of this contract covering the availability and supply of firm power may be terminated by Distributor or Company at any time upon at least 36 months' written notice.

5.4 Termination of Contract. This contract may be terminated by Distributor or Company at any time upon at least 36 months' written notice.

SECTION 6 - DETERMINATION OF FIRM POWER BILLING AMOUNTS

6.1 ESP Months. For any ESP Month:

(a) the billing demand for firm power shall be the Firm Contract Demand, and

(b) the total metered energy for the month, less the summation of the amounts of ESP energy deemed to have been used by Company in each clock half-hour of that month, shall be the firm energy.

6.2 Non-ESP Months. For any Billing Month in which no ESP Billing Demand was established for any clock half-hour:

(a) the Total Demand for each Billing Period, up to the Firm Contract Demand, shall be the firm demand, and the highest firm demand in a month shall be the billing demand for firm power; provided, however, that the billing demand for firm power shall in no case be less than the amount calculated under the Demand Ratchet; and provided further, that in making that calculation, the words "the higher of the currently effective contract demand and the highest billing demand established during the preceding 12 months" shall be replaced by "the sum of (i) the Firm Contract Demand and (ii) the highest Excess Demand established during the preceding 12 months"; and provided further that such billing demand as so calculated will in no case exceed the amount of firm power available, and

(b) the total metered energy for each Billing Period shall be the firm energy.

SECTION 7 - RATES

7.1 Monthly Payment of Charges. Company shall pay Distributor monthly for power and energy available under this contract. Each and every charge and payment provided for under this contract shall be separate and cumulative and except as otherwise provided shall be in accordance with the rates and provisions of the Rate Schedule.

7.2 Base Charges. For purposes of applying the charges set out in the section headed "Base Charges" of the Rate Schedule:

(a) the words "billing demand" (and for any ESP Month the words "metered demand") shall be deemed to refer to the sum of the Excess Billing Demand and the billing demand for firm power, and

(b) the additional amount which, under said section, is to be applied as a part of the demand charge to each kW "by which the customer's billing demand exceeds its contract demand" shall, for purposes of this contract, be an additional amount applied to each kW of Company's Excess Billing Demand.

7.3 Minimum Bill. In calculating the minimum monthly bill as provided for in the section headed "Minimum Bill" of the Rate Schedule:

(a) the base demand charge, as adjusted, referred to in item 2 shall be applied to the sum of (i) the firm power billing demand and (ii) the Excess Billing Demand,

(b) the base energy charge, as adjusted, referred to in item 3 shall be applied to the firm energy, and

(c) in applying that base energy charge for any ESP Month, the term "metered demand" shall be deemed to refer to the sum of (i) the firm power billing demand and (ii) the Excess Billing Demand.

7.4 Facilities Rental Charge. For purposes of applying the facilities rental charges provided for in the section headed "Facilities Rental Charge" of the Rate Schedule:

(a) the words "highest billing demand" in said section shall be deemed to refer to the highest Total Demand from any billing period, and

(b) the words "contract demand" in that section shall be deemed to be the total of the firm power and ESP available.

7.5 ESP Termination. In the event the ESP Provisions are terminated under any provision of this contract, effective with the billing month following such termination, and except as may be otherwise provided, the charges and payments provided for under this contract shall be in accordance with the provisions of Distributor's General Power Rate--Schedule GSA (as it is modified, changed, replaced, or adjusted from time to time as provided under contractual arrangements between Distributor and TVA). (It is recognized that the billing amounts to which schedule GSA would be applied will be determined as provided in that schedule and without regard to the provisions of section 6 above.)

7.6 Conflicts. In the event of any conflict between the rate schedule applicable under this section 7 and the body of this contract, the ESP Attachment, or the Terms and Conditions, either the body of this contract, the ESP Attachment, or the Terms and Conditions, as the case may be, shall control.

SECTION 8 - NOTICES

8.1 Persons to Receive Notice. Any notice required by this contract shall be deemed properly given if mailed, postage prepaid, to the Vice President/Treasurer, Kentucky-Tennessee Clay Company, P.O. Box 6002, Mayfield, Kentucky 42066, on behalf of Company; or to the Manager, West Kentucky Rural Electric Cooperative Corporation, P.O. Box 589, Mayfield, Kentucky 42066, on behalf of Distributor; or to the President, Customer Group, Tennessee Valley Authority, Chattanooga, Tennessee 37402, on behalf of TVA.

8.2 Certain Notices May Be Oral. Notices between the authorized operating representatives of the parties may be oral, except for notice of termination pursuant to section 5 of this contract or sections C and E of the ESP Attachment, which must be in writing. Notices that may be oral shall be confirmed in writing.

8.3 Changes in Persons to Receive Notice. The designation of the person to be so notified, or the address of such person, may be changed at any time and from time to time by any party by similar notice.

SECTION 9 - INCORPORATION OF TERMS AND CONDITIONS

The attached Terms and Conditions are made a part of this contract. In the event of any conflict between the body of this contract and the Terms and Conditions, the former shall control.

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

Attest:

Samuel Connor
Secretary

WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION

By Ralph L. Edrington
President

Attest:

Joe P. Richardson
(Title) WKRECC
Supt Meter Dept

KENTUCKY-TENNESSEE CLAY COMPANY

By Roger Sawyers
(Title) plant manager

TENNESSEE VALLEY AUTHORITY

By Richard J. Jones for
President
Customer Group

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

GENERAL POWER RATE--SCHEDULE GSB

(June 1993)

Availability

This rate shall apply to the firm electric power requirements where a customer's currently effective contract demand is greater than 5,000 kW but not more than 15,000 kW.

Character of Service

Alternating current, single- or three-phase, 60 hertz. Power shall be delivered at a transmission voltage of 161 kV or, if such transmission voltage is not available, at the highest voltage available in the vicinity, unless at the customer's request a lower standard voltage is agreed upon.

Base Charges

Customer Charge:	\$1,500 per delivery point per month
Demand Charge:	\$10.19 per kW of billing demand per month, plus an additional \$10.19 per kW per month for each kW, if any, of the amount by which the customer's billing demand exceeds its contract demand
Energy Charge:	2.637¢ per kWh for up to 620 hours use of metered demand per month 2.152¢ per kWh for all additional kWh per month

Adjustment

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

Facilities Rental Charge

There shall be no facilities rental charge under this rate schedule for delivery at bulk transmission voltage levels of 161 kV or higher. For delivery at less than 161 kV, there shall be added to the customer's bill a facilities rental charge. This charge shall be 36¢ per kW per month except for delivery at voltages below 46 kV, in which case the charge shall be 93¢ per kW per month for the first 10,000 kW and 73¢ per kW per month for the excess over 10,000 kW.

Such charge shall be applied to the higher of (1) the highest billing demand established during the latest 12-consecutive-month period or (2) the customer's currently effective contract demand and shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Reactive Demand Charges

If the reactive demand (in kVAR) is lagging during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's highest metered demand occurs, there shall be added to the customer's bill a reactive charge of 78¢ per kVAR of the amount, if any, by which the reactive demand exceeds 33 percent of such metered demand. If the reactive demand (in kVAR) is leading during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's lowest metered demand (excluding any metered demands which are less than 25 percent of the highest metered demand) occurs, there shall be added to the customer's bill a reactive charge of 33¢ per kVAR of the amount of reactive demand. Such charges shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Determination of Demand

Distributor shall meter the demands in kW of all customers served under this rate schedule. The metered demand for any month shall be the highest average during any 30-consecutive-minute period beginning or ending on a clock hour of the month of the load metered in kW, and such amount shall be used as the billing demand, except that the billing demand for any month shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW and (2) 40 percent of any kW in excess of 5,000 kW of the higher of the currently effective contract demand or the highest billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule, excluding any facilities rental charges and any reactive charges, shall not be less than the sum of (1) the base customer charge, (2) the base demand charge, as adjusted (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applied to the customer's billing demand, and (3) the base energy charge, as adjusted, applied to the customer's energy takings.

Distributor may require minimum bills higher than those stated above.

Contract Requirement

Distributor shall require contracts for all service provided under this rate schedule. The contract shall be for an initial term of at least 5 years and any renewals or extensions of the initial contract shall be for a term of at least 1 year; after 10 years of service, any such contract for the renewal or extension of service may provide for termination upon not less than 4 months' notice. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and Distributor shall not be obligated to supply power in greater amount at any time than the customer's currently effective contract demand. If the customer uses any power other than that supplied by Distributor under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as provided under the power contract between Distributor and TVA.

Payment

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

Single-Point Delivery

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

Service is subject to Rules and Regulations of Distributor.

TERMS AND CONDITIONS
(ESP)

SECTION 1 - CONDITIONS OF DELIVERY

1.1 Delivery Voltage and Frequency

The power made available at the delivery point specified in this contract shall be in the form of 3-phase alternating current and at a frequency of approximately 60 hertz. Except for temporary periods of abnormal operating conditions, voltage variations shall not exceed 7 percent up or down from a normal voltage to be determined from operating experience. Maintenance by Distributor at the point of delivery of the above-stated frequency and voltage within the above-stated limits shall constitute availability of power for purposes of this contract.

1.2 Protective Equipment

Neither Distributor nor TVA shall be obligated to provide equipment for the protection of Company's lines, facilities, or equipment, but Distributor or TVA, as the case may be, may provide such protective equipment as it deems necessary for the protection of its own property and operations. The electrical equipment installed by Company shall, in Distributor's and TVA's judgment, be capable of satisfactory coordination with any protective equipment installed by Distributor or TVA. Company shall exercise all reasonable precautions and install all equipment necessary to limit its Total Demand to the amount to which it is entitled under this contract.

1.3 Phase Balancing

Company shall endeavor to take and use power and energy in such manner that the current will be reasonably balanced on the three phases. In the event that any check indicates that the current on the most heavily loaded phase exceeds the current on either of the other phases by more than 20 percent, Company shall make at its expense, upon request, the changes necessary to correct the unbalanced condition. If an unbalanced condition is not corrected within 60 days, or such other period as may be agreed upon, Distributor may elect to meter the load on individual phases and compute the Total Demand as being equal to three times the maximum kW load on any phase. For all purposes under this contract, the load on any phase shall be the load measured by a wattmeter connected with its current coil in that phase wire and its potential coil connected between that phase wire and the neutral voltage point.

1.4 Interference With Availability of Power

The term "force majeure" shall be deemed to be a cause reasonably beyond the control of Distributor or TVA, such as, but without limitation to, injunction, administrative order, strike of employees, war, invasion, fire, accident, floods, backwater caused by floods, acts of God, or inability to obtain or ship essential services, materials, or equipment because of the effect of similar causes on suppliers or carriers. Acts of God shall include without limitation the effects of drought if the drought is of such severity as to have a probability of occurrence not more often than an average of once in 40 years.

It is recognized by the parties that the availability of power to Company may be interrupted or curtailed from time to time during the term of this contract because of force majeure or otherwise. Company shall be solely responsible for providing and maintaining such equipment in its plant and such emergency operating procedures as may be required to safeguard persons on its property, its property, and its operations from the effects of such interruptions or curtailments. Company assumes all risk of loss, injury, or damage to Company resulting from such interruptions or curtailments.

SECTION 2 - METERING

2.1 Determination of Power and Energy

Distributor shall be responsible for the installation and maintenance of the meters and associated equipment which in Distributor's and TVA's judgment are needed to determine the amounts of power and energy used by Company. If the metering equipment is not located at the point of delivery defined in the contract, all amounts so metered shall be appropriately adjusted to reflect delivery at the point of delivery. (Company shall from time to time furnish loss data for any Company facilities as may be needed to allow Distributor or TVA to make such adjustments.) The amounts so metered, and so adjusted if appropriate, shall be the amounts used as the basis for billing, except as otherwise provided.

2.2 Telephone Circuit for Remote Access

It is recognized that remote telephone access to each meter is necessary to facilitate billing for ESP under this contract. Any telephone circuit or other equipment necessary for such access to a meter shall be installed by Distributor in accordance with guidelines and specifications furnished or approved by TVA. Company shall reimburse Distributor for the expenses incurred in installing and maintaining any necessary telephone circuit or other equipment and shall, if requested to do so, cooperate in the installation or maintenance of said circuit and equipment.

2.3 Metering Needed to Determine ESP

2.3.1 Replacement Metering. If Distributor has previously provided service to the facility being served under this contract, the metering facilities previously used by Distributor in determining the power and energy taken by Company may be inadequate for purposes of determining the amounts of power and energy associated with ESP. In the event that such metering facilities are inadequate in TVA's judgment for purposes of determining the amounts of power and energy associated with ESP, Distributor will be responsible for the installation, operation, and maintenance of such additional or replacement meters and associated facilities as necessary to make such determinations.

2.3.2 Replacement Costs. If replacement metering is installed under the provisions of subsection 2.3.1, or if such replacement metering has been installed under the provisions of a previous ESP power supply contract, Company shall, upon expiration or termination of this contract, or the termination of the availability of ESP, whichever first occurs, pay to Distributor (a) any cost incurred in removing previously existing metering facilities and (b) the undepreciated portion of the cost, including applicable overheads, of installing said additional or replacement meters and associated facilities; provided, however, that no such payment shall be due in the event that Company enters into a renewal or replacement contract under which ESP is made available or if the metering installation as added to or replaced is needed by Distributor at that location for other purposes. (The cost referred to in item (b) above shall be deemed to be the actual total installed cost less the original material cost of reusable materials and equipment.) The obligations of this paragraph shall survive any such expiration or termination until they are discharged.

2.4 Rights of Access

Company hereby grants to TVA and Distributor such rights of access in, over, and across Company's property as are reasonably necessary or desirable for the installation, operation, maintenance, replacement, or inspection of the meters and associated equipment (including any telephone circuit or other equipment needed for remote access to the meters) and for their removal, if and when they are no longer needed.

2.5 Metering Outputs

2.5.1 Access to Outputs. Company may desire access to metering outputs from the metering installation for such purposes as monitoring and load control and TVA and Distributor are willing to make such access available at no charge to Company. Accordingly, Company may, at such time as it deems appropriate, provide and install at its expense such additional facilities as are necessary for obtaining access to metering outputs, including the provision and

installation of cable to be connected to the metering installation by Distributor (or by TVA in the event that the metering installation is maintained by TVA under a separate agreement with Distributor). Company shall also furnish and install any protective facilities requested by Distributor or TVA for the protection of the metering installation.

2.5.2 Approval of Facilities. Company will keep TVA and Distributor informed as to Company's plans for installation of any such additional facilities to the extent necessary and practicable. Company will neither install any facilities which are to be connected to the metering facilities nor, once installed, change them without prior written notification from TVA and Distributor that such installation or change is satisfactory to TVA and Distributor insofar as required for the safe and efficient operation of the metering installation.

2.5.3 Noninterference With Metering. In exercising access to metering outputs Company shall not interfere with any operation, use of, or access to the metering installation by Distributor or TVA. In this regard Company agrees to immediately modify its facilities and operations in any manner as may be requested by Distributor or TVA to avoid any such interference.

2.5.4 Company Responsibility for Risk. The metering installation is operated and maintained for the purpose of measuring the power and energy taken by Company. In recognition of the allowance of access to the metering outputs at no charge to Company, it is understood and agreed that Company shall reimburse (a) Distributor for any damage to Distributor's property and to property in Distributor's custody and (b) TVA for any damage to TVA's property and to property in TVA's custody, and Company hereby waives, and releases Distributor, the United States of America, TVA, and their agents and employees from, and shall indemnify and save harmless Distributor, the United States of America, TVA, and their agents and employees from, any and all claims, demands, or causes of action, including, without limitation, those for personal injuries, property damage, loss of life or property, or consequential damages sustained by Company, its agents or employees, or third parties, arising out of or in any way connected with (i) any of the work under subsection 2.5.1 or (ii) Company's exercise of access to the metering outputs; provided, however, that the provisions of this sentence shall apply only if the personal injuries, property damage, loss of life or property, consequential damages, or other damage or loss is caused by the negligence or other wrongful act or omission of Company or its agents or employees.

2.5.5 No Warranty of Outputs. Neither Distributor nor TVA makes any statement, representation, claim, guarantee, assurance, or warranty of any kind whatsoever, including, but not limited to, representations or warranties, express or implied, (a) as to the accuracy or completeness of the metering outputs or as to such

outputs' merchantability or fitness for any purposes for which Company uses or will use them or (b) as to quantity, kind, character, quality, capacity, design, performance, compliance with specifications, condition, size, description of any property, merchantability, or fitness for any use or purpose of any facilities through which the metering outputs are supplied. Company hereby waives, and releases Distributor, the United States of America, TVA, and their agents and employees from, any and all claims, demands, or causes of action, including, without limitation, those for consequential damages, arising out of or in any way connected with Company's use of the metering outputs. Company's obligations under subsection 2.5.4 and this subsection 2.5.5 shall survive any termination of this section 2 or any expiration or termination of this contract until they are discharged.

2.5.6 Termination of Arrangements. The arrangements set out under this section 2.5 may be terminated by TVA, Distributor, or Company at any time upon at least 120 days' written notice to the other parties. As soon as practicable following the effective date of such termination, Distributor (or TVA in the event that the metering installation is maintained by TVA under a separate agreement with Distributor) will disconnect the cable from the metering installation.

SECTION 3 - RELATIONSHIP OF PARTIES

3.1 Company to Remain a Customer of Distributor

It is expressly recognized that Company remains a customer of Distributor and is not a directly served customer of TVA. TVA is a party to this contract only because of the unique nature of ESP. Distributor retains responsibility for all power service and customer relations matters except as provided otherwise with respect to ESP.

3.2 ESP Arrangements

In connection with the supply of ESP:

- (a) TVA may communicate directly with Company about power requirements and levels of operation,
- (b) Company may at any time communicate directly with TVA concerning matters relating to ESP,
- (c) TVA shall have sole responsibility for scheduling ESP, establishing charges for it, and requiring reductions in availability of ESP, and
- (d) TVA shall have sole responsibility for maintenance of records of the status of the availability of ESP.

3.3 Effect of Termination of ESP

If the ESP Provisions are terminated under any provision of this contract, TVA shall cease to be a party to this contract and, from and after the date of such termination, it shall be deemed to be a contract between Distributor and Company.

SECTION 4 - RULES AND REGULATIONS

The power and energy made available to Company by Distributor under this contract shall be delivered, taken, and paid for in accordance with the terms of this contract and the Schedule of Rules and Regulations of Distributor (as amended, supplemented, or replaced). In the event of any conflict between the provisions of that Schedule and the other provisions of this contract, the latter shall control.

SECTION 5 - WAIVERS

A waiver of one or more defaults under this contract shall not be considered a waiver of any other or subsequent default.

SECTION 6 - SUCCESSORS AND ASSIGNS

This contract may be assigned by TVA or Distributor, but shall not be assignable by Company without written consent of Distributor and TVA except to a wholly owned subsidiary of Company or Company's successor by any bona fide merger, reorganization, or consolidation. In the event of any such assignment, the parties hereto shall remain liable for the faithful performance of this contract in all respects by their respective assigns, and such assigns by acceptance of such transfer or assignment shall likewise become bound for the full performance of this contract until its expiration.

SECTION 7 - RESTRICTION OF BENEFITS

No member of or delegate to Congress or Resident Commissioner, or any officer, employee, special Government employee, or agent of TVA shall be admitted to any share or part of this contract or to any benefit that may arise from it unless the contract be made with a corporation for its general benefit. Neither Distributor nor Company shall offer or give, directly or indirectly, to any officer, employee, special Government employee, or agent of TVA any gift, gratuity, favor, entertainment, loan, or any other thing of monetary value, except as provided in 5 C.F.R. part 2635 (as amended, supplemented, or replaced). Breach of this provision shall constitute a material breach of this contract.

SECTION 8 - DUPLICATE ORIGINALS

Any number of duplicate originals of this contract may be executed, and all such duplicates shall constitute but one and the same instrument.

ESP Attachment

A. Administrative Costs Charge. To help TVA recover its administrative and other costs of making ESP available (Administrative Costs), Distributor's monthly power invoice to Company shall include, and Company shall pay, a monthly administrative costs charge (currently \$1,075). This charge shall be due and payable each month on the due date for the monthly power invoice. Charges for any period of less than 1 month shall be prorated. The administrative costs charge may be increased or decreased by TVA from time to time upon notice to Distributor and Company to reflect changes in TVA's Administrative Costs.

B. Price Estimates. For Company's convenience in planning for its ESP usage, TVA will endeavor to make available to Company hourly, daily, weekly, and monthly price estimates for ESP by means of a computer bulletin board system (System) or such other system (System) as may be designated by TVA. TVA may designate or adjust the times that price information is available on the System to accommodate its computer programming or other operations needs, but in any event TVA will endeavor to make monthly and weekly price information available at least 24 hours prior to the beginning of the month or week and to make daily price information available at least 2 hours prior to the beginning of the day. The System will be owned, operated, and maintained by TVA.

If Company desires access to the System, Company will need to provide, at its expense, such necessary software, hardware, or other equipment as may be designated by TVA. In addition, Company shall be responsible for any telephone or other communications charges that it must incur to access the System in the manner designated by TVA. Company shall access the System only in accordance with guidelines furnished or approved by TVA and shall use the System and any equipment provided by TVA under the next paragraph only in connection with obtaining information about ESP under this contract.

As a part of the System, TVA may elect to furnish to Company for its use certain software, hardware, or other equipment. Company shall reimburse TVA for any damage to any such equipment caused by the negligence or other wrongful act or omission of Company or its agents or employees and Company shall promptly return any such equipment to TVA upon TVA's request or upon expiration or termination of this contract or the termination of the availability of ESP.

Neither Distributor nor TVA makes any statement, representation, claim, guarantee, assurance, or warranty of any kind whatsoever, including, but not limited to, representations or warranties, express or implied, of merchantability, fitness for a particular use or purpose, accuracy, or completeness, of any estimates, information, service, or equipment furnished or made available to Company under this section. Company hereby waives, and releases Distributor, the United States of America, TVA, and their agents and employees from, any and all claims, demands, or causes of action, including, without limitation, consequential damages, arising out of or in any way connected with any estimates, information, service, or equipment furnished or made available under this section.

C. Price. The price for each kWh of each ESP Option (listed in the table at the end of this attachment) deemed to have been taken in any hour shall be calculated by multiplying TVA's actual hourly incremental cost per kWh of providing ESP to all consumers during that hour by the applicable Markup Factor for that ESP Option from the table at the end of this attachment and multiplying the resulting figure by 1.053. The price per kWh for Options D and E as so calculated shall then be increased by adding to each the product of 8 mills multiplied by 1.053. For purposes of determining such incremental cost, the ESP load will be deemed to be that load immediately above TVA's firm, 5 percent interruptible, and limited interruptible power loads. The summation of all hourly charges for ESP in the month will be Company's monthly charge for ESP for the month.

The Markup Factors set out in the table at the end of this attachment (except that for Option A, which will remain constant) may be increased or decreased by TVA from time to time, upon at least 60 days' notice, to assure TVA of such cost recovery as the TVA Board determines to be necessary to meet the then-existing circumstances; provided that any such changed markup for any ESP Option shall be applied to all customers to which TVA makes said ESP Option available. In the event that any Markup Factor to an ESP Option available to Company under this contract is so increased by more than 5 percent in any 12-month period, Company may discontinue that ESP Option upon at least 15 days' written notice to Distributor and TVA prior to the effective date of such increase. In the event that Company so discontinues any ESP Option, it will be allowed to replace the power available to it under that ESP Option by contracting for an equal amount of any other type of power available at that time, subject to Distributor's and TVA's standard terms and provisions then applicable for that type of power.

In order to enable Distributor to recover more adequately the cost of making ESP available to Company, Distributor each month will add to Company's bill, and Company will pay, a surcharge derived by multiplying 40 cents times the highest ESP Billing Demand established during that Billing Month. Said 40-cent amount may be increased or decreased from time to time, upon agreement of TVA and Distributor, to reflect changes in the distribution-type costs of making ESP available.

D. Suspensions. TVA may, at any time and from time to time, suspend the availability of ESP upon notice to Company. Following such notice with respect to any ESP Option, such suspension shall become effective at the expiration of the respective notice period set out in the table at the end of this attachment. Company shall cease taking ESP under any option by the time any suspension of that option becomes effective. Notwithstanding anything which may be construed to the contrary, the availability of ESP remains at all times subject to the provisions of the body of this contract covering interference with availability or use of power. For billing purposes, each period of suspension shall begin when the suspension for that ESP Option becomes effective and shall end at the time notice is given of the restoration of the availability of ESP. Company shall at all times maintain, in accordance with guidelines furnished or approved by TVA, a telephone line (or an alternative system approved by TVA) dedicated to the receipt of notices under this paragraph. Such notices may be oral but shall be confirmed in writing.

E. Termination of Availability. It is recognized that the provisions of section D of this attachment are of the essence of this contract. It is accordingly expressly agreed that Distributor or TVA may terminate the availability of ESP at any time upon at least 7 days' written notice if Company (1) fails to cease taking ESP within the specified time period after receipt of a notice under section D, (2) fails to respond properly to a test of any system that would be utilized by TVA to suspend ESP in accordance with section D, or (3) fails to be ready and able at all times (a) to receive suspension notices under section D and (b) to respond to those notices by ceasing its ESP takings within the specified time period.

TABLE

<u>ESP Option</u>	<u>Markup Factor</u>	<u>Suspension Notice Period</u>
A	1.15	5 minutes
B	1.25	5 minutes
C	1.35	60 minutes
D	1.15	5 minutes
E	1.25	60 minutes

LARGE MANUFACTURER BILL CREDIT AGREEMENT
Between
TENNESSEE VALLEY AUTHORITY
And
WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

THIS AGREEMENT, made and entered into as of the 1st day of June, 1994, by and between TENNESSEE VALLEY AUTHORITY (TVA), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended (TVA Act), and WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION (Distributor), a cooperative corporation created and existing under and by virtue of the laws of the Commonwealth of Kentucky;

W I T N E S S E T H:

WHEREAS, TVA and Distributor have heretofore entered into a contract dated April 26, 1982, as amended (Power Contract), under which electric power and energy are supplied by TVA at wholesale and purchased by Distributor for resale; and

WHEREAS, the TVA Act provides that among TVA's objectives shall be those of promoting the wider and better use of electric power, of supplying electric power at the lowest feasible rates, and of applying electric power to the fuller and better balanced development of the resources of the region; and

WHEREAS, TVA and Distributor wish to cooperate in a program (Program) to encourage the fuller and better balanced development of the resources of the region by the application of credits against the electric bills of large manufacturing industries served by Distributor; and

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

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

1. Identification of Eligible Accounts. An eligible account (Eligible Account) shall be a billing account for a delivery point serving any general power customer of Distributor which is (a) served under Schedules GSB, GSC, or GSD or Time-of-Day Schedules TGSB, TGSC, or TGSD, (b) where the customer's total power contract availability exceeds 5,000 kW, and (c) where the activities conducted are classified with a 2-digit Standard Industrial Classification code between 20 and 39, inclusive.

Distributor shall identify to TVA its customer accounts that it believes meet the eligibility requirements for participation in the Program. In the event that a particular customer account is not clearly eligible, TVA shall make the eligibility determination.

2. Application Forms. As soon as practicable after execution of this agreement, Distributor shall provide each eligible general power customer an application form for credit for each of its Eligible Accounts. The application forms shall be provided by or in a form approved by TVA.

Distributor shall furnish TVA a copy of each completed application form and shall notify TVA of any additions to or deletions of Eligible Accounts. It is understood and agreed that credits shall not be allowed by Distributor for any account until a completed application is received and approved by TVA.

3. Allowance of Credit. Notwithstanding anything appearing in the Power Contract (including the Schedule of Rates and Charges) that may be construed to the contrary, beginning with Distributor's July 1994 revenue month (as that term is defined in Wholesale Power Rate--Schedule WS, attached to and made a part of the Power Contract), Distributor shall apply a credit against the electric bill of each eligible manufacturing account as provided below. Allowance of the credits shall continue until implementation of the next Rate Change as provided for in the section of the Power Contract's Schedule of Terms and Conditions headed "Adjustment and Change of Wholesale Rate and Resale Rates." Distributor may, at its option, provide monthly credit amounts as a direct cash payment.

(a) Application of Credit. Subject to (b) below, for each Eligible Account, the credit shall be equal to 5 percent of the portion of the customer's monthly bill calculated under the Base Charges section of Distributor's applicable General Power Rate Schedule; provided, however, that no credit shall apply in any month in which the customer's metered demand for that account does not exceed 5,000 kW.

(b) Ineligible Bill Components. No credit shall be allowed against any portion of customer's bill for nonfirm power, for power billed under Competitive Indexed Rates, for special facilities charges, or for any amount calculated under sections of the General Power Rate Schedule other than the Base Charges section. Before applying any credit, the customer's bill shall first be reduced by any credits that will apply under the Growth Credit Program or any comparable program.

4. Reports. Distributor shall submit to TVA a monthly report (in a form furnished or approved by TVA) showing for each Eligible Account amounts billed to the customer for firm power and energy and the amount of the credit applied during that revenue month under section 3 above, together with such other information as may be reasonably required by TVA. Following receipt and verification of this information, TVA shall apply a credit to Distributor's

wholesale power bill equal to the total credits appropriately applied by Distributor during that revenue month. In the event that information becomes available which indicates that the credit amounts were incorrectly applied to a customer's bill for any reason, Distributor shall make an appropriate adjustment to the customer's bill and TVA shall make a corresponding adjustment to Distributor's wholesale power bill.

5. False Information Submitted by Applicant. It is recognized that the determination of a customer's eligibility may be based in part on information provided by such customer. In the event that it is subsequently determined that the customer has intentionally, or with deliberate ignorance of or reckless disregard for the truth, provided materially false information to Distributor, Distributor shall, if so requested by TVA's Operating Representative, terminate the payment of any further credits to that customer. Additionally, Distributor shall cooperate with TVA in collecting from such customer any and all credit amounts paid to such customer as a result of Distributor's use of such information.

6. Reimbursement of Distributor's Costs. In order to reimburse Distributor for costs incurred under the Program, for each month in which Distributor has at least one Eligible Account, TVA will credit Distributor's wholesale bill in the amount of \$300.

7. Effective Date. Except as otherwise provided above, this agreement shall become effective as of the date first above written, and shall continue in effect until all of the obligations of the parties have been fulfilled.

8. Operating Representatives. TVA's Operating Representative for administration of this agreement shall be the Senior Vice President, Customer Group, or a designee. Distributor's Operating Representative for administration of this agreement shall be the manager of its electric system or a designee. Subject to the provisions of this agreement, the Power Contract, and any applicable law, the Operating Representatives shall be authorized to agree upon such incidental administrative arrangements as are appropriate for the efficient and expeditious implementation of this agreement.

9. Program Guidelines. From time to time TVA shall furnish Distributor with Guidelines, consistent with the provisions of this agreement, providing for the efficient operation of the program.

10. Indemnity. TVA hereby releases Distributor, its officials, agents, and employees from, and shall indemnify and save harmless Distributor, its officials, agents, and employees from, any and all claims, demands, or causes of action of any kind of character whatsoever arising out of or in any way connected with TVA's development of or performance under this agreement. However, TVA's release and indemnity obligations to Distributor under this paragraph shall not apply unless such claims, demands, or causes of action are proximately caused by TVA's development, performance, or failure to perform

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

TENNESSEE VALLEY AUTHORITY

By *Richard P. Yancey*
Manager of Business Resources

Attest:

WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION

Lucas Conner
Secretary

By *Ralph C. Edgington*
President

LARGE MANUFACTURER BILL CREDIT PROGRAM
Application for Credit

Power Distributor: _____

Customer Name: _____

Mailing Address: _____

Telephone Number: () - _____

Plant Name/Location: _____

Customer is applying for a credit to its electric bills under a program offered by Distributor and the Tennessee Valley Authority. It is understood that for an account to be eligible the primary business activity at that account must be classified with a 2-digit Standard Industrial Classification (SIC) code between 20 and 39, inclusive, and the total power contract availability for that account must exceed 5,000 kW. Please list the contract demand, account number, applicable SIC code, and business activity:

Contract Demand:

Account Number:

SIC Code:

Business Activity:

Customer agrees to inform Distributor of changes in the status of any of the above information.

Customer understands that the credits it receives are paid in reliance on the accuracy of its representations in this application. Federal law provides substantial penalties for intentionally providing materially false information on this application, and if this occurs, Customer's participation in the program is subject to termination. Customer agrees to promptly repay to Distributor any amounts overpaid to Customer as a result of Distributor's use of such false information.

Customer will allow Distributor or TVA to review, at any time during normal working hours and upon reasonable notice, any of Customer's books and records related to the information contained in this application.

Customer hereby certifies to TVA and to Distributor that the information given above is accurate and complete.

By: _____
Title: _____
Date: _____

WHOLESALE ADJUSTMENT AGREEMENT
Between
WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION
(Distributor)
And
TENNESSEE VALLEY AUTHORITY
(TVA)

DATE: December 24, 1994

TV-59577A, Supp. No. 33

THIS AGREEMENT, made and entered into by and between Distributor and TVA;

W I T N E S S E T H:

WHEREAS, Distributor purchases power from TVA for resale under a contract dated April 26, 1982, as amended (Power Contract); and

WHEREAS, TVA and Distributor have previously entered into one or more agreements (ESP Wholesale Agreements) amending the Power Contract to provide for wholesale billing arrangements in connection with the supply of economy surplus power (ESP) to one or more customers of Distributor; and

WHEREAS, TVA and Distributor are offering an Amendatory Agreement to each ESP customer of Distributor which would amend the contract (Company Contract) under which ESP is made available to (a) eliminate the scheduling of ESP and (b) provide for a revised method of determining the billing amounts to be used by Distributor in billing under the Company Contract; and

WHEREAS, the parties wish to amend the Power Contract in the respects necessary to provide for wholesale billing arrangements in connection with any Company Contract that is so amended;

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

SECTION 1 - EFFECTIVE DATE

The provisions of this agreement shall be effective for any amounts of power and energy supplied by Distributor under a Company Contract from and after the Effective Date specified in the Amendatory Agreement amending that Company Contract to eliminate ESP scheduling.

SECTION 2 - ADJUSTMENTS TO DISTRIBUTOR'S WHOLESALE BILLING

2.1 ESP Wholesale Agreement. For wholesale billings to Distributor for power and energy supplied under a Company Contract from and after the Effective Date referenced in section 1 above, the section entitled "Adjustments to Distributor's Wholesale Billing" in the ESP Wholesale Agreement relating to that Company Contract is amended in the respects necessary to provide that the applicable steps listed below in this section, in lieu of the steps presently set out, will be taken with respect to these wholesale billings.

2.2 Firm Power and Energy. Except with regard to any Company Contract for 100% ESP that is referred to in 2.3 below, Distributor will be billed demand and energy charges as provided in the wholesale rate schedule (Wholesale Schedule), which is contained in the Schedule of Rates and Charges attached to and made a part of the Power Contract, for any firm power and energy resold under a Company Contract; provided, however, that for the purposes of calculating said charges for any month in which the customer is deemed to have taken any ESP energy under the Company Contract, the term "metered demand" in the Wholesale Schedule shall be deemed to refer to an amount equal to the sum of the billing demand for firm power and any billing demand for excess power (as those demands are calculated under the Company Contract).

2.3 100% ESP Contracts - Excess Billing Demand and Excess Energy. With regard to any Company Contract where the only type of power made available is ESP, Distributor will be billed demand and energy charges as provided in the Wholesale Schedule for any billing demand for excess power established and any excess energy resold under that Company Contract; provided, however, that for the purposes of calculating said charges, the term "metered demand" in the Wholesale Schedule shall be deemed to refer to an amount equal to the billing demand for excess power (as that demand is calculated under the Company Contract).

2.4 ESP Charges. With regard to any Company Contract:

2.4.1 ESP Energy Charge. The total dollar amount of base demand and energy charges calculated under the Wholesale Schedule shall be increased by adding thereto an amount equal to Distributor's monthly charge to the customer for ESP energy under the first paragraph of section C of the ESP Attachment to the Company Contract (as determined under the Company Contract and adjusted to reflect losses as provided in 2.4.2 below).

2.4.2 Loss Adjustment. (a) Except as provided in (b) below with respect to any customer supplied through a delivery point which serves only that customer (Special Delivery Point), the loss adjustment provided for in 2.4.1 above shall be made by dividing the charge to be adjusted by 1.03.

(b) If service under the Company Contract is provided through a Special Delivery Point, the loss adjustment provided for in 2.4.1 above shall be made by dividing the charges to be adjusted by a factor of 1 plus the percentage (expressed in decimal form) of actual losses, if any, occurring between the Special Delivery Point and the point of delivery of power and energy under the Company Contract.

2.4.3 Administrative Costs Charge. An amount equal to the charge billed to the customer in accordance with section A of the ESP Attachment will be included as part of the wholesale bill.

2.5 Wholesale Distribution Loss Charge. With regard to any Company Contract, any amount added to the base charges of the wholesale bill pursuant to 2.4.1 above shall also be added to the "sum of all charges" used for the distribution loss calculation under the section entitled "Distribution Loss Charge" of the Wholesale Schedule.


SECTION 3 - RATIFICATION OF POWER CONTRACT

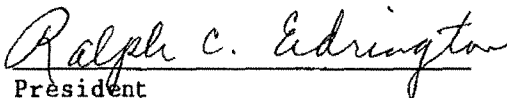
The Power Contract, as amended by this agreement, is ratified and confirmed as the continuing obligation of the parties.

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

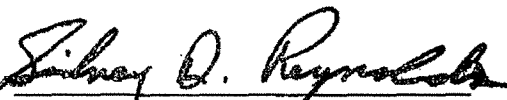
Attest:

WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION


Secretary

By 
President

TENNESSEE VALLEY AUTHORITY

By 
Senior Vice President
Customer Group

ENHANCED GROWTH CREDIT PROGRAM AGREEMENT
Between
WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION
And
TENNESSEE VALLEY AUTHORITY

DATE: May 5, 1994

TV-59577A, Supp. No. 34

THIS AGREEMENT, made and entered into between TENNESSEE VALLEY AUTHORITY (TVA), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended (TVA Act), and WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION (Distributor), a cooperative corporation created and existing under and by virtue of the laws of the Commonwealth of Kentucky;

W I T N E S S E T H:

WHEREAS, TVA and Distributor have entered into a contract dated April 26, 1982, as amended (Power Contract), under which electric power and energy are supplied by TVA at wholesale and purchased by Distributor for resale; and

WHEREAS, the TVA Act provides that among TVA's objectives shall be those of promoting the wider and better use of electric power, of supplying electric power at the lowest feasible rates, and of applying electric power to the fuller and better balanced development of the resources of the region; and

WHEREAS, TVA and Distributor wish to cooperate in an Enhanced Growth Credit Program (EGC Program) to encourage the fuller and better balanced development of the resources of the region by applying credits against the electric bills of certain eligible new and expanding general power customers of Distributor; and

WHEREAS, the parties wish to supplement and amend the Power Contract in the respects necessary to implement the EGC Program;

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

SECTION 1 - ELIGIBILITY

1.1 Qualifying Customers. To be eligible for participation in the EGC Program, a general power customer must qualify under the provisions of either Guideline 2.1 or Guideline 3.1 of the EGC Participation Agreement Guidelines (Guidelines) attached to and made a part of this agreement. Distributor shall inform each of its qualifying customers about the EGC

Program. In the event that a particular customer does not clearly qualify, the Operating Representatives of the parties shall make a joint determination about the customer's eligibility.

1.2 Participation Agreement. Distributor shall conduct the EGC Program in strict accordance with the provisions of this agreement, including the Guidelines. Distributor shall enter into a Participation Agreement (as defined in and in accordance with the Guidelines) with each qualifying customer that wishes to participate in the EGC Program.

1.3 Notice to TVA of Customer Participation. Distributor shall promptly furnish to TVA a copy of each Participation Agreement, a copy of the corresponding power supply contract, and such other information concerning each customer's qualification for and participation in the EGC Program as TVA may reasonably request. In addition, Distributor shall promptly furnish a copy of any amendment to or renewal or replacement of such power supply contract which becomes effective during the term of the Participation Agreement.

1.4 Materially False Information. It is recognized that the determination of a customer's eligibility may be based in part on information provided by the customer. In the event that it is subsequently determined that the customer has intentionally, or with deliberate ignorance of or reckless disregard for the truth, provided materially false information to Distributor, Distributor shall, if so requested by TVA, terminate the payment of any further credits under 2.1 below to that customer. Additionally, Distributor shall cooperate with TVA in collecting from the customer any and all credit amounts paid as a result of Distributor's use of the false information.

SECTION 2 - CREDITS

2.1 Retail Credits. Distributor shall apply the credits (Retail Credits) provided for in Participation Agreements entered into in accordance with the Guidelines.

2.2 Wholesale Credit. Distributor shall be entitled to a credit (Wholesale Credit) on its wholesale power bill equal to 110 percent of the total Retail Credits applied by Distributor in accordance with this agreement. Distributor shall take this Wholesale Credit by deducting it from the amount owed to TVA under the wholesale invoice for power and energy resold to Company in the month for which the Retail Credits were applied.

2.3 Monthly Reports. Distributor shall promptly submit to TVA a monthly report (in a form furnished or approved by TVA) showing for each customer participating in the EGC Program (a) the amount of any Retail Credit for the month and (b) the billing data used to calculate that Retail Credit, together with such other information as may be reasonably required by TVA. In the event that information becomes available, through

Distributor's monthly report or otherwise, which establishes that any Retail Credits were incorrectly applied to a customer's bill for any reason, Distributor and TVA shall fully cooperate in (a) making appropriate adjustments to the retail power bill; (b) endeavoring to collect from the customer any amounts due as a result of the adjustment of the retail bill; and (c) making appropriate adjustments to the wholesale power bill to pass through to TVA amounts collected from the customer.

SECTION 3 - TERMINATION OF ADDITIONAL PARTICIPATION

3.1 Notice of Termination. At any time upon at least ninety (90) days' written notice, either party may terminate the applicability of the provisions of section 1 of this agreement to customers that have not yet signed Participation Agreements. From and after the effective date of such a termination, Distributor shall not be authorized to enter into any new Participation Agreements.

3.2 Automatic Termination. The applicability of the provisions of section 1 of this agreement to customers that have not yet signed Participation Agreements shall automatically terminate upon the date of receipt of any Power Contract termination notice given under the section of the Power Contract entitled "Term of Contract." From and after any such date of receipt, Distributor shall not be authorized to enter into any new Participation Agreements.

3.3 Existing Participation Agreements. Any termination under 3.1 or 3.2 above shall have no effect upon the application of the Retail and Wholesale Credits provided for under any then-existing Participation Agreements and section 2 of this agreement.

SECTION 4 - OPERATING REPRESENTATIVES

TVA's Operating Representative for administration of this agreement shall be the Senior Vice President, Customer Group, or a designee. Distributor's Operating Representative for administration of this agreement shall be the manager of its electric system or a designee. Subject to the provisions of this agreement, the Power Contract, and any applicable law, the Operating Representatives shall be authorized to agree upon such incidental administrative arrangements as are appropriate for the efficient and expeditious implementation of this agreement.

SECTION 5 - INDEMNITY

TVA hereby releases Distributor, its officials, agents, and employees from, and shall indemnify and save harmless Distributor, its officials, agents, and employees from, any and all claims, demands, or causes of action of any kind of character whatsoever arising out of or in any way connected with TVA's development of or performance under this agreement. However, TVA's release and indemnity obligations to Distributor under this

paragraph shall not apply unless such claims, demands, or causes of action are proximately caused by TVA's development, performance, or failure to perform any of its obligations under this agreement or by the negligence or other wrongful acts of TVA or its agents or employees.

Distributor hereby releases the United States of America, TVA, their officials, agents, and employees from, and shall indemnify and save harmless the United States of America, TVA, their officials, agents, and employees from, any and all claims, demands, or causes of action of any kind or character whatsoever arising out of or in any way connected with Distributor's performance under this agreement. However, Distributor's release and indemnity obligations to TVA under this paragraph shall not apply unless such claims, demands, or causes of action are proximately caused by Distributor's failure to perform any of its obligations under this agreement or by the negligence or other wrongful acts of Distributor or its agents or employees.

Either party shall, along with a request for indemnification or reimbursement for a claim submitted to the other party, provide the other party with the information, explanation, and documentation necessary for the other party to determine that the indemnification or reimbursement of the requesting party is appropriate pursuant to the provisions contained in this section.

SECTION 6 - RESTRICTION OF BENEFITS

No member of or delegate to Congress or Resident Commissioner, or any officer, employee, special Government employee, or agent of TVA shall be admitted to any share or part of this agreement or to any benefit that may arise from it unless the agreement be made with a corporation for its general benefit. Distributor shall not offer or give, directly or indirectly, to any officer, employee, special Government employee, or agent of TVA any gift, gratuity, favor, entertainment, loan, or any other thing of monetary value, except as provided in 5 C.F.R. part 2635 (as amended, supplemented, or replaced). Breach of this provision shall constitute a material breach of this agreement.

SECTION 7 - TERM OF AGREEMENT

This agreement shall be effective as of the date first above written and shall continue in effect until all obligations of the parties have been fulfilled.

SECTION 8 - AFFIRMATION OF POWER CONTRACT

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

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

Attest:

WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION

Samuel Conner
Secretary

By *Ralph C. Edrington*
President

TENNESSEE VALLEY AUTHORITY

By *Myron McCallister*
to Senior Vice President
Customer Group

EGC PARTICIPATION AGREEMENT GUIDELINES

GUIDELINE 1 - DEFINITION OF TERMS

As used in these guidelines:

1.1 "Customer" shall mean a customer of Distributor purchasing power under one of the following rate schedules:

(a) Standard Service Schedules GSA, GSB, GSC, or GSD, or

(b) Time-of-Day Service Schedules TGSA, TGSB, TGSC, or TGSD;

except that "Customer" shall not be deemed to include customers taking service under the seasonal service provisions of schedules GSA or TGSA. (All references to a rate schedule in this Guideline 1.1 shall be deemed to refer to that schedule as modified, changed, replaced, or adjusted from time to time in accordance with the provisions of the Power Contract.)

1.2 "Power Supply Contract" shall mean a contract between Distributor and a Customer for the sale of power through a specific delivery point.

1.3 "Participation Agreement" shall mean an agreement entered into between Distributor and a Customer in accordance with Guideline 2 or Guideline 3 below.

1.4 Contract Demand

1.4.1 Standard Service. Under a Power Supply Contract with a Standard Service Schedule, "Contract Demand" shall mean the amount of firm power made available under that contract.

1.4.2 Time-of-Day Service. Under a Power Supply Contract with a Time-of-Day Service Schedule, "Contract Demand" shall mean the amount of firm power made available under that contract during onpeak periods.

1.5 Actual Firm Demand

1.5.1 Standard Service. Under a Power Supply Contract with a Standard Service Schedule, "Actual Firm Demand" shall mean an amount equal to the highest billing demand for firm power in any month computed under the Power Supply Contract but without regard to the exception language (Demand Ratchet) set out in the section headed "Determination of Demand" of that rate schedule.

1.5.2 Time-of-Day Service. Under a Power Supply Contract with a Time-of-Day Service Schedule, "Actual Firm Demand" shall mean an amount equal to the highest onpeak billing demand for firm power in any month computed under the Power Supply Contract but without regard to the exception language (Demand Ratchet) set out in the section headed "Determination of Demand" of that rate schedule.

1.6 "Base Amount" shall mean the highest Actual Firm Demand established at the Customer's delivery point during the 12-consecutive-month period immediately preceding the effective date of the Participation Agreement. (In the event that the necessary demand metering data is not available for any part of such a period, Distributor and TVA will jointly develop a reasonable approximation of the metered demands necessary to determine a particular Base Amount.)

1.7 "Total Metered Demand" shall mean the highest average during any 30-consecutive-minute period beginning or ending on a clock hour of the total load at the Customer's delivery point metered in kW.

1.8 "Total Metered Base Amount" shall mean the highest Total Metered Demand established during the 12-consecutive-month period immediately preceding the effective date of the Participation Agreement.

1.9 "SIC Customer" shall mean a Customer with a Contract Demand of at least 100 kW using power taken under a written Power Supply Contract to conduct activities which are classified with one of the following 2-digit Standard Industrial Classification (SIC) codes:

Division B: Mining 10 through 14, inclusive
Division D: Manufacturing 20 through 39, inclusive
Division E: 40 - Railroad Transportation
42 - Motor Freight Transportation and
Warehousing
44 - Water Transportation
45 - Transportation by Air

It is recognized that the above SIC codes have been selected to encourage new and expanded electrical loads in cases where the price of electricity has a particularly significant impact upon location, expansion, or fuel choice decisions. TVA may from time to time, by written notice to Distributor, modify the above listing of SIC codes when it deems it necessary to do so in order to better serve such purpose. In addition, in the event that TVA determines that a particular Customer is within the intended scope of the EGC Program but is excluded only because of the technical definition of an SIC code category, TVA and the Distributor may agree to consider that Customer to be an SIC Customer.

1.10 "All-Electric Customer" shall mean a Customer with a Contract Demand of at least 250 kW using power under a written Power Supply Contract where

(a) the Customer's space conditioning is accomplished solely by an all-electric heating, ventilating, and air conditioning system (HVAC System),

(b) at least fifty percent (50%) of the Customer's interior floor space at that location is heated and cooled by the all-electric HVAC System, and

(c) at least fifty percent (50%) of the rated electric load served under the Power Supply Contract is for interior lighting, cooking, and the HVAC System.

GUIDELINE 2 - NEW CUSTOMERS

2.1 Qualification. An SIC Customer or an All-Electric Customer is eligible to enter into a Participation Agreement under 2.2 below if the Customer

(a) initiates operations at an entirely new facility through a new delivery point, or

(b) restarts an existing facility with no current Contract Demand which has been operationally shut down for a period of at least 12 consecutive months.

2.2 New Customer Participation Agreement. To participate in the EGC Program, a Customer qualifying under 2.1 above must enter into a Participation Agreement. The Participation Agreement shall:

(a) be in a form furnished or approved by TVA;

(b) include (i) a certification by the Customer showing that it qualifies under 2.1 above and (ii) a requirement that the Customer promptly notify Distributor of any change in any aspect of such qualifying status;

(c) provide for a monthly credit to the Customer for the time period and in the credit amount specified in Guideline 4.2 or 4.3 below for each kW of the Customer's Actual Firm Demand in the month (up to and including the kW amount of the Contract Demand); provided, however, to receive a credit in any month

(i) an SIC Customer must establish an Actual Firm Demand of at least 100 kW in that month, and

(ii) an All-Electric Customer must establish an Actual Firm Demand of at least 250 kW in that month;

(d) provide that a Customer billed under part 2 of the section of schedule GSA or TGSA entitled "Base Charges" shall not receive a credit in any month which exceeds fifty percent (50%) of the amount of the charges billed to the Customer under that section; and

(e) provide for the automatic termination of the Participation Agreement if the Customer (i) does not qualify for a credit under (c), and where applicable (d), above within 12 months of the effective date of the Participation Agreement or (ii) ceases at any time to qualify for participation in the EGC Program under 2.1 above.

GUIDELINE 3 - EXPANSION CUSTOMER

3.1 Qualification

3.1.1 SIC Customer. An SIC Customer is eligible to enter into a Participation Agreement under 3.2 below if the Customer

(a) initiates an expansion of its facilities served through an existing delivery point, and

(b) on or before the effective date of the Participation Agreement, enters into a written Power Supply Contract specifying a Contract Demand which is at least 100 kW greater than the Base Amount applicable for that Customer.

3.1.2 All-Electric Customer. An All-Electric Customer is eligible to enter into a Participation Agreement under 3.2 below if the Customer

(a) initiates an expansion of its facilities served through an existing delivery point, and

(b) on or before the effective date of the Participation Agreement, enters into a written Power Supply Contract specifying a Contract Demand which is at least 250 kW greater than the Base Amount applicable for that Customer.

3.1.3 Other Qualified Customer. A Customer is eligible to enter into a Participation Agreement under 3.2 below if the Customer

(a) initiates an expansion of its facilities (served through an existing delivery point) where it adds at least 250 kW in load for the purpose(s) of all-electric space conditioning, all-electric water conditioning, and/or all-electric cooking, and

(b) on or before the effective date of the Participation Agreement, enters into a written Power Supply Contract specifying a Contract Demand which is at least 250 kW greater than the Base Amount applicable for that Customer.

3.2 Expansion Customer Participation Agreement. To participate in the EGC Program, a Customer qualifying under 3.1 above must enter into a Participation Agreement. The Participation Agreement shall:

(a) be in a form furnished or approved by TVA;

(b) include (i) a certification by the Customer showing that it qualifies under 3.1 above and (ii) a requirement that the Customer promptly notify Distributor of any change in any aspect of such qualifying status;

(c) provide for a monthly credit to the Customer for the time period and in the amount specified in Guideline 4.2 or 4.3 below for each kW by which the Customer's Actual Firm Demand (up to and including the kW amount of the Contract Demand) in the month exceeds the applicable Base Amount; provided, however, that

(i) for an SIC Customer, no credit shall be applicable unless such Actual Firm Demand exceeds the Base Amount by at least 100 kW, and

(ii) for an All-Electric Customer, or a Customer that qualifies under 3.1.3 above, no credit shall be applicable unless such Actual Firm Demand exceeds the Base Amount by at least 250 kW;

(d) provide that a Customer billed under part 2 of the section of schedule GSA or TGSA entitled "Base Charges" shall not receive a credit in any month which exceeds fifty percent (50%) of the amount of the charges billed to the Customer under that section;

(e) provide that where any type of power other than firm power was available at the Customer's delivery point at any time during the period used to calculate the applicable Base Amount

(i) for an SIC Customer no credit shall be applicable in any month unless the highest Total Metered Demand (up to and including the kW amount of the amount of power available) in that month exceeds the Total Metered Base Amount by at least 100 kW,

(ii) for an All-Electric Customer, or a Customer that qualifies under 3.1.3 above, no credit shall be applicable in any month unless the highest Total Metered Demand (up to and including the kW amount of the total amount of power available) in that month exceeds the Total Metered Base Amount by at least 250 kW, and

(iii) the kW amount eligible for a credit will be the lesser of the kW amount calculated under (c) above or the kW amount by which the highest Total Metered Demand (up to and including the kW amount of the total amount of power available) in the month exceeds the Total Metered Base Amount; and

(f) provide for the automatic termination of the Participation Agreement if (i) the Customer does not qualify for a credit under (c), and where applicable (d) and (e), above within 12 months of the effective date of the Participation Agreement or (ii) ceases at any time to qualify for participation in the EGC Program under 3.1 above.

GUIDELINE 4 - CREDITS

4.1 Credit Method. Distributor shall make available to each Customer that qualifies for participation in the Program one of the two credit

options set forth in 4.2 and 4.3 below and shall specify in the Participation Agreement with such Customer the credit option so selected.

4.2 Declining 6 Year Credit Option. If this credit option is selected, Distributor shall apply the following schedule of credit amounts in calculating the credits to be applied under a Participation Agreement. Such credits will be applied for a 6-year period beginning with the first month in which the Customer qualifies for a credit under 2.2(c) or 3.2(c) above.

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

\$5.00 per kW for the second 12-consecutive-month period.

\$4.00 per kW for the third 12-consecutive-month period.

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

\$2.00 per kW for the fifth 12-consecutive-month period.

\$1.00 per kW for the sixth 12-consecutive-month period.

4.3 Flat 3 Year Credit Option. If this credit option is selected, Distributor will apply a credit amount of \$6.00 per kW in calculating the credits to be applied under a Participation Agreement. Such credits will be applied for a 3-year period beginning with the first month in which the Customer qualifies for a credit under 2.2(c) or 3.2(c) above.

GUIDELINE 5 - EXPANSION DURING GROWTH CREDIT PARTICIPATION

It is recognized that a Customer receiving credits under the EGC Program or under the initial Growth Credit Program may subsequently expand its facilities in a manner which would qualify the Customer for additional credits under Guideline 3.1 above. In such event, the Customer may enter into a Participation Agreement (Additional Credit Agreement) to cover credits for the expanded load except that

(a) a Customer shall not be eligible to enter into such an Additional Credit Agreement within the 12-month period immediately following the month in which the Customer begins to receive credits under any Participation Agreement, and

(b) the Additional Credit Agreement shall provide that any kW amount of Actual Firm Demand for which the Customer receives a credit under the Additional Credit Agreement shall not be counted for purposes of determining the credit applicable under any previous Growth Credit or EGC agreements which are still effective.

ENHANCED GROWTH CREDIT PROGRAM AGREEMENT
REVISED PROVISIONS

BASE AGREEMENT

2.2 Wholesale Credit. Distributor shall be entitled to a credit (Wholesale Credit) on its wholesale power bill equal to 110 percent of the total Retail Credits applied by Distributor in accordance with this agreement. Distributor shall take this Wholesale Credit by deducting it from the amount owed to TVA under the wholesale invoice for power and energy resold to Company in the month for which the Retail Credits were applied.

2.3 Monthly Reports. Distributor shall promptly submit to TVA a monthly report (in a form furnished or approved by TVA) showing for each customer participating in the EGC Program (a) the amount of any Retail Credit for the month and (b) the billing data used to calculate that Retail Credit, together with such other information as may be reasonably required by TVA. In the event that information becomes available, through Distributor's monthly report or otherwise, which establishes that any Retail Credits were incorrectly applied to a customer's bill for any reason, Distributor and TVA shall fully cooperate in (a) making appropriate adjustments to the retail power bill; (b) endeavoring to collect from the customer any amounts due as a result of the adjustment of the retail bill; and (c) making appropriate adjustments to the wholesale power bill to pass through to TVA amounts collected from the customer.

3.1 Notice of Termination. At any time upon at least ninety (90) days' written notice, either party may terminate the applicability of the provisions of section 1 of this agreement to customers that have not yet signed Participation Agreements. From and after the effective date of such a termination, Distributor shall not be authorized to enter into any new Participation Agreements.

SECTION 5 - INDEMNITY

TVA hereby releases Distributor, its officials, agents, and employees from, and shall indemnify and save harmless Distributor, its officials, agents, and employees from, any and all claims, demands, or causes of action of any kind of character whatsoever arising out of or in any way connected with TVA's development of or performance under this agreement. However, TVA's release and indemnity obligations to Distributor under this paragraph shall not apply unless such claims, demands, or causes of action are proximately caused by TVA's development, performance, or failure to perform any of its obligations under this agreement or by the negligence or other wrongful acts of TVA or its agents or employees.

Distributor hereby releases the United States of America, TVA, their officials, agents, and employees from, and shall indemnify and save

harmless the United States of America, TVA, their officials, agents, and employees from, any and all claims, demands, or causes of action of any kind or character whatsoever arising out of or in any way connected with Distributor's performance under this agreement. However, Distributor's release and indemnity obligations to TVA under this paragraph shall not apply unless such claims, demands, or causes of action are proximately caused by Distributor's failure to perform any of its obligations under this agreement or by the negligence or other wrongful acts of Distributor or its agents or employees.

Either party shall, along with a request for indemnification or reimbursement for a claim submitted to the other party, provide the other party with the information, explanation, and documentation necessary for the other party to determine that the indemnification or reimbursement of the requesting party is appropriate pursuant to the provisions contained in this section.

EGC PARTICIPATION AGREEMENT GUIDELINES

1.4 Contract Demand

1.4.1 Standard Service. Under a Power Supply Contract with a Standard Service Schedule, "Contract Demand" shall mean the amount of firm power made available under that contract.

1.4.2 Time-of-Day Service. Under a Power Supply Contract with a Time-of-Day Service Schedule, "Contract Demand" shall mean the amount of firm power made available under that contract during onpeak periods.

4.1 Credit Method. Distributor shall make available to each Customer that qualifies for participation in the Program one of the two credit options set forth in 4.2 and 4.3 below and shall specify in the Participation Agreement with such Customer the credit option so selected.

AGREEMENT
Between
WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION
And
TENNESSEE VALLEY AUTHORITY

DATE: February 8, 1996

TV-59577A, Supp. No. 35

THIS AGREEMENT, made and entered into between TENNESSEE VALLEY AUTHORITY (TVA), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended (TVA Act), and WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION (Distributor), a cooperative corporation created and existing under and by virtue of the laws of the Commonwealth of Kentucky;

W I T N E S S E T H:

WHEREAS, TVA and Distributor have entered into a contract dated April 26, 1982, as amended (Power Contract), under which electric power and energy are supplied by TVA at wholesale and purchased by Distributor for resale; and

WHEREAS, the parties wish to amend the provisions of the Power Contract relative to its transfer or assignment;

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

SECTION 1 - POWER CONTRACT AMENDED

Section 12 of the Power Contract is entirely deleted, and the following language is substituted for it:

12. Transfer of Contract. Neither this contract nor any interest herein shall be transferable or assignable by either party without the consent of the other party.

SECTION 2 - TERM

This agreement shall become effective as of the date first above written and shall continue in effect for the term of the Power Contract.

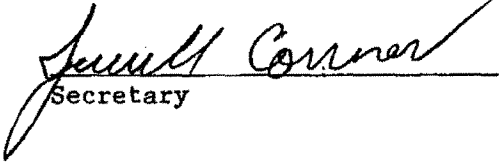
SECTION 3 - POWER CONTRACT AFFIRMED

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

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

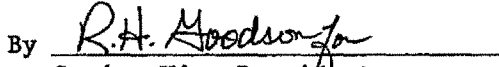
Attest:

WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION


Secretary

By 
President

TENNESSEE VALLEY AUTHORITY

By 
Senior Vice President
Customer Group

AGREEMENT
Between
WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION
And
TENNESSEE VALLEY AUTHORITY

DATE: 8-24-96

TV-59577A, Supp. No. 36

36

THIS AGREEMENT, made and entered into between WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION (Distributor), a cooperative corporation created and existing under and by virtue of the laws of the Commonwealth of Kentucky, and TENNESSEE VALLEY AUTHORITY (TVA), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended;

WITNESSETH:

WHEREAS, under Power Contract TV-59577A, dated April 26, 1982, as amended (Power Contract), electric power and energy are supplied by TVA at wholesale and purchased by Distributor for resale; and

WHEREAS, TVA, Distributor, and Mattel Incorporated (Company) have entered into a contract of even date herewith (Company Contract) covering arrangements under which TVA will make available to Distributor for resale to Company a supply of firm power and of economy surplus power (ESP) for operation of Company's plant near Murray, Kentucky; and

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

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

SECTION 1 - TERM OF AGREEMENT

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

SECTION 2 - BILLING DATA

Data obtained from the metering facilities referred to in section 4 of this agreement will be used by Distributor for the purposes of determining the power and energy taken by Company and by TVA for determining applicable adjustments for Distributor's wholesale bill. Accordingly, TVA will supply Distributor by the fourth working day following Company's scheduled meter-reading date the information regarding the amounts of ESP deemed to have been taken by Company, the times this ESP was

taken, the price for this ESP, and such other information as may be necessary so that Distributor may be able to calculate Company's bill under the Company Contract. In order to facilitate TVA's preparation of the bill to Distributor for power and energy made available under the Power Contract, each month Distributor shall furnish to TVA a copy of Distributor's bill to Company for power and energy made available under the Company Contract when it is rendered and such other information related to Company's power and energy takings as TVA may require.

SECTION 3 - ADJUSTMENTS TO DISTRIBUTOR'S WHOLESALE BILLING

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

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

3.2 ESP Energy. (a) The total dollar amount of base demand and energy charges calculated under the Wholesale Schedule shall be increased by adding thereto an amount equal to Distributor's monthly charge to Company for ESP energy under the first paragraph of section C of the ESP Attachment to the Company Contract (as determined under the Company Contract and adjusted to reflect losses as provided in (b) below).

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

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

3.3 Administrative Costs Charge. An amount equal to the charge billed to Company in accordance with section A of the ESP Attachment will be included as part of the wholesale bill.

SECTION 4 - METERING FACILITIES

4.1 Replacement Metering. The metering facilities previously used by Distributor in determining the power and energy taken by Company are inadequate for determining the amounts of power and energy associated with ESP. Accordingly, TVA and Distributor have arranged to replace the revenue meter in the existing metering facilities with a solid-state type revenue meter (Replacement Meter) capable of remote telephone access. Distributor will, at its expense, provide the equipment and materials and perform the work necessary to install the Replacement Meter, which will be provided by TVA at its expense. Thereafter, Distributor shall test, calibrate, operate, maintain, repair, and replace all facilities in the metering installation, except that TVA shall provide any necessary replacements for the Replacement Meter.

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

4.3 Telephone Circuit for Remote Access. To allow remote access to the metering data recorded by the Replacement Meter, Distributor shall, at its expense, provide and install, or cause to be installed, and thereafter maintain a telephone circuit to be connected (through a modem furnished by TVA at its expense) to the Replacement Meter. The telephone circuit shall be installed in accordance with guidelines and specifications furnished or approved by TVA. TVA agrees to permit Distributor remote access through the telephone circuit to the metering data, and TVA will provide Distributor any information necessary for the exercise of such access. Distributor will require equipment not provided by TVA to exercise such access and TVA will assist Distributor in determining the equipment to be utilized; however, the acquisition of such equipment shall be the sole responsibility of Distributor. The use of the telephone circuit and access to the metering data will be coordinated by TVA's and Distributor's operating representatives to ensure unrestricted access by TVA for data retrieval purposes during such periods as specified by TVA.

4.4 Metering Outputs. Metering outputs from the Replacement Meter for such purposes as monitoring and load control will be available to Distributor under the provisions set out in the attachment entitled "Metering Outputs Attachment," which is made a part of this agreement.

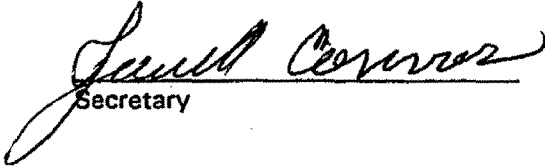
SECTION 5 - AFFIRMATION OF POWER CONTRACT


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

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

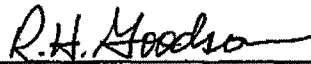
Attest:

WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION


Secretary

By 
President

TENNESSEE VALLEY AUTHORITY

By 
General Manager
Business Development
Customer Group

METERING OUTPUTS ATTACHMENT

Under the provisions of the body of this agreement, TVA provides a revenue meter or meters for use in determining the amounts of power and energy taken under the Company Contract. If Distributor desires access to metering outputs from that metering installation for such purposes as monitoring and load control, TVA will make such access available at no charge under the conditions set forth below.

A. Access to Outputs

Distributor may, at such time as it deems appropriate, provide and install at its expense such additional facilities as are necessary for obtaining access to metering outputs, including provision and installation of cable to be connected to the metering installation by Distributor (or by TVA in the event that this agreement provides for TVA to maintain the metering installation). Distributor shall also furnish and install any protective facilities requested by TVA for the protection of TVA's meter(s).

B. Approval of Facilities

Distributor shall keep TVA informed as to Distributor's plans for installation of any such additional facilities to the extent necessary and practicable. Distributor shall neither install any facilities which are to be connected to TVA's meter(s) nor, once installed, change them without prior written notification from TVA that such installation or change is satisfactory to TVA insofar as required for the safe and efficient operation of the metering installation.

C. Noninterference With Metering

In exercising access to metering outputs, Distributor shall not interfere with any operation, use of, or access to the metering installation by TVA. In this regard Distributor agrees to immediately modify its facilities and operations, in any manner requested by TVA, to avoid any such interference.

D. No Warranty of Outputs

TVA makes no statement, representation, claim, guarantee, assurance, or warranty of any kind whatsoever, including, but not limited to, representations or warranties, express or implied, (a) as to the accuracy or completeness of the metering outputs or as to such outputs' merchantability or fitness for any purposes for which Distributor uses or will use them or (b) as to quantity, kind, character, quality, capacity, design, performance, compliance with specifications, condition, size, description of any property, merchantability, or fitness for any use or purpose of any facilities through which the metering outputs are supplied. Distributor hereby

waives, and releases the United States of America, TVA, and their agents and employees from, any and all claims, demands, or causes of action, including, without limitation, those for consequential damages, arising out of or in any way connected with Distributor's use of the metering outputs.

E. Termination of Arrangements

The arrangements set out in this attachment may be terminated by TVA or Distributor at any time upon at least 120 days' written notice. As soon as practicable following the effective date of such termination, Distributor (or TVA in the event that this agreement provides for TVA to maintain the metering installation) will disconnect the cable from the metering installation.

AGREEMENT
Between
WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION
And
TENNESSEE VALLEY AUTHORITY

DATE: October 2, 1996

TV-59577A, Supp. No. 37

THIS AGREEMENT, made and entered into between WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION (Distributor), a cooperative corporation created and existing under and by virtue of the laws of the Commonwealth of Kentucky, and TENNESSEE VALLEY AUTHORITY (TVA), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended;

W I T N E S S E I H:

WHEREAS, TVA and Distributor have entered into a contract dated April 26, 1982, as amended (Power Contract), under which electric power and energy are supplied by TVA at wholesale and purchased by Distributor for resale; and

WHEREAS, TVA offers programs for economy surplus power (ESP), limited interruptible power (LIP), limited firm power (LFP), testing and restart power (TRP), and interruptible standby power (ISP) under which, in accordance with the requirements of such programs, interruptible power can be made available by Distributor to its qualifying customers; and

WHEREAS, Distributor supplies one or more types of such interruptible power to one or more customers under separate contracts to which TVA is also a party; and

WHEREAS, TVA and Distributor wish to supplement and amend the provisions of the Power Contract relating to such separate contracts to provide for a change in the current arrangements that help assure sufficient margin for Distributor from the provision of interruptible power under such contracts;

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

SECTION 1 - DEFINITION OF INTERRUPTIBLE POWER CONTRACT

As used in this agreement, "Interruptible Power Contract" shall mean a power supply contract effective as of a date prior to the date of this agreement under which ESP, LIP, LFP, TRP, or ISP (each of which is referred to in this agreement as a type of interruptible power) is made available by Distributor.

SECTION 2 - TERM OF AGREEMENT

Except as provided otherwise below, this agreement shall become effective as of date first above written. It shall continue in effect until the earlier of (a) the expiration or termination of each of the Interruptible Power Contracts or (b) the date of receipt of any

Power Contract termination notice given under the section of the Power Contract entitled "Term of Contract."

SECTION 3 - ELIMINATION OF SURCHARGE TO DISTRIBUTOR CUSTOMERS

Effective with the retail bills rendered by Distributor under each Interruptible Power Contract from the meter reading scheduled to be taken on or after October 2, 1996, and during the remaining term of this agreement, Distributor agrees that it will not bill or collect the 40 cent per kW surcharge that would otherwise be applicable for each type of interruptible power available under each such contract for the purpose of enabling Distributor to recover more adequately the cost of making interruptible power available.

SECTION 4 - WHOLESALE BILLING ADJUSTMENT

In calculating the wholesale bill during the term of this agreement, in order to enable Distributor to continue to adequately recover its cost of making interruptible power available, with respect to each type of interruptible power available under each Interruptible Power Contract TVA will apply a credit equal to the amount of the surcharge that Distributor is prohibited from collecting under section 3 above.

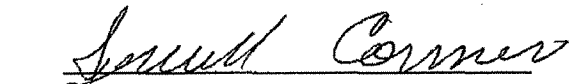
SECTION 5 - AFFIRMATION OF POWER CONTRACT

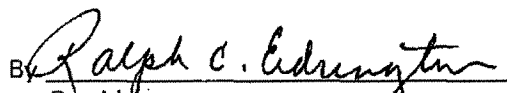
The Power Contract, as amended and supplemented by the provisions of this agreement, is ratified and confirmed as the continuing obligation of the parties.

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

Attest:

WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION


Secretary

By 
President

TENNESSEE VALLEY AUTHORITY

By 
General Manager, Pricing
Business Development
Customer Group Service and Marketing

AGREEMENT
Between
WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION
And
TENNESSEE VALLEY AUTHORITY

DATE: November 24, 1996

TV-59577A, Supp. No. 38

THIS AGREEMENT, made and entered into between WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION (Distributor), a cooperative corporation created and existing under and by virtue of the laws of the Commonwealth of Kentucky, and TENNESSEE VALLEY AUTHORITY (TVA), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended;

W I T N E S S E T H:

WHEREAS, under Power Contract TV-59577A, dated April 26, 1982, as amended (Power Contract), electric power and energy are supplied by TVA at wholesale and purchased by Distributor for resale; and

WHEREAS, TVA, Distributor, and Continental General Tire, Inc. (Company), have entered into a contract of even date herewith (Company Contract) covering arrangements under which TVA will make available to Distributor for resale to Company a supply of firm power and limited interruptible power (LIP) for operation of Company's plant near Mayfield, Kentucky; and

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

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

SECTION 1 - TERM OF AGREEMENT

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

SECTION 2 - BILLING DATA

Data obtained from the metering installation referred to in section 4 below will be used (a) by Distributor for the purposes of determining the power and energy taken by Company and (b) by TVA for determining applicable adjustments for Distributor's wholesale bill. Accordingly, each month TVA shall, as soon as practicable after the scheduled meter-reading date for Company, furnish to Distributor information regarding the amounts and hours of availability of any fixed price or hourly replacement power

made available under the LIP attachment to the Company Contract and the price for such power. Each month Distributor shall furnish to TVA a copy of Distributor's bill to Company for power and energy made available under the Company Contract when it is rendered and such other information related to Company's power and energy takings as TVA may require.

SECTION 3 - ADJUSTMENTS TO DISTRIBUTOR'S WHOLESALE BILLING

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

3.1 Firm Power and Energy. Distributor will be billed demand and energy charges as provided in the wholesale rate schedule (Wholesale Schedule), which is contained in the Schedule of Rates and Charges attached to and made a part of the Power Contract, for any firm power and energy resold under the Company Contract; provided, however, that for the purposes of calculating said charges for any month in which (i) Company is deemed to have taken any LIP energy under the Company Contract or (ii) Company has taken any fixed price replacement power or hourly replacement power under the Company Contract, the term "metered demand" in the Wholesale Schedule shall be deemed to refer to an amount equal to the sum of the billing demand for firm power and any billing demand for excess power (as those demands are calculated under the Company Contract).

3.2 LIP Charges. (a) The total dollar amount of base demand and energy charges calculated under the Wholesale Schedule shall be increased by adding thereto an amount equal to the sum of (i) Distributor's monthly charge to Company for LIP demand and energy, and (ii) any charges to Customer for fixed price or hourly replacement power scheduled during the month (as all such charges are determined under the Company Contract and adjusted to reflect losses as provided in (b) below).

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

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

3.3 Credit for Distributor Margin: In order to enable Distributor to recover more adequately the cost of making LIP available to Company, TVA will apply a credit to the wholesale bill derived by multiplying 40 cents times the highest LIP Demand established under the Company Contract during the month; provided, however, if a notice to terminate the Power Contract (Termination Notice) is given under the section of the Power Contract entitled "Term of Contract," the provisions of this subsection 3.3 shall be of no force and effect with respect to any LIP Demand established after the date the Termination Notice is received.

3.4 Adjustment 3 of Wholesale Schedule. For purposes of applying the provisions of Adjustment 3 to the Wholesale Schedule, the term "contract demand" appearing in those provisions shall be deemed to be the total of the firm power and LIP available under the Company Contract.

SECTION 4 - METERING FACILITIES

It is recognized that the amounts of power and energy delivered to Company by Distributor at the delivery point specified in the Company Contract are measured by Distributor's existing metering facilities located at Distributor's Hickory Grove Substation and that such facilities utilize a telephone circuit for various data transmission and communication purposes. Distributor agrees for TVA to have access to the data stored in said metering facilities through the telephone circuit and will provide to TVA any information necessary for the exercise of such access. Distributor further grants to TVA access to the metering facilities for the purpose of confirmation of the metering data being received by telephone. The use of the telephone circuit and access to the metering data will be coordinated by TVA's and Distributor's operating representatives to ensure unrestricted access by TVA for data retrieval purposes during such periods as specified by TVA.

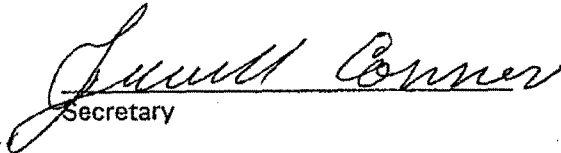
SECTION 5 - AFFIRMATION OF POWER CONTRACT

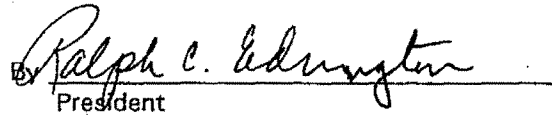
Except as expressly supplemented and amended by this agreement, the Power Contract shall be the continuing obligation of the parties.

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


Attest:

**WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION**


Secretary


President

TENNESSEE VALLEY AUTHORITY

By 
Manager, Pricing
Customer Service and
Marketing

April 4, 1997

TV-59577A
Supp. No. 39

RESALE RATE SCHEDULE SUBSTITUTION AGREEMENT
Between
TENNESSEE VALLEY AUTHORITY (TVA)
And
WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION
(DISTRIBUTOR)

Distributor and TVA agree to substitute the new resale rate schedule specified in (a) below, a copy of which is attached, for the resale rate schedule specified in (b) below, which is now in effect under provisions of the Power Contract dated April 26, 1982, between TVA and Distributor. This substitution is to be effective for all bills rendered from resale meter readings taken for revenue months of Distributor beginning with the May 1997 revenue month.

- (a) New resale rate schedule:
Residential Rate--Schedule RS (May 1997)
- (b) Existing resale rate schedule:
Residential Rate--Schedule RS (June 1993)

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

WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION

By Ralph C. Edrington
President

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

TENNESSEE VALLEY AUTHORITY

By W. T. Boston
Manager, Pricing
Customer Service and Marketing

W040497-STD.

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WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

RESIDENTIAL RATE--SCHEDULE RS

(May 1997)

Availability

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

Character of Service

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

Base Charges

Customer Charge: \$11.80 per month, less

Hydro Allocation Credit: \$2.48 per month

Energy Charge: 6.280¢ per kWh per month for first 800 kWh
5.590¢ per kWh per month for additional kWh

Adjustment

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

Minimum Monthly Bill

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

Payment

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

Single-Point Delivery

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

Service is subject to Rules and Regulations of Distributor.

September 30, 1997

RESALE RATE SCHEDULE SUBSTITUTION AGREEMENT
Between
WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION
(DISTRIBUTOR)
And
TENNESSEE VALLEY AUTHORITY (TVA)

Distributor and TVA agree to substitute the new resale rate schedules specified in (a) below, copies of which are attached, for the resale rate schedules specified in (b) below, which are now in effect under provisions of the Power Contract dated April 26, 1982, between TVA and Distributor. This substitution is to be effective for all bills rendered from resale meter readings taken for revenue months of Distributor beginning with the October 1997 revenue month.

- (a) New resale rate schedules:
Residential Rate--Schedule RS (October 1997, R1)
General Power Rate--Schedule GSA (October 1997, R1)
- (b) Existing resale rate schedules:
Residential Rate--Schedule RS (May 1997)
General Power Rate--Schedule GSA (June 1993)

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

**WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION**

By Ralph C. Edgington
President

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

TENNESSEE VALLEY AUTHORITY

By Terry Boston
Manager, Pricing
Customer Service and Marketing

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

RESIDENTIAL RATE--SCHEDULE RS

(October 1997, R1)*

Availability

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

Character of Service

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

Base Charges

Customer Charge: \$13.48 per month, less

Hydro Allocation Credit: \$2.48 per month

Energy Charge: First 800 kWh per month at 6.627¢ per kWh

Additional kWh per month at 5.937¢ per kWh

Adjustment

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

Minimum Monthly Bill

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

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

Payment

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

Single-Point Delivery

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

Service is subject to Rules and Regulations of Distributor.

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

GENERAL POWER RATE--SCHEDULE GSA

(October 1997, R1)*

Availability

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

Character of Service

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

Base Charges

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

Customer Charge: \$13.50 per delivery point per month

Energy Charge: 7.347¢ per kWh per month

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

Customer Charge: \$37.00 per delivery point per month

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

Excess over 50 kW of billing demand per month, at \$12.70 per kW

Energy Charge: First 15,000 kWh per month at 7.347¢ per kWh

Additional kWh per month at 3.203¢ per kWh

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

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

Customer Charge: \$100.00 per delivery point per month

Demand Charge: First 1,000 kW of billing demand per month, at \$12.10 per kW

Excess over 1,000 kW of billing demand per month, at
\$12.79 per kW, plus an additional

\$12.79 per kW per month for each kW, if any, of the amount by which the customer's billing demand exceeds the higher of 2,500 kW or its contract demand

Energy Charge: 3.203¢ per kWh per month

Adjustment

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

Determination of Demand

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

Minimum Bill

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

Distributor may require minimum bills higher than those stated above.

Seasonal Service

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

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

Contract Requirement

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

Payment

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

Single-Point Delivery

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

Service is subject to Rules and Regulations of Distributor.

AGREEMENT
Between
WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION
And
TENNESSEE VALLEY AUTHORITY

DATE: October 1, 1997

TV-59577A, Supp. No. 41

THIS AGREEMENT, made and entered into between WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION (Distributor), a cooperative corporation created and existing under and by virtue of the laws of the Commonwealth of Kentucky, and TENNESSEE VALLEY AUTHORITY (TVA), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended;

W I T N E S S E I H:

WHEREAS, TVA and Distributor have entered into a contract dated April 26, 1982, as amended (Power Contract), under which Distributor purchases its entire requirements for electric power and energy from TVA for resale; and

WHEREAS, the parties wish to amend the provisions of the Power Contract relative to its term;

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

SECTION 1 - EFFECTIVE DATE

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

SECTION 2 - POWER CONTRACT AMENDED

From and after the Effective Date of this agreement, the second sentence of the section of the Power Contract entitled "Term of Contract" is hereby amended in the respects necessary to provide that the Power Contract may be terminated by either TVA or Distributor at any time upon not less than 5 years' prior written notice.

SECTION 3 - NOTICE OF POWER CONTRACT TERMINATION

Notwithstanding the provisions of the section of the Power Contract entitled "Term of Contract" (as amended by section 2 of this agreement), neither TVA nor Distributor shall exercise its right to give notice of termination under that section before the date occurring five years after the Effective Date of this agreement.

SECTION 4 - COST RECOVERY

(a) It is recognized that in providing service to Distributor, TVA has made investments, thereby incurring fixed costs, in generation, transformation, and transmission facilities. In

consideration of the agreements set out in sections 2 and 3 above, TVA fully releases and discharges all claims against Distributor for the recovery of those fixed costs to the extent they are not recovered through payment of charges billed for service during the term of the Power Contract. Without limiting the foregoing release and discharge, TVA represents and covenants that, following the termination of the Power Contract in accordance with the notice provisions set out in the Power Contract and in this agreement, TVA will neither charge nor impose upon Distributor (or any retail customer of Distributor) charges for unrecovered fixed costs (commonly referred to as "stranded investment"), whether such charges are denominated as exit fees, wire surcharges, transmission surcharges, or terms having similar effect, nor shall such costs be otherwise assigned by TVA to Distributor or any retail customer of Distributor; provided, however, that with respect to any retail customer of Distributor, the provisions of this sentence are expressly made subject to the provisions of (c) below. Accordingly, nothing in this agreement shall be construed to relieve any retail customer of Distributor of any obligation to Distributor or TVA for unrecovered investment in the event that retail open access occurs in Distributor's service area and the retail customer of Distributor discontinues the retail purchase of power and energy from Distributor. It is further understood and agreed that nothing in this agreement shall be construed to (i) relieve Distributor from the obligation to pay all invoices submitted by TVA in accordance with the terms of the Power Contract for power, energy, property, materials or services furnished to Distributor during the term of the Power Contract, or (ii) relieve Distributor from paying the agreed-upon price for any power, energy, property, materials or services (including, but not limited to, transmission service) that TVA may furnish to Distributor after the termination of the Power Contract.

- (b) Notwithstanding any provision of (a) above, there shall be no discharge or release of any claim for any investment made in connection with additions to or changes in facilities as provided under the last sentence of the section of the Power contract entitled Term of Contract (as amended by section 2 above).
- (c) It is further understood and agreed that if retail open access occurs in Distributor's service area, TVA and Distributor will work together to (i) identify the amount of unrecovered investment by Distributor and TVA in generation, transformation, transmission, and distribution facilities and (ii) collect such amounts from departing retail customers of Distributor or the successor power supplier of the departing retail customer to the extent allowed by law. It is expressly understood and agreed that neither TVA nor Distributor by this agreement releases or discharges any claim that either may have against any retail customer of Distributor or of TVA for any such amounts.
- (d) For the purposes of this section 4, the words "retail customer of Distributor" shall mean a person or entity who purchases from Distributor electric power and energy that Distributor has purchased from a wholesale supplier and which Distributor in turn sells at retail to such person or entity connected to its distribution lines.

SECTION 5 - FUTURE ADJUSTMENTS AND CHANGES IN RATES AND CHARGES

In evaluating whether there is any need for future rate increases to recover its fixed costs, TVA will (a) abide by the requirements of the TVA Act, including particularly section 15d(f), having due regard for the primary objectives of the Act, including the objective now set out in that section that power shall be sold at rates as low as are feasible and (b) meet all tests and comply with the provisions of TVA's bond resolutions (as from time to time adopted and amended) in such a manner as to assure TVA's ability to continue to finance and operate its power program at the lowest feasible cost.

SECTION 6 - POWER CONTRACT AFFIRMED

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

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

Attest:

**WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION**

Walter Bennett Connor Secretary By Ralph C. Edrington President

TENNESSEE VALLEY AUTHORITY

By Terry Boston
Manager, Pricing
Customer Service and Marketing

AGREEMENT
Between
WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION
And
TENNESSEE VALLEY AUTHORITY

DATE: October 1, 1997

TV-59577A, Supp No. 42

THIS AGREEMENT, made and entered by and between WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION (Distributor), a cooperative corporation created and existing under and by virtue of the laws of the Commonwealth of Kentucky, and TENNESSEE VALLEY AUTHORITY (TVA), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended (TVA Act);

W I T N E S S E I H:

WHEREAS, TVA and Distributor have entered into a contract dated April 26, 1982, as amended (Power Contract), under which Distributor purchases its entire requirements for electric power and energy from TVA for resale; and

WHEREAS, under an agreement dated June 1, 1994 (LMBC Agreement), TVA and Distributor have been participating in a Large Manufacturer Bill Credit Program (LMBC Program) to encourage the fuller and better balanced development of the resources of the region by the application of credits against the electric bills of manufacturing industries with demands greater than 5,000 kW; and

WHEREAS, in connection with TVA's publishing of the October 1997 Adjustment Addendum, the LMBC Program is being expanded to provide for the application of additional credits to the electric bills of manufacturing industries with demands greater than 1,000 kW to offset the adjustment amounts specified in that Adjustment Addendum; and

WHEREAS, the parties wish to supplement the LMBC Agreement and the Power Contract in the respects necessary to provide for the application of these additional credits;

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

SECTION 1 - EXPANDED CREDITS

TVA and Distributor agree to participate in an expanded program under which certain credits (Expanded Credits) will be applied to the bills of manufacturing customers with loads greater than 1,000 kW. Accordingly, the LMBC Agreement is hereby supplemented and amended by inserting the following new section 1a (between sections 1 and 2) and the following new section 3a (between sections 3 and 4) to provide for the application of such Expanded Credits:

1a. Identification of Expanded Eligible Accounts. An Expanded Eligible Account shall be a billing account for a delivery point serving any general power

customer of Distributor (a) which is served under Part 3 of either Schedule GSA or Time-of-Day Schedule TGSA or under Schedules GSB, GSC, GSD or Time-of-Day Schedules TGSB, TGSC, or TGSD and (b) where the activities conducted are classified with a 2-digit Standard Industrial Classification code between 20 and 39, inclusive. The provisions of this agreement (except for those in sections 1 and 3) applicable to Eligible Accounts shall also apply to Expanded Eligible Accounts.

Distributor shall identify to TVA its customer accounts that it believes meet the eligibility requirements for participation in the expanded Program. In the event that a particular customer account is not clearly eligible, TVA shall make the eligibility determination.

3a. Allowance of Expanded Credit. Notwithstanding anything in the Power Contract (including the Schedule of Rates and Charges and the October 1997 Adjustment Addendum (Adjustment Addendum)) that may be construed to the contrary, beginning with Distributor's October 1997 revenue month (as that term is defined in Wholesale Power Rate--Schedule WS of the Schedule of Rates and Charges), Distributor shall apply a credit against the electric bill of each Expanded Eligible Account as provided below. Allowance of the Expanded Credits shall continue until implementation of the next Rate Change as provided for in the section of the Power Contract's Schedule of Terms and Conditions headed "Adjustment and Change of Wholesale Rate and Resale Rates." Distributor may, at its option, provide monthly credit amounts as a direct cash payment.

(a) Application of Credit. The dollar amount of the Expanded Credit shall be equal to (i) the amount of the kW and kWh increases set out in the column of the Adjustment Addendum entitled "Resale Schedules" for the General Power Rate Schedule applicable to each Expanded Eligible Account multiplied by (ii) the respective kW components of firm billing demand and kWh components of firm energy determined for the customer's monthly bill; provided, however, that no Expanded Credit shall be applied in any month in which the customer's measured demand for that account does not exceed 1,000 kW. For purposes of so determining measured demand:

(A) if the customer is served under Part 3 of either Schedule GSA or Time-of-Day Schedule TGSA, the term "measured demand" shall be deemed to refer to the highest average during any 30-consecutive-minute period of the month of the higher of the load measured in kW or 85 percent of the load in kVA plus an additional 10 percent for that part of the load over 5,000 kVA; or

(B) if the customer is served under any other general power rate schedule, the term "measured demand" shall be deemed to refer to the highest average during any 30-consecutive-minute period of the month of the load measured in kW.

(b) Application of Other Credits. The customer's bill shall be reduced by the amount of the Expanded Credit prior to the application of any credit amounts provided for under section 3 of this agreement, and any credits applicable under the Growth Credit Program, or any comparable program, for which the customer may be eligible.

SECTION 2 - TERM

This agreement shall become effective with Distributor's October 1997 revenue month, and shall continue in effect for the term of the LMBC Agreement.

SECTION 3 - RATIFICATION OF CONTRACTS

The Power Contract and the LMBC Agreement, as supplemented and amended by this agreement, are ratified and confirmed as the continuing obligations of the parties.

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

Attest:

**WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION**

Jewel Conner Secretary By *Ralph C. Edrington* President

TENNESSEE VALLEY AUTHORITY

By *Terry Boston*
Manager, Pricing
Customer Service and Marketing



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

May 10, 1999

TV-59577A
Supp No. 43

Mr. Michael L. Alderdice, General Manager
West Kentucky Rural Electric
Cooperative Corporation
Post Office Box 589
Mayfield, Kentucky 42066-0589

Dear Mr. Alderdice:

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

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

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

Mr. Michael L. Alderdice

Page 2

May 10, 1999

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

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

Sincerely,

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

W. Terry Boston
Manager, Pricing
Customer Service and Marketing

Enclosures

Reactive Charge Credit Program

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

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

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

Credit Examples - Reactive Billing

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

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

The credit would be accounted as follows:

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

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

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

The credit would be accounted as follows:

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

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

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



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

April 1, 1999

TV-59577A
Supp. No. 44

Mr. Ralph Edrington, President
West Kentucky Rural Electric
Cooperative Corporation
Post Office Box 589
Mayfield, Kentucky 42066-0589

Dear Mr. Edrington:

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

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

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

Mr. Ralph Edrington
Page 2
April 1, 1999

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

Sincerely,

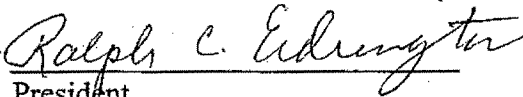


W. Terry Boston
Manager, Pricing
Customer Service and Marketing

Enclosures

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

**WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION**

By 
President

<<<Addressed to ESP customers>>>

Dear _____:

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

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

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

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

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

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

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

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

Sincerely,

TENNESSEE VALLEY AUTHORITY

W. Terry Boston
Manager, Pricing
Customer Service and Marketing

{ INSERT DISTRIBUTOR NAME }

{Name/Title}

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

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

{INSERT CUSTOMER NAME}

By: _____

Title:

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

GUIDELINE 1 - GUIDELINE APPLICABILITY

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

GUIDELINE 2 - DEFINITION OF TERMS

As used in these Guidelines:

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

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

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

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

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

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

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

GUIDELINE 3 - ENROLLMENT IN FSP

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

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

GUIDELINE 4 - FORWARD PURCHASES FOR RELIABILITY OF FSP LOAD

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

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

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

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

GUIDELINE 5 - FSP BILLING

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

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

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

GUIDELINE 6 - TERMINATION OF FSP AGREEMENT

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

GUIDELINE 7 - OTHER ESP CONTRACT PROVISIONS

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

FSP Enrollment Form

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

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

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

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

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

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

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

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

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

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

Company's authorized agent:

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

Sign: _____ Date _____

FSP Withdrawal Form

FAX to TVA at: TVA	Mail to: TVA
Real Time Pricing Manager	Power Business Center
(423) 751- 4607	1101 Market Street
	Chattanooga, TN 37402
	Attn: Real Time Pricing Manager

(or such different person or number as TVA may designate by notice to Company and Distributor)

At the same time this form should also be sent to Distributor via the means designated by Distributor.

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

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

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

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

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

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

Company's authorized agent:

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

Sign: _____ Date _____

ESP PRICING CONFIDENTIALITY PROVISIONS

(APRIL 1999)

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

1. As used in these Provisions:

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

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

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

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

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

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

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

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

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

AGREEMENT
Between
WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION
And
TENNESSEE VALLEY AUTHORITY

DATE: March 1, 1999

TV-59577A, Supp. No. 45

THIS AGREEMENT, made and entered into between WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION (Distributor), a cooperative corporation created and existing under and by virtue of the laws of the Commonwealth of Kentucky, and TENNESSEE VALLEY AUTHORITY (TVA), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended;

W I T N E S S E T H:

WHEREAS, TVA and Distributor have entered into a contract dated April 26, 1982, as amended (Power Contract), under which Distributor purchases its entire requirements for electric power and energy from TVA for resale; and

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

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

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

SECTION 1 - EFFECTIVE DATE

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

SECTION 2 - ALTERNATIVE ARRANGEMENTS

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

SECTION 3 - SERVICE BY DISTRIBUTOR

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

SECTION 4 - SERVICE BY TVA

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

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

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

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

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

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

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

SECTION 6 - TRANSFER OF CONSUMERS

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

SECTION 7 - TERMINATION

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

SECTION 8 - POWER CONTRACT AFFIRMED

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

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

Attest:

Willa June Connor
Secretary

WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION

By Ralph C. Ledring
President

TENNESSEE VALLEY AUTHORITY

By Tony Boston
Manager, Pricing
Customer Service and Marketing

SECURITY DEPOSIT PROGRAM AGREEMENT
Between
WEST KENTUCKY RURAL ELECTRIC COOPERATIVE
CORPORATION
And
TENNESSEE VALLEY AUTHORITY

Date: April 13, 2000

TV-59577A, Supp. No. 46

THIS AGREEMENT, made and entered into by and between WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION (Distributor), a cooperative corporation created and existing under and by virtue of the laws of the Commonwealth of Kentucky and TENNESSEE VALLEY AUTHORITY (TVA), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended (TVA Act);

WITNESSETH:

WHEREAS, Distributor and TVA have entered into a contract dated April 26, 1982, as amended (Power Contract), under which Distributor purchases its entire requirements for electric power and energy from TVA for resale; and

WHEREAS, Distributor, under its standard policy, requires a cash deposit or other substantially equivalent form of security for power bills for commercial and industrial accounts; and

WHEREAS, TVA has developed a program (Program) to provide a limited guarantee to Distributor in lieu of Distributor's requiring or maintaining the standard cash deposit or other substantially equivalent form of security for those commercial and industrial accounts which are nominated by Distributor and approved as eligible by TVA; and

WHEREAS, the Program will be especially responsive to the needs of commercial and industrial customers who operate in more than one location; and

WHEREAS, the parties hereto wish to agree upon the terms and conditions under which Distributor may participate in the Program;

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

SECTION 1 - DEFINITION OF TERMS

The underlined terms used in this agreement shall have the meanings set forth in the attachment entitled "Definitions Attachment," which is made a part of this agreement.

SECTION 2 - ACCOUNT ELIGIBILITY

To be Eligible under the Program, an account must be a Commercial Account:

- (a) nominated by Distributor for participation in the Program as provided in subsection 3.1 below;
- (b) from which Distributor otherwise would require a cash deposit or other substantially equivalent form or security for the account's electric power bill under Distributor's standard deposit policy; and
- (c) which:
 - (1) has been assigned and maintains an Investment Grade Rating, or
 - (2) provides an unconditional guarantee of payment, in a form and amount acceptable to TVA, from a parent company that has been assigned and maintains an Investment Grade Rating, or
 - (3) provides an irrevocable letter of credit, in a form and amount acceptable to TVA, from a financial institution acceptable to TVA, or
 - (4) provides other alternative security in a form and amount that TVA deems acceptable; and
- (d) which assumes a contract obligation to either maintain the security basis on which it qualifies under subsection 2(c) above or, upon termination of such basis, to immediately substitute or provide alternative security in a form and amount that TVA deems acceptable.

SECTION 3 - APPLICATION AND APPROVAL PROCESS

3.1 Account Nomination. Distributor may consider potentially Eligible accounts for nomination under the Program, and TVA, from time to time, also may suggest that Distributor consider certain accounts, especially those that operate in more than one location. Distributor shall in its sole discretion determine whether to nominate a potentially Eligible account as an Applicant.

3.2 Account Application. Distributor shall cause each Applicant to complete a credit application in such form as may be furnished or approved by TVA from time to time. Distributor shall send duplicate originals of the credit application to the TVA Regional Account Manager and the TVA Credit Department at the postal addresses, electronic mail addresses, or facsimile numbers designated by TVA.

3.3 TVA Review. For each Applicant, TVA will review the account application, determine whether the account is Eligible for the Program, and notify Distributor of its decision at the postal address, electronic mail address, or facsimile number designated by Distributor. An Applicant shall be deemed to be a Covered Account from the date of such approval by TVA until the expiration or termination of this agreement.

3.4 Notification Changes. The designation of the persons or departments to receive applications under subsection 3.1 above, the person or department to be notified of TVA's application decision under subsection 3.2 above, or the addresses or facsimile numbers designated in accordance with those subsections may be changed at any time and from time to time by similar notice to the other party.

SECTION 4 - LIMITED GUARANTEE

To the extent of and subject to the conditions set forth in this section 4, TVA shall provide a limited guarantee for each Covered Account.

4.1 Collection Procedures. When any Covered Account becomes delinquent, Distributor shall promptly and diligently pursue collection efforts in accordance with the Guidelines. At such times and intervals as may be specified in the Guidelines, Distributor shall provide reports to TVA concerning any delinquent accounts and Distributor's efforts to collect the same.

4.2 Allocation of Collected Amounts. Any amounts collected from a delinquent Covered Account, excluding any amounts applied to litigation or other collection costs in accordance with the Guidelines, shall be applied to that account's electric bill, beginning with the oldest outstanding past due amount (commonly known as the "first in first out" accounting basis), and shall be assigned on a pro-rata basis to the Wholesale Portion and the Retail Adder of the account.

4.3 Uncollectible Accounts. If Distributor, through the collection efforts outlined in the Guidelines, is unable to fully collect from a delinquent Covered Account, Distributor may make a written application to TVA to have the Covered Account deemed uncollectible. TVA will declare the Covered Account uncollectible after verification that Distributor has exhausted all reasonable efforts to collect the unpaid balance in full compliance with the Guidelines.

4.4 TVA Limited Guarantee. For each Covered Account declared to be uncollectible, TVA will apply a credit to Distributor's wholesale bill in an amount up to the Wholesale Portion of the first two monthly billing cycles of usage that resulted in the unpaid balance (not to exceed a total period of 65 days), to the extent such Wholesale Portion remains uncollected after application of any collected amounts in accordance with subsection 4.2 above. Further, it is expressly recognized and agreed that TVA's guarantee shall not apply to:

(a) the Retail Adder or

(b) any unpaid balance resulting from usage after said billing cycles (except as provided otherwise in subsection 4.5 below with respect to the bankruptcy of a Covered Account).

4.5 Bankruptcy. If a Covered Account files for bankruptcy under Title 11 of the United States Code (as it now exists or may hereafter be amended and referred to below as the "Bankruptcy Code"), the two month billing cycle limitation provided for in subsection 4.4 above shall not apply with respect to coverage of usage that Distributor is required to supply

to the Covered Account as debtor (or to the bankruptcy trustee for the Covered Account) under section 366 of the Bankruptcy Code, so long as Distributor fulfills its obligations under 4.1 above to promptly and diligently pursue collection efforts in accordance with the Guidelines by:

- (a) promptly obtaining adequate assurance of payment under said section 366, and
- (b) otherwise promptly and diligently pursuing all of its rights to collection and security under the Bankruptcy Code.

4.6 Collections After Exercise of the TVA Limited Guarantee. In the event that circumstances arise under which collection efforts again become reasonable in relation to a Covered Account that has been declared uncollectible and for which TVA has provided a credit to Distributor:

- (a) TVA may request that Distributor pursue collection efforts;
- (b) TVA may provide assistance to Distributor in pursuing collection efforts to the extent TVA determines that such assistance is appropriate;
- (c) upon Distributor's refusal or failure to pursue collection efforts, TVA may pursue such efforts, including litigation, in the name of Distributor, TVA, or both, and any actions taken by TVA in such efforts will be binding on Distributor; and
- (d) any amounts received through collection efforts will be allocated in accordance with subsection 4.2 above.

SECTION 5 - MONITORING OF COVERED ACCOUNTS

5.1 Investment Grade Rating Review. At least annually, TVA will review the Investment Grade Rating of each Covered Account that qualified on the basis of such Rating (under subsection 2(c)(1) or (2) above) to ensure that the account is maintaining a Rating that satisfies the eligibility criteria applicable to a Covered Account.

5.2 Review of Other Securities. Distributor shall cooperate with TVA in performing ongoing monitoring of each Covered Account that qualified on the basis of any security other than or in addition to an Investment Grade Rating (under subsection 2(c)(2), (3), or (4) above) to ensure that the qualifying security arrangements continue to be of full force and effect.

5.3 Failure of Security. In the event that the Investment Grade Rating or other security provided by a Covered Account becomes defective in any way in relation to the qualifying criteria:

- (a) the party first discovering the defect will promptly notify the other party, and
- (b) Distributor and TVA will thereafter cooperate in efforts to resolve the defect and/or to enforce the Covered Account's obligation to provide substitute security in accordance with subsection 2(d) above.

SECTION 6 - TERM

6.1 Agreement Term. This agreement shall become effective as of the date first written above. Unless sooner terminated as provided below, it shall continue in effect during the term of the Power Contract.

6.2 Early Termination. Either party may terminate this agreement at any time upon one hundred twenty (120) days' written notice.

6.3 Continuing Obligations. Notwithstanding the termination or expiration of this agreement, the obligations of the parties:

(a) with respect to any Covered Account retail bills accruing prior to the effective date of any such expiration or termination, and

(b) under subsection 4.5 above,

shall continue in effect until they are discharged.

SECTION 7 - ADDITIONAL SECURITY

Other than any security that might be required from a Covered Account under the provisions of this agreement, during the term of this agreement Distributor shall not require or retain any deposit or other security from a Covered Account. It is expressly recognized and agreed that nothing in this section 7 or elsewhere in this agreement shall be constructed to prohibit Distributor from requiring or retaining a deposit or other security:

(a) from a Nominated Account until such time as TVA approves the account as a Covered Account, or

(b) from a Covered Account to provide security for additional facilities or other obligations undertaken by Distributor for the benefit of the Covered Account, where such additional obligations are not a part of the standard arrangements covered by rate schedule charges or other standard charges applicable to the type of power provided to the Covered Account.

SECTION 8 - THIRD PARTIES NOT TO BENEFIT

Notwithstanding any provision of this Agreement that may be interpreted to the contrary, this Agreement does not confer any benefits or rights on any third party except as specifically set out in this agreement.

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

Attest:

WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION

Jewell Connor
Secretary

Ralph C. Ledington
President

TENNESSEE VALLEY AUTHORITY

By James D. Kuyper
Senior Vice President, Marketing

DEFINITIONS ATTACHMENT

As used in this agreement:

- (1) "Applicant" shall mean a potentially Eligible account nominated by Distributor.
- (2) "Commercial Account" shall mean a new or existing account that satisfies the "Availability" requirements of the General Power Rate - Schedule GSA, Schedule GSB, Schedule GSC, or Schedule GSD contained in the Schedule of Rates and Charges attached to and made a part of the Power Contract, as such schedules may be modified, changed, replaced, or adjusted from time to time, and which:
 - (a) has electrical requirements of greater than 50 kW served by Distributor or
 - (b) has electrical requirements of no more than 50 kW served by Distributor but is proposed by TVA for inclusion in the Program as a regional account.
- (3) "Covered Account" shall mean an Applicant that TVA has determined is Eligible under the Program.
- (4) "Eligible" shall mean qualified under the Program by meeting the eligibility requirements set forth in section 3 of the agreement, except that in determining eligibility under said section, TVA also may determine that an Applicant is not Eligible where non-standard wholesale billing arrangements applicable with respect to the Applicant are deemed to be inconsistent with the objectives of the Program.
- (5) "Guidelines" shall mean such guidelines applicable to the Program as may from time to time be furnished or approved by TVA. In the event of any conflict between the provisions of the Guidelines and the provisions of this agreement, the provisions of this agreement shall control.
- (6) "Investment Grade Rating" or "Rating" shall mean a Long-Term Debt Rating (a) by Standard and Poor's of BBB- or better or (b) by Moody's Investors Service of Baa3 or better.
- (7) "Retail Adder" shall mean all amounts other than the Wholesale Portion of the retail bill.
- (8) "Wholesale Billing Adjustment Provisions" shall mean provisions setting forth the steps to be taken with respect to the Covered Account in calculating the wholesale bill each month, which are set forth in any agreement between Distributor and TVA amending or supplementing the Power Contract to provide for arrangements under which a Covered Account pays for power or energy other than at the rates and charges provided for in the Schedule of Rates and Charges to the Power Contract.

(9) "Wholesale Portion" of a retail bill shall mean an amount equal to TVA's wholesale charges to Distributor for the end-usage resulting in the retail bill, consisting of:

(a) the per kW and per kWh wholesale charges to Distributor for kW and kWh amounts deemed to have been taken at the delivery point for the Covered Account and either (i) provided for as base charges under the wholesale schedule in the Schedule of rates and charges to the Power Contract or (ii) added to such base charges in accordance with Wholesale Billing Adjustment Provisions, and

(b) any other charges added to the wholesale bill under Wholesale Billing Adjustment Provisions expressly providing for wholesale charges equal to all or part of a retail charge to the Covered Account.

AGREEMENT
Between
WEST KENTUCKY RURAL ELECTRIC COOPERATIVE
CORPORATION
And
TENNESSEE VALLEY AUTHORITY

Date: SEPT. 24, 2000

TV-59577A, Supp. No. 47

THIS AGREEMENT, made and entered into between WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION (Distributor), a cooperative corporation created and existing under and by virtue of the laws of the Commonwealth of Kentucky, and TENNESSEE VALLEY AUTHORITY (TVA), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended;

WITNESSETH:

WHEREAS, TVA and Distributor have entered into a contract dated April 26, 1982, as amended (Power Contract), under which Distributor purchases its entire requirements for electric power and energy from TVA for resale; and

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

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

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

SECTION 1 - TERM OF AGREEMENT

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

SECTION 2 - BILLING DATA

Data obtained from the metering facilities referred to in section 4 of this agreement will be used (a) by Distributor for the purposes of determining the power and energy taken by

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

SECTION 3 - ADJUSTMENTS TO DISTRIBUTOR'S WHOLESALE BILLING

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

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

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

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

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

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

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

3.5 Credit for Distributor Margin. In order to enable Distributor to recover more adequately the cost of making VPI available to Company, TVA will apply a credit to the

wholesale bill derived by multiplying 40 cents times the highest VPI Demand established under the Company Contract during the month; subject to the same conditions as are applicable with respect to such payments based on ESP demand under the agreement numbered TV-59577A, Supp. No. 37 and dated October 2, 1996.

SECTION 4 - METERING FACILITIES

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

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

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

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

Attest:

**WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION**

Juehl Amos
Secretary

By *Ralph C. Edrington*
President

TENNESSEE VALLEY AUTHORITY

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

ENHANCED SECURITY DEPOSIT PROGRAM AGREEMENT
Between
WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION
And
TENNESSEE VALLEY AUTHORITY

Date: December 17, 2001 TV-59577A, Supp. No. 48

THIS AGREEMENT, made and entered into by and between WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION (Distributor), a cooperative corporation created and existing under and by virtue of the laws of the Commonwealth of Kentucky, and TENNESSEE VALLEY AUTHORITY (TVA), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended (TVA Act);

W I T N E S S E T H:

WHEREAS, Distributor and TVA have entered into a contract dated April 26, 1982, as amended (Power Contract), under which Distributor purchases its entire requirements for electric power and energy from TVA for resale; and

WHEREAS, Distributor, under its standard policy, requires a cash deposit or other substantially equivalent form of security for power bills for commercial and industrial accounts; and

WHEREAS, TVA has developed an Enhanced Security Deposit Program (Enhanced Program), replacing an earlier Security Deposit Program; and

WHEREAS, the Enhanced Program has been designed to provide an enhanced limited guarantee to Distributor in lieu of Distributor's requiring or maintaining the standard cash deposit or other substantially equivalent form of security for those commercial and industrial accounts which are nominated by Distributor and as to which TVA obtains credit insurance (from a third-party underwriter selected by TVA) to cover the risk of non-payment by the account; and

WHEREAS, the Enhanced Program will be especially responsive to the needs of commercial and industrial customers who operate in more than one location; and

WHEREAS, the parties hereto wish to agree upon the terms and conditions under which Distributor may participate in the Enhanced Program;

NOW, THEREFORE, for and in consideration of the premises and of the mutual agreements set forth below, and subject to the provisions of the TVA Act, the parties mutually agree as follows and enter into this agreement consisting of the Articles and exhibits listed in Article I below:

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AGREEMENT CONTENTS

ARTICLE I **AGREEMENT CONTENTS**

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- 7.2 Third Parties Not to Benefit
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AGREEMENT ATTACHMENTS:

- Exhibit A - Credit Application & Nomination Form
- Exhibit B - Uncollectable Account Form

ARTICLE II DEFINITIONS

SECTION 2.1 - APPLICANT

"Applicant" shall mean a potentially eligible account nominated by Distributor.

SECTION 2.2 - COMMERCIAL OR INDUSTRIAL ACCOUNT

"Commercial or Industrial Account" shall mean a new or existing account that satisfies the "Availability" requirements of the General Power Rate - Schedule GSA, Schedule GSB, Schedule GSC, or Schedule GSD contained in the Schedule of Rates and Charges attached to and made a part of the Power Contract, as such schedules may be modified, changed, replaced, or adjusted from time to time.

SECTION 2.3 - UNDERWRITER

"Underwriter" shall mean a business entity that regularly rates and secures risk in the routine course of commerce.

SECTION 2.4 - INSURANCE COVERAGE

"Insurance Coverage" shall mean credit insurance purchased by TVA from a third-party Underwriter selected by TVA in an amount that transfers the risk of Applicant's non-payment of its electric power bills to the Underwriter for a period not to exceed 65 days. It is expressly recognized and agreed:

- (a) that such coverage of any particular account will be approved and issued by the Underwriter in accordance with the terms of the credit insurance purchased by TVA;
- (b) that the Underwriter will be solely responsible for creditworthiness determinations, and neither TVA nor Distributor will be responsible for determining creditworthiness;
- (c) that TVA will be solely responsible for the payment of premiums on any Insurance Coverage;
- (d) that deductible amounts applicable under any such Insurance Coverage shall not reduce any amounts owed by TVA to Distributor under the limited guarantee provided for by this agreement; and
- (e) Distributor shall not be an additional insured under the Insurance Coverage.

SECTION 2.5 - REQUESTED INSURANCE COVERAGE

"Requested Insurance Coverage" shall mean the amount of credit insurance coverage requested by Distributor in the Credit Application and Nomination Form. The requested

coverage shall reflect the amount that Distributor would normally require as a security deposit.

SECTION 2.6 - INSURED ACCOUNT

"Insured Account" shall mean a Commercial or Industrial Account:

- (a) which has electrical requirements of greater than 50 kW served by Distributor; and
- (b) which is nominated by Distributor for participation in the Enhanced Program as provided in section 3.2 below; and
- (c) from which Distributor otherwise would require a cash deposit or other substantially equivalent form of security for the account's electric power bill under Distributor's standard deposit policy in the amount specified in the Credit Application and Nomination Form as the Requested Insurance Coverage; and
- (d) which is approved for and continues to be subject to Insurance Coverage, in a specified amount; and
- (e) which assumes contract obligations, as set out in the Credit Application and Nomination Form, to: (i) furnish such financial information (including, without limitation, balance sheets, income statements, cash flow statements and notes to financial statements) as might from time to time be requested by the Underwriter or TVA, and (ii) to immediately provide Alternative Security upon any lapse of Insurance Coverage; and
- (f) as to which Distributor assumes the obligations set forth in this agreement.

SECTION 2.7 - UNINSURED ACCOUNT

"Uninsured Account" shall mean an account originally qualifying and approved for the Enhanced Program under 2.6 above and Article III below as an Insured Account but as to which Insurance Coverage is no longer operative or in force, regardless of the basis for any such loss of Insurance Coverage. It is expressly recognized and agreed that the basis for a loss of Insurance Coverage may include, but is not limited to:

- (a) cancellation, for any reason, of the Insurance Coverage for a particular Insured Account;
- (b) expiration or termination, for any reason, of the Insurance Coverage policy or agreement providing the risk coverage for the Insured Account without that policy or agreement being renewed or replaced, regardless of the reasons for there being no such renewal or replacement; or
- (c) the occurrence of any other event which triggers cancellation, termination, expiration, or any other lapse of the Insurance Coverage;

provided, however, that nothing in this section shall prevent an Uninsured Account from requalifying as an Insured Account at such time, if any, that Insurance Coverage is restored.

SECTION 2.8 - UNINSURED COVERED ACCOUNT

"Uninsured Covered Account" shall mean an Uninsured Account that is still covered by the limited guarantee provided for in Article V below; provided, however, that it is expressly recognized and agreed that such limited guarantee coverage for an Uninsured Covered Account shall be further limited to the Wholesale Portion of the covered retail bill as provided for in section 5.5 below.

SECTION 2.9 - ALTERNATIVE SECURITY

"Alternative Security" shall mean security from an Uninsured Covered Account in a form and amount acceptable to TVA; provided, however, that TVA shall not require such security in an amount which exceeds the amount provided for under item (b) of section 5.5 below.

SECTION 2.10 - CREDIT APPLICATION AND NOMINATION FORM

"Credit Application and Nomination Form" shall mean the form covering nomination and credit application information which is attached as Exhibit A to this agreement or such revised form as may be specified by TVA by giving at least 30 days' notice to Distributor. It is expressly recognized and agreed that the Credit Application and Nomination Form to be submitted under section 3.2 below shall be in substantially the same form as that provided for in this section 2.10 and shall be signed by an authorized representative of the Distributor and an authorized representative of the Applicant.

SECTION 2.11 - UNCOLLECTABLE ACCOUNT FORM

"Uncollectable Account Form" shall mean the form, certifying to TVA that Distributor has exhausted all reasonable efforts to collect any unpaid balance consistent with the terms of this agreement and the Guidelines, which is attached as Exhibit B to this agreement or such revised form as may be specified by TVA by giving at least 30 days' notice to Distributor. It is expressly recognized and agreed that the Uncollectable Account Form to be submitted under section 5.4 below shall be in substantially the same form as that provided for in this section 2.11.

SECTION 2.12 - GUIDELINES

"Guidelines" shall mean such guidelines applicable to the Enhanced Program as may from time to time be furnished or approved by TVA. In the event of any conflict between the provisions of the Guidelines and the provisions of this agreement, the provisions of this agreement shall control.

SECTION 2.13 - RETAIL ADDER

"Retail Adder" shall mean all amounts other than the Wholesale Portion of the retail bill.

SECTION 2.14 - WHOLESALE BILLING ADJUSTMENT PROVISIONS

"Wholesale Billing Adjustment Provisions" shall mean provisions setting forth the steps to be taken with respect to the Uninsured Covered Account in calculating the wholesale bill each month, which are set forth in any agreement between Distributor and TVA amending or supplementing the Power Contract to provide for arrangements under which an Uninsured Covered Account pays for power or energy other than at the rates and charges provided for in the Schedule of Rates and Charges to the Power Contract.

SECTION 2.15 - ADJUSTMENT 3 AMOUNT

"Adjustment 3 Amount" shall mean any amount accruing to TVA under Adjustment 3 of the wholesale rate schedule contained in the Schedule of Rates and Charges to the Power Contract.

SECTION 2.16 - WHOLESALE PORTION

"Wholesale Portion" of a retail bill shall mean an amount equal to TVA's wholesale charges to Distributor for the end-usage resulting in the retail bill, consisting of:

- (a) the per kW and per kWh wholesale charges to Distributor for kW and kWh amounts delivered to the Uninsured Covered Account (adjusted to reflect losses as provided for below in this section 2.16);
- (b) any other charges added to the wholesale bill under Wholesale Billing Adjustment Provisions expressly providing for wholesale charges equal to all or part of a retail charge to the Uninsured Covered Account; and
- (c) any Adjustment 3 Amount;

provided, however, that for purposes of determining the amount of credits to be applied under section 5.5 or 5.6 below, under which payment of such Adjustment 3 Amount is deferred under the second paragraph of section 4 of Agreement TV-59577A, Supp. No. 22, dated May 1, 1992, the amount referenced in item (c) above shall be deemed to be only that portion, if any, of the Adjustment 3 Amount which actually becomes payable by Distributor.

Except as provided below with respect to any Uninsured Covered Account served through a wholesale delivery point which serves only that customer (Special Delivery Point), the loss adjustments provided for in (a) above shall be made by multiplying the charge to be adjusted by 1.03.

If an Uninsured Covered Account is served through a Special Delivery Point, the loss adjustments provided for in (a) above shall be made by multiplying the charge to be adjusted by a factor of 1 plus the percentage (expressed in decimal form) of actual losses, if any, occurring between the Special Delivery Point and the point of delivery of power and energy provided for in the retail contract between the Distributor and the Uninsured Covered Account.

ARTICLE III INSURED ACCOUNTS

SECTION 3.1 - PROCEDURES

Distributor may consider potentially eligible accounts for nomination under the Enhanced Program, and TVA may also suggest that Distributor consider certain accounts, especially those that operate in more than one location. Applicants shall be considered for approval as Insured Accounts in accordance with the provisions of this Article III and such procedures as may be specified by TVA in the Guidelines; provided, however, that it is expressly recognized and agreed that a suggestion by TVA in accordance with the preceding sentence that Distributor consider an account with electrical requirements of 50 kW or less, shall be deemed to be a waiver with respect to that account of the requirement set forth in item (a) of section 2.6 above.

SECTION 3.2 - ACCOUNT NOMINATION

Distributor shall in its sole discretion determine whether to nominate a potentially eligible account as an Applicant. When Distributor wishes to nominate an account it shall submit, or cause the Applicant to submit, a completed Credit Application and Nomination Form.

SECTION 3.3 - CREDITWORTHINESS DETERMINATION

TVA will cause the Underwriter to review the Credit Application and Nomination Form and such additional information as the Underwriter may require to determine whether an otherwise eligible Applicant qualifies for Insurance Coverage, and if so, the amount of Insurance Coverage (up to the Requested Insurance Coverage) for which the Applicant qualifies. The determination of whether or not the Applicant meets the requirement of item (d) in section 2.6 shall be in the Underwriter's sole discretion.

SECTION 3.4 - COVERAGE AS AN INSURED ACCOUNT

If Applicant otherwise meets the requirements set forth in this agreement, TVA will promptly obtain Insurance Coverage for any Applicant approved by the Underwriter, and Distributor will be promptly notified of the amount of Insurance Coverage for which the Applicant is approved. The Applicant shall then be deemed to be an Insured Account from the date of such notice until the date, if any, as of which the account becomes an Uninsured Account under 2.7 above.

SECTION 3.5 - ADJUSTMENTS IN COVERAGE AMOUNT

If at any time there is a substantial increase in an Insured Account's load or the charges it incurs for power and energy such that Distributor would normally seek additional security under its standard deposit policy, Distributor shall have the right to submit a supplemental Credit Application and Nomination Form seeking an increase in the amount of Insurance Coverage. Any such supplemental Credit Application and Nomination Form will be processed in accordance with section 3.3 and section 3.4 above.

ARTICLE IV

UNINSURED ACCOUNTS

SECTION 4.1 - LAPSE OF INSURANCE COVERAGE

The provisions of this Article IV shall apply when the Insurance Coverage for an Insured Account lapses for any reason.

SECTION 4.2 - COVERAGE AS AN UNINSURED COVERED ACCOUNT

An Uninsured Account shall be deemed to be an Uninsured Covered Account from the effective date of the lapse in Insurance Coverage until the earlier of:

- (a) such time, if any, that Insurance Coverage is restored and the account again becomes an Insured Account;
- (b) the effective date of the expiration or termination of this agreement; or
- (c) the effective date of any termination notice given by TVA under paragraph (d) of section 4.3 below.

SECTION 4.3 - ALTERNATIVE SECURITY

- (a) Upon notice from TVA that Insurance Coverage has lapsed, or will lapse as of a specified date, Distributor and TVA will cooperate in efforts to enforce the account's obligation to provide Alternative Security.
- (b) If the Alternative Security provided by an Uninsured Covered Account in accordance with paragraph (a) of this section 4.3 becomes defective in any way:
 - (i) the party first discovering the defect will promptly notify the other party; and
 - (ii) Distributor and TVA will cooperate in efforts to resolve the defect and/or to enforce the account's obligation to provide Alternative Security.
- (c) As used in this section 4.3, "cooperate" shall mean to promptly initiate and diligently pursue all available remedies legally available for the correction of the defect or the substitution of Alternative Security, including, without limitation, those provided for under the Distributor's power arrangements with the Uninsured Account and under the Credit Application and Nomination Form submitted by the Uninsured Account. Further, in the event that other Alternate Security arrangements are not in place by the date falling 60 days after the date of a notice given under (a) or (b) above, Distributor's obligation of cooperation under this section 4.3 shall include, without limitation, its employment of extraordinary billing and metering arrangements (including weekly metering and billing) where they are a part of Alternative Security arrangements acceptable to TVA and the account.
- (d) It is expressly recognized and agreed that as long as the cooperation provided for above in this section 4.3 continues, an account shall be deemed to be an Uninsured

Covered Account without regard to whether Alternative Security is actually put in place or maintained. If, however, the Distributor fails or refuses to cooperate with TVA in the enforcement of an Uninsured Account's obligation to provide and maintain Alternative Security, TVA may terminate the account's status as an Uninsured Covered Account upon at least 10 days' notice to Distributor.

(e) Any monitoring activities undertaken by TVA with respect to the status of an Uninsured Covered Account shall not relieve Distributor of its responsibility to notify TVA of any defect in the Alternative Security.

ARTICLE V
LIMITED GUARANTEE

SECTION 5.1 - TVA LIMITED GUARANTEE

To the extent of and subject to the conditions set forth in this Article V, including, without limitation, Distributor's obligations under sections 5.2 and 5.3 and subsection 5.6.1 below, TVA shall provide a limited guarantee applicable to each Insured Account and each Uninsured Covered Account.

SECTION 5.2 - COOPERATION REGARDING INSURANCE AND CLAIMS

As a condition of payment by TVA of the limited guarantee, the Distributor shall agree to fully cooperate with TVA and to provide such information as may be needed by TVA in:

- (a) obtaining or maintaining Insurance Coverage for an account, and
- (b) filing and receiving payment on any claim in accordance with the provisions of any such Insurance Coverage.

Such obligation to cooperate shall include, without limitation:

- (i) submitting all names under which the Distributor will sell power and energy to a nominated account and under which the nominated account will purchase power and energy, including any such names which will be used in either contracting with or billing such account; and
- (ii) allowing access by TVA or the Underwriter to Distributor's books and records regarding an Insured Account or any account as to which there is a claim; and
- (iii) promptly providing such information regarding the financial condition and solvency of an Insured Account as may be known to the Distributor and specified or requested by TVA or Underwriter; and
- (iv) notifying TVA or the Underwriter of any sizable decrease in an Insured Account's load or the charges it incurs for power and energy such that the amount of Insurance Coverage, and the corresponding limited guarantee, can be substantially reduced (except that no reduction will be required if the Distributor would not reduce its security under its standard deposit policy); and
- (v) assigning to the Underwriter all Distributor's rights, claims, or causes of action arising from any nonpayment by an Insured Account which are the basis of any claim, to the extent that such assignment is necessary in order for TVA to file or receive payment from the Underwriter on that claim.

It is expressly recognized and agreed that the amount to be assigned to the Underwriter under item (v) above may exceed the total amount of Insurance Coverage approved and issued by the Underwriter for the account (Insurance Coverage Amount); provided, however, that in no event shall such assignment allow the Underwriter to retain any

funds collected from the account pursuant to the assignment which are in excess of the Insurance Coverage Amount plus reasonable collection expenses, including, without limitation, attorney's fees.

SECTION 5.3 - DISTRIBUTOR COLLECTION EFFORTS

5.3.1 Collection Procedures. When any Insured Account or any Uninsured Covered Account becomes delinquent, Distributor shall promptly and diligently pursue collection efforts in accordance with the Guidelines. At such times and intervals as may be specified in the Guidelines, Distributor shall provide reports to TVA concerning any such delinquent accounts and collection efforts.

5.3.2 Allocation of Collected Amounts. Any amounts collected from a delinquent account, excluding any amounts applied to litigation or other collection costs in accordance with the Guidelines, shall be applied to that account's electric bill, beginning with the oldest outstanding past due amount (commonly known as the "first in first out" accounting basis), and shall be assigned on a pro-rata basis to the Wholesale Portion and the Retail Adder of the account.

SECTION 5.4 - UNCOLLECTABLE ACCOUNTS

If Distributor, through the collection efforts outlined in the Guidelines, is unable to fully collect from a delinquent Insured Account or Uninsured Covered Account, Distributor may submit an Uncollectable Account Form, along with documentation, to TVA to have the account deemed uncollectable. The Uncollectable Account Form, along with documentation, shall:

- (a) reflect the details of all actions Distributor has taken to collect the past-due amounts;
- (b) show full implementation of the collection efforts provided for by this agreement and the Guidelines; and
- (c) show the uncollected dollar amount for which Distributor is entitled to be reimbursed through credits applicable under this agreement.

TVA will declare the account uncollectible after verification that Distributor has exhausted all reasonable efforts to collect the unpaid balance in full compliance with the Guidelines.

Upon TVA's approval of a Distributor request to have an account declared uncollectable, such account will no longer be an Insured Account or an Uninsured Covered Account for any purpose under the Enhanced Program until such time, if any, that a new nomination to the Enhanced Program is made by Distributor and approved by TVA.

SECTION 5.5 - WHOLESALE BILL CREDITS

For each account declared to be uncollectible under section 5.4 above, TVA will apply a credit to Distributor's wholesale bill in an amount up to the lower of:

(a) the amount of the retail bill for the first two monthly billing cycles of usage that resulted in the unpaid balance (not to exceed a total period of 65 days), to the extent such balance remains uncollected after application of any collected amounts in accordance with subsection 5.3.2 above; or

(b) the amount of Insurance Coverage, or in the case of an Uninsured Covered Account, the amount of Insurance Coverage which was in effect immediately prior to the lapse of coverage;

provided, however, that for any of the usage described in item (a) above which occurred while the account was an Uninsured Covered Account, the amount used to calculate said item (a) shall be deemed to be limited to the Wholesale Portion of said retail bill and, thus, shall not include the amount of the Retail Adder.

It is expressly recognized and agreed that, except as otherwise provided in subsection 5.6.2 below with respect to bankruptcy, TVA's limited guarantee shall not:

(i) apply to any unpaid balance resulting from usage after the billing cycles described in item (a) above; or

(ii) result in a credit to the Distributor greater than the amount described in item (b) above.

SECTION 5.6 - BANKRUPTCY

5.6.1 Security and Collections. It is expressly recognized and agreed that with regard to a bankruptcy under Title 11 of the United States Code (as it now exists or may hereafter be amended and referred to below as the "Bankruptcy Code"), Distributor shall fulfill its obligations under section 5.3 above to promptly and diligently pursue collection efforts in accordance with the Guidelines by:

(a) promptly obtaining adequate assurance of payment under section 366 of the Bankruptcy Code; and

(b) otherwise promptly and diligently pursuing all of its rights to collection and security under the Bankruptcy Code.

5.6.2 Additional Wholesale Credit. If an Insured Account or an Uninsured Covered Account:

(a) files for protection from creditors under Bankruptcy Code; and

(b) is declared to be uncollectible under section 5.4 above;

in addition to any credits applicable under section 5.5 above and expressly subject to the Distributor's obligations described in 5.6.1 above, for any period beyond the two monthly billing cycles of usage covered under said section 5.5 during which Distributor is required to supply electricity to the account as debtor (or to the bankruptcy trustee for the account) under section 366 of the Bankruptcy Code, TVA will apply a credit to Distributor's wholesale bill in the amount of the Wholesale

Portion of any retail bill for such additional period, to the extent such portion remains uncollected after application of any collected amounts in accordance with subsection 5.3.2 above. It is expressly recognized and agreed that the portion of the TVA limited guarantee provided for by this subsection 5.6.2 shall not apply to the Retail Adder.

SECTION 5.7 - COLLECTIONS AFTER EXCERCISE OF THE TVA LIMITED GUARANTEE

In the event that circumstances arise under which collection efforts again become reasonable in relation to an account that has been declared uncollectible and for which TVA has provided a credit to Distributor under sections 5.5 or 5.6 above, subject to any rights or claims by Underwriter:

- (a) TVA may request that Distributor pursue collection efforts;
- (b) TVA may provide assistance to Distributor in pursuing collection efforts to the extent TVA determines that such assistance is appropriate;
- (c) upon Distributor's refusal or failure to pursue collection efforts, TVA may pursue such efforts, including litigation, in the name of Distributor, TVA, or both, and any actions taken by TVA in such efforts will be binding on Distributor; and
- (d) any amounts received through collection efforts will be allocated in accordance with subsection 5.3.2 above.

ARTICLE VI
TERM PROVISIONS

SECTION 6.1 - AGREEMENT TERM

This agreement shall become effective as of the date first written above. Unless sooner terminated as provided below, it shall continue in effect during the term of the Power Contract.

SECTION 6.2 - EARLY TERMINATION

Either party may terminate this agreement at any time upon one hundred twenty (120) days' written notice.

SECTION 6.3 - CONTINUING OBLIGATIONS

Notwithstanding the termination or expiration of this agreement, the obligations of the parties:

(a) with respect to the retail bills of any Insured Account or any Uninsured Covered Account accruing prior to the effective date of any such expiration or termination; and

(b) under sections 5.6 and 5.7 above;

shall continue in effect until they are discharged.

ARTICLE VII
MISCELLANEOUS PROVISIONS

SECTION 7.1 - ADDITIONAL SECURITY

During the term of this agreement Distributor shall not require or retain any deposit or other security from an Insured Account or Uninsured Covered Account; provided, however, that nothing in this section 7 or elsewhere in this agreement shall be construed to prohibit Distributor from requiring or retaining a deposit or other security:

- (a) from a nominated account until such time as it becomes an Insured Account;
- (b) from an Insured Account in an amount up to the amount, if any, by which the Requested Insurance Coverage exceeds the amount of Insurance Coverage;
- (c) from an Uninsured Covered Account in the amount of the Alternative Security obtained from the account, plus, to the extent, if any, that it is not included as a part of such Alternative Security:
 - (i) the amount, if any, allowed under (b) above when the account was an Insured Account; and
 - (ii) an amount equal to the Retail Adder reflected in the amount of Insurance Coverage approved by the Underwriter under section 3.3 above; and
- (d) from an Uninsured Account after such time, if any, that it ceases to be an Uninsured Covered Account.

SECTION 7.2 - THIRD PARTIES NOT TO BENEFIT

Notwithstanding any provision of this agreement that may be interpreted to the contrary, this agreement does not confer any benefits or rights on any third party except as specifically set out in this agreement.

SECTION 7.3 - PREVIOUS SECURITY DEPOSIT AGREEMENT

Security Deposit Program Agreement, TV-59577A, Supp. No. 46, dated April 13, 2000, between Distributor and TVA is hereby terminated as of the effective date of this agreement.

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

**WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION**

By Ralph C. Edrington
Title: PRESIDENT

TENNESSEE VALLEY AUTHORITY

By Samuel D. Kayfer
Senior Vice President, Marketing

Exhibit "A"
Enhanced Security Deposit Program
Credit Application & Nomination Form

Credit Application Section (to be completed by Applicant)

APPLICANT: _____
(List all name(s) under which the nominated account will contract for or be billed for power and energy.)

Applicant Address:

(Include street address, City, State, & zip code) Telephone: _____

DUNS No. _____ **Additional financial information is attached.**
(Providing additional financial information may facilitate faster processing of this application.)

By the signature of its duly authorized representative and as an application for participation in the Enhanced Security Deposit Program (Program) being jointly conducted by Distributor and its wholesale power supplier, the Tennessee Valley Authority (TVA), Applicant hereby:

1. represents and warrants that the above information and any attached financial information is true and correct;
2. authorizes such inquiries as are considered necessary by the insurer or underwriter used by TVA for the Program (hereinafter "Underwriter") to obtain credit information regarding Applicant and authorizes banks, creditors, or other entities having such credit information to release such information to the Underwriter;
3. agrees to furnish such financial information (including, without limitation, balance sheets, income statements, cash flow statements and notes to financial statements) as might be requested by the Underwriter in connection with its review of this application; and
4. agrees, if nominated and approved for participation in the Program on the basis of credit insurance obtained by TVA (hereinafter "Insurance Coverage"):
 - (a) to furnish such financial information as might from time to time be requested by the Underwriter or TVA, and
 - (b) authorizes such inquiries as are considered necessary by the Underwriter or TVA to from time to time obtain credit information regarding Applicant and authorizes banks, creditors, or other entities having such credit information to release such information to the Underwriter or TVA, and
 - (c) to immediately substitute or provide alternative security, in a form and amount that TVA deems acceptable, upon any lapse in the Insurance Coverage for any reason, including, without limitation, the Underwriter or TVA (i) canceling the coverage for any reason or (ii) not renewing the coverage for any reason;
5. agrees that as a part of such alternative security arrangements Distributor may employ weekly or other extraordinary meter-reading or billing arrangements calculated to facilitate such alternative security arrangements;
6. agrees that any failure to substitute or provide alternative security will be deemed to be a breach of the Applicant's power supply arrangements with the Distributor;
7. agrees that if Applicant does not fully remedy such a breach by the date falling 30 days' after the date when it first arises, Distributor shall have the right, upon 15 days' written notice, to discontinue the supply of power to Applicant and to refuse to resume delivery until Applicant substitutes or provides alternative security to fully remedy the breach; and
8. agrees that any discontinuance of supply in accordance with 7 above shall not relieve Applicant of liability for minimum monthly charges or payment of past due amounts.

Signature: _____ **Title:** _____

Nomination Section (to be completed by Distributor)

DISTRIBUTOR: _____
(List all name(s) under which power and energy will be sold or billed by Distributor.)

Requested Insurance Coverage Amount: \$ _____

Distributor Contact Name: _____

E-mail Address: _____ **Telephone:** _____ **Fax:** _____

By the signature of its duly authorized representative and in accordance with and subject to the Enhanced Security Program Agreement and Guidelines, Distributor hereby:

1. nominates the Applicant for participation in the Enhanced Security Deposit Program, and
2. represents and warrants that (a) said nominated account is a new or existing commercial or industrial customer from which Distributor would otherwise require a cash deposit or other substantially equivalent form of security, (b) the Requested Insurance Coverage Amount set forth above reflects the amount of such deposit or security that Distributor would otherwise so require, and (c) that the Credit Application section of this form has been completed by a duly authorized representative of the Applicant.

Signature: _____ **Title:** _____

Exhibit "B"
Enhanced Security Deposit Program
Uncollectable Account Form

Date:

Tennessee Valley Authority
Attn. Credit Department
400 West Summit Hill Drive, WT 5D
Knoxville, TN 37902-1499

Dear Credit Manager:

This is in reference to the account of _____
(name of the Insured Account or Uninsured Covered Account) for service to its
plant/facility in/near _____, which account is an account to
which a limited guarantee applies under the Enhanced Security Deposit Program being
jointly conducted by TVA and _____
(Distributor). By the signature of its duly authorized representative appearing below and
in accordance with and subject to the Enhanced Security Deposit Program Agreement,
and Guidelines, Distributor hereby makes a written application to TVA to have the
account declared by TVA to be uncollectable and certifies that:

1. Distributor has fully complied with the procedures set forth in the
Enhanced Security Deposit Program Agreement and the Guidelines.
2. The total uncollected amount for which it believes it is entitled to be
reimbursed by TVA through credits applicable under the Enhanced
Security Deposit Program Agreement is \$ _____.
3. Distributor has attached to this form copies of all documents from
Distributor's records (a) showing such compliance (b) showing the details
of or relating to Distributor's efforts to collect the delinquent account, and
(c) supporting the amount claimed under item 2 above.

Distributor: _____

By: _____

Title:



WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

P.O. BOX 589

MAYFIELD, KENTUCKY 42066

President
EUGENE CHANEY, Vice President
JEWELL CONNER, Sec'y Treas.
RICHAE L. ALGERDICE, Manager

MAYFIELD (270) 247-1321
MURRAY (270) 753-5012
BENTON (270) 527-1307
BARDWELL (270) 628-3431
FAX: (270) 247-6496

December 11, 2001

Mr. Ernie Peterson
Customer Service Manager Kentucky
TENNESSEE VALLEY AUTHORITY
10060 State Route 45 North
Hickory, KY 42051

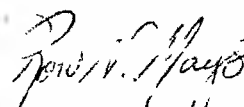
Dear Mr. Peterson:

Attached are two executed original contracts of the Enhanced Security Deposit Program.

Please return a fully executed original for our files.

Yours very truly,

WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION


Ron N. Mays
Acting Manager

RNM:cle

IN THE ELECTRIC CENTER OF AMERICA

An Equal Opportunity Employer

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

Mark O. Medford
Executive Vice President
Customer Service and Marketing

November 7, 2001

Mr. Ralph Edrington, President
West Kentucky Rural Electric
Cooperative Corporation
Post Office Box 589
Mayfield, Kentucky 42066-0589

Dear Mr. Edrington:

In response to requests from many distributors, TVA began working to offer an improved Security Deposit Program. We hope to make it easier for your commercial, industrial, and regional account customers to guarantee a portion of their utility payments without tying up valuable capital. We are now pleased to announce an Enhanced Security Deposit Program that will be faster, easier to administer, and lower risk.

Before we can offer this Enhanced Program we must first cancel the existing program. Therefore, pursuant to the terms of Security Deposit Program Agreement between West Kentucky Rural Electric Cooperative Corporation and TVA, numbered TV-59577A, Supp. No. 46, and dated April 13, 2000, TVA hereby gives notice of termination effective as of January 15, 2002.

We believe that many distributors will be anxious to participate in the Enhanced Program as soon as possible. To that end, TVA's receipt of a signed copy of the Enhanced Security Deposit Agreement before the above termination date will also serve as termination of the Security Deposit Program.

Enclosed are the Enhanced Security Deposit Agreement, Guidelines and Collection Procedures that have been reviewed and approved by TVPPA.

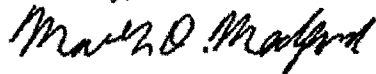
Also, enclosed is information that provides details on the features of the Enhanced Program. We think you will agree that we have made improvements. A significant feature is the addition of a third-party underwriter to manage administrative functions and assume most of the program risk. The underwriter will determine specific eligibility criteria that we anticipate will be less restrictive than TVA's criteria because that is the underwriter's primary business. We expect an approval rate of 50 to 60 percent for those accounts that apply, with a response expected within five business days. TVA will assume the costs of the underwriter's services.

Mr. Ralph Edrington
Page 2
November 7, 2001

The most significant change in the program is that distributors with "insured accounts" are guaranteed payment for 100 percent of the customers' bill (both wholesale and retail portions), for up to 65 days of service if the account fails to pay.

We are optimistic that this Enhanced Program will provide increased value for you and your relationship with your customers. We hope that you will participate by signing both originals of the Enhanced Security Deposit Program Agreement and returning them to your TVA Customer Service Manager, and begin making this Enhanced Program work for you.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark O. Medford". The signature is written in a cursive, slightly slanted style.

Mark O. Medford

Enclosures

AGREEMENT
Between
WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION
And
TENNESSEE VALLEY AUTHORITY

Date: November 24, 2001

TV-59577A, Supp. No. 49

THIS AGREEMENT, made and entered into by and between WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION (Distributor), a cooperative corporation created and existing under and by virtue of the laws of the Commonwealth of Kentucky, and TENNESSEE VALLEY AUTHORITY (TVA), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended;

W I T N E S S E T H:

WHEREAS, under Power Contract TV-59577A, dated April 26, 1982, as amended (Power Contract), electric power and energy are supplied by TVA at wholesale and purchased by Distributor for resale; and

WHEREAS, TVA, Distributor, and CTNA Manufacturing Limited Partnership (Company) have entered into a contract of even date herewith (Company Contract) covering arrangements under which TVA will make available to Distributor for resale to Company a supply of firm power and limited interruptible power (LIP) for operation of Company's plant near Mayfield, Kentucky; and

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

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

SECTION 1 - TERM OF AGREEMENT

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

SECTION 2 - BILLING DATA

Data obtained from the metering installation referred to in section 4 below will be used (a) by Distributor for the purposes of determining the power and energy taken by Company and (b) by TVA for determining applicable adjustments for Distributor's wholesale bill. Accordingly, each month TVA shall, as soon as practicable after the scheduled meter-reading date for Company, furnish to Distributor metering data necessary to bill company for power and energy made available under the Company Contract, including any fixed price or hourly replacement power made available under the LIP Attachment to the Company Contract, and the price for such power. Each month Distributor shall furnish to TVA a copy of Distributor's bill to Company for power and energy made available under the Company Contract when it is rendered and such other information related to Company's power and energy takings as TVA may require.

SECTION 3 - ADJUSTMENTS TO DISTRIBUTOR'S WHOLESALE BILLING

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

3.1 Firm Power and Energy. Distributor will be billed demand and energy charges as provided in the wholesale rate schedule (Wholesale Schedule), which is contained in the Schedule of Rates and Charges attached to and made a part of the Power Contract, for any firm power and energy resold under the Company Contract; provided, however, that for the purposes of calculating said charges for any month in which (i) Company is deemed to have taken any LIP energy under the Company Contract or (ii) Company has taken any fixed price replacement power or hourly replacement power under the Company Contract, the term "metered demand" in the Wholesale Schedule shall be deemed to refer to an amount equal to the sum of the billing demand for firm power and any billing demand for excess power (as those demands are calculated under the Company Contract).

3.2 LIP Charges. (a) The total dollar amount of base demand and energy charges calculated under the Wholesale Schedule shall be increased by adding thereto an amount equal to the sum of (i) Distributor's monthly charge to Company for LIP demand and energy and (ii) any charges to Customer for fixed price or hourly replacement power scheduled during the month (as all such charges are determined under the Company Contract and adjusted to reflect losses as provided in (b) below).

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

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

3.3 Credit for Distributor Margin. In order to enable Distributor to recover more adequately the cost of making LIP available to Company, TVA will apply a credit to

the wholesale bill derived by multiplying 40 cents times the highest LIP Demand established under the Company Contract during the month.

3.4 Adjustment 3 of Wholesale Schedule. For purposes of applying the provisions of Adjustment 3 to the Wholesale Schedule, the term "contract demand" appearing in those provisions shall be deemed to be the total of the firm power and LIP available under the Company Contract.

SECTION 4 - METERING FACILITIES

It is recognized that the amounts of power and energy delivered to Company by Distributor at the delivery point specified in the Company Contract are measured by Distributor's existing metering facilities located at Distributor's Hickory Grove Substation and that such facilities utilize a telephone circuit for various data transmission and communication purposes. Distributor agrees for TVA to have access to the data stored in said metering facilities through the telephone circuit and will provide to TVA any information necessary for the exercise of such access. Distributor further grants to TVA access to the metering facilities for the purpose of confirmation of the metering data being received by telephone. The use of the telephone circuit and access to the metering data will be coordinated by TVA's and Distributor's operating representatives to ensure unrestricted access by TVA for data retrieval purposes during such periods as specified by TVA.

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

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

By Ralph L. Edrington
Title

TENNESSEE VALLEY AUTHORITY

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

September 25, 2002

RESALE RATE SCHEDULE SUBSTITUTION AGREEMENT
Between
WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION
(DISTRIBUTOR)
And
TENNESSEE VALLEY AUTHORITY (TVA)

Distributor and TVA agree to substitute the new resale rate schedule specified in (a) below, a copy of which is attached, for the resale rate schedule specified in (b) below, which is now in effect under provisions of Power Contract TV-59577A, dated April 26, 1982, as amended (Power Contract), between TVA and Distributor. This substitution is to be effective for all bills rendered from resale meter readings taken for revenue months of Distributor beginning with the September 2002 revenue month.

- (a) New resale rate schedule:
Outdoor Lighting Rate -- Schedule LS (September 2002)
- (b) Existing resale rate schedule:
Outdoor Lighting Rate -- Schedule LS (October 1997)

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

**WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION**

By David E. Smart
Title: President & CEO

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

TENNESSEE VALLEY AUTHORITY

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

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

OUTDOOR LIGHTING RATE--SCHEDULE LS

(September 2002)*

Availability

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

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

Payment

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

Adjustment

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

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

- I. Energy Charge: 4.381¢ per kWh per month

- II. Facility Charge

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

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

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