

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	\$4.43
	250	10,400	98	\$3.21
	400	19,100	155	\$5.92
	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	\$4.95
	150	14,400	63	\$4.90
	200	18,900	82	\$4.61
	250	23,000	105	\$4.87
	400	45,000	165	\$5.87
Low Pressure Sodium	1,000	126,000	385	\$10.40
	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, 4.381¢ 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.

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Service is subject to Rules and Regulations of Distributor.



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

January 10, 2003

TV-59577A, Supp. No. 51

Mr. David Smart  
General Manager  
West Kentucky Rural Electric  
Cooperative Corporation  
Post Office Box 589  
Mayfield, Kentucky 42066-0589

Dear Mr. Smart:

This will confirm the arrangements developed between representatives of WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION (Distributor), and Tennessee Valley Authority (TVA) with respect to amending the wholesale power contract dated April 26, 1982, as amended (Power Contract), between the parties to provide for electronic payment of Distributor's monthly wholesale power bill.

It is understood and agreed that effective with the January 2003 billing month:

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

Mr. David Smart  
Page 2  
January 10, 2003

- g. TVA's average short-term interest rate shall be determined in the same manner set out in the first paragraph of the section headed "Billing" of the Schedule of Terms and Conditions of the Power Contract.
- h. The section headed "Billing" of the Schedule of Terms and Conditions of the Power Contract shall be called the "Billing Section."

2. Electronic Payment of Wholesale Bill. Distributor agrees to pay its wholesale bill to TVA using one of the electronic payment methods approved by TVA. There are currently two methods available: Automatic Clearing House (ACH) Credit and ACH Debit. Distributor will inform TVA of the method it selects, and TVA will supply Distributor with detailed instructions on using the method selected. Distributor may change to any other TVA-approved method upon 30 days' notice. A third payment method, Fedwire Transfer, is only to be used on an emergency basis. If Distributor is currently using this method, unless otherwise agreed by TVA, Distributor will promptly arrange for the conversion from the Fedwire Transfer method to one of the above ACH payment methods following execution of this agreement.

3. All Invoice Items Covered. The provisions of this agreement will apply to all items shown on the monthly wholesale power invoice, whether or not such items are directly related to payment for power and energy used in the monthly billing period.

4. When Payment Is Considered Received. Payment will be considered to have been received by TVA on a particular business day if (a) the electronic fund transfer to TVA's account is effective that day and (b) Distributor notifies TVA, in the manner specified by TVA, of the pending electronic payment by no later than 12:00 p.m. on the preceding business day. Otherwise, the business day following the date that the transfer is effective will be considered to be the date of payment for all purposes of this agreement.

5. Late Charge. To any amount not considered received on or before the last date for electronic bill payment, there shall be added an additional charge. This charge shall be equal to the sum of (a) \$150 and (b) an amount calculated by applying TVA's average short-term interest rate to the unreceived portion of the bill for each day of the period from the Due Date to the date payment in full is considered received.

6. Early Payment Credit. If payment is considered received by TVA at least 5 calendar days prior to the last date for electronic bill payment, TVA will allow Distributor an early payment credit. Such credit will be determined by applying TVA's average short-term interest rate to the amount of the early payment for each day of the period (not to exceed 25 days) from the date payment was considered received to the last date for electronic bill payment. Distributor may deduct the amount of this credit from its wholesale power bill. In such case, Distributor will send a credit advice showing how the credit amount was calculated.

Mr. David Smart  
Page 3  
January 10, 2003

7. Term of Agreement. This agreement shall remain in effect for the term of the Power Contract, unless terminated by either party upon 30 days' prior written notice.

8. Suspension of Certain Existing Billing Provisions. During the term of this agreement certain provisions of the Billing Section are suspended. Those provisions are the first four sentences of the first paragraph and the entire second paragraph. In the event this agreement is terminated under section 7 above, the suspended provisions will be automatically reinstated.

9. Power Contract Affirmed. Except as expressly provided otherwise under this agreement, the provisions of the Billing Section shall remain in full force and effect. The Power Contract, as supplemented and amended by this agreement, is hereby ratified and confirmed as the continuing obligation of the parties.

If this letter satisfactorily sets forth our understandings, please execute two counterparts of this letter and return one fully executed counterpart to the TVA customer service center. Upon execution by your duly authorized representative, this letter shall be a binding agreement.

Sincerely,



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

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

**WEST KENTUCKY RURAL ELECTRIC  
COOPERATIVE COOPERATION**

By David E. Smart  
Title: President & CEO

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

Date: May 24, 2003

TV-59577A, Supp. No. 52

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, 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 variable price interruptible power (VPI) 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 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 charge to Company for VPI energy under section 6.3 of 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 subsection 6.2.1 of the Company Contract will be included as part of the wholesale bill.



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

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

#### **SECTION 4 - METERING FACILITIES**

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

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

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

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.

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.

**WEST KENTUCKY RURAL ELECTRIC  
COOPERATIVE CORPORATION**

By David E. Smart  
Title: President & CEO

**TENNESSEE VALLEY AUTHORITY**

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

## 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.

September 26, 2003

**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 were due to become effective as of the October 2003 revenue month 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 October 2003 revenue month.

- (a) New resale rate schedules:  
Residential Rate--Schedule RS (October 2003, R1)  
General Power Rate--Schedule GSA (October 2003, R1)  
Outdoor Lighting Rate--Schedule LS (October 2003, R1)
- (b) Existing resale rate schedules:  
Residential Rate--Schedule RS (October 2003)  
General Power Rate--Schedule GSA (October 2003)  
Outdoor Lighting Rate--Schedule LS (October 2003)

It is understood that, upon execution of this agreement by TVA and Distributor, all references in the Power Contract to the existing resale rate 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 David E. Smart  
Title:

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

**TENNESSEE VALLEY AUTHORITY**

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

# WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

## RESIDENTIAL RATE--SCHEDULE RS

(October 2003, 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: \$1.71 per month

Energy Charge: 6.928¢ per kWh per month for first 800 kWh

6.238¢ 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 under Adjustment 2 or Adjustment 4 of the wholesale power rate schedule applicable under contractual arrangements between TVA and Distributor.)

### 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

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\* Incorporates adjustments set out in October 2003 Adjustment Addendum (Environmental Adjustment)

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.

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Service is subject to Rules and Regulations of Distributor.

# WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

## GENERAL POWER RATE--SCHEDULE GSA

(October 2003, R1)\*

### Availability

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

### Character of Service

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

### Base Charges

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

Customer Charge: \$13.50 per delivery point per month

Energy Charge: 7.766¢ 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 \$13.43 per kW

Energy Charge: First 15,000 kWh per month at 7.766¢ per kWh

Additional kWh per month at 3.438¢ per kWh

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

Customer Charge: \$100.00 per delivery point per month

\* Incorporates adjustments set out in October 2003 Adjustment Addendum (Environmental Adjustment)



Demand Charge: First 1,000 kW of billing demand per month, at \$12.78 per kW  
Excess over 1,000 kW of billing demand per month, at \$13.85 per kW, plus an additional \$13.85 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: 3.438¢ per kWh per month

### Adjustment

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

### Determination of Demand

Distributor shall meter the demands in kW of all customers having loads in excess of 50 kW. The metered demand for any month shall be the highest average during any 30-consecutive-minute period of the month of the load metered in kW. The measured demand for any month shall be the higher of the highest average during any 30-consecutive-minute period of the month of (a) the load metered in kW or (b) 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.

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Service is subject to Rules and Regulations of Distributor.

**WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION**

**OUTDOOR LIGHTING RATE--SCHEDULE LS**

(October 2003, R1)\*

Availability

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

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

Payment

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

Adjustment

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

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

- I. Energy Charge: 4.624¢ 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

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\* Incorporates adjustments set out in October 2003 Adjustment Addendum (Environmental Adjustment)

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	\$4.43
	250	10,400	98	\$3.21
	400	19,100	155	\$5.92
	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	\$4.95
	150	14,400	63	\$4.90
	200	18,900	82	\$4.61
	250	23,000	105	\$4.87
	400	45,000	165	\$5.87
Low Pressure Sodium	1,000	126,000	385	\$10.40
	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, 4.624¢ 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.

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Service is subject to Rules and Regulations of Distributor.

October 16, 2003

**TIME-OF-DAY RESALE RATE SCHEDULE AGREEMENT**  
**Between**  
**WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION**  
**(DISTRIBUTOR)**  
**And**  
**TENNESSEE VALLEY AUTHORITY (TVA)**

Distributor and TVA agree to add the time-of-day resale rate schedule specified below, a copy of which is Exhibit A to this agreement, to the Schedule of Rates and Charges attached to and made a part of Power Contract, TV-59577A, dated April 26, 1982, as amended, between TVA and Distributor. Distributor and TVA further agree that the adjustments set out in Exhibit B to this agreement shall be deemed to be a part of the Adjustment Addendum to said Schedule of Rates and Charges dated October 1, 2003, and entitled "Environmental Adjustment." This addition is to be effective for all revenue months of Distributor beginning with the October 2003 revenue month.

Time-of-Day General Power Rate--Schedule TGSA (October 2003)

**WEST KENTUCKY RURAL ELECTRIC  
COOPERATIVE CORPORATION**

By David C. Smart  
Title:

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

**TENNESSEE VALLEY AUTHORITY**

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

**EXHIBIT A**  
**to**  
**TIME-OF-DAY RESALE RATE SCHEDULE AGREEMENT**



## WEST KENTUCKY RURAL ELECTRIC

### TIME-OF-DAY GENERAL POWER RATE--SCHEDULE TGSA

(October 2003)

#### Availability

This rate shall be available for the firm power requirements (where the higher of a customer's onpeak or offpeak 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, 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 service voltage available in the vicinity or agreed to by Distributor.

#### Base Charges

1. If the higher of (1) the higher of the customer's currently effective onpeak or offpeak contract demand or (2) the customer's highest onpeak or offpeak billing demand during the latest 12-month period is not more than 50 kW:

Customer Charge: \$38.50 per delivery point per month

Energy Charge: 11.623¢ per kWh per month for all onpeak kWh

4.535¢ per kWh per month for all offpeak kWh

2. If the higher of (1) the higher of the customer's currently effective onpeak or offpeak contract demand or (2) the customer's highest onpeak or offpeak billing demand during the latest 12-month period is greater than 50 kW but no more than 1,000 kW:

Customer Charge: \$62.00 per delivery point per month

Demand Charge: \$12.90 per kW of the customer's onpeak billing demand, plus

\$6.35 per month for each kW, if any, of the amount by which the customer's offpeak billing demand exceeds its onpeak billing demand

Energy Charge: 5.052¢ per kWh per month for all onpeak kWh

3.468¢ per kWh per month for all offpeak kWh

3. If the higher of (1) the higher of the customer's currently effective onpeak or offpeak contract demand or (2) the customer's highest onpeak or offpeak billing demand during the latest 12-month period is greater than 1,000 kW:

Customer Charge: \$125.00 per delivery point per month

Demand Charge: \$12.97 per kW per month of the customer's onpeak billing demand, plus  
\$5.15 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

\$12.97 per kW per month for each kW, if any, of the amount by which (1) the customer's onpeak billing demand exceeds the higher of 2,500 kW or its onpeak contract demand or (2) the customer's offpeak billing demand exceeds the higher of 2,500 kW or its offpeak contract demand, whichever is higher

Energy Charge: 4.205¢ per kWh per month for all onpeak kWh

2.621¢ per kWh per month for all offpeak kWh

### Adjustment

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

### 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 demand and the offpeak 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 higher of the highest average during any 30-consecutive-minute period beginning or ending on a clock hour 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, 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 30 percent of the customer's onpeak demand amount. The offpeak billing demand shall in no case be less than 30 percent of the customer's offpeak demand amount.

For purposes of this section, the onpeak demand amount referred to above shall be the higher of the currently effective onpeak contract demand or the highest onpeak billing demand established in the preceding 12 months, and the offpeak demand amount referred to above shall be the higher of the currently effective offpeak contract demand or the highest offpeak billing demand established in 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 portion of the base demand charge, as adjusted, applicable to onpeak billing demand applied to the customer's onpeak billing demand, (c) the portion of the base demand charge, as adjusted, applicable to the 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, (d) the base onpeak energy charge, as adjusted, applied to the customer's onpeak energy takings, (e) the base offpeak energy charge, as adjusted, applied to the customer's offpeak energy takings, and (f) the distribution capacity charge applied to the higher of the customer's onpeak or offpeak billing demand; provided, however, under 2 of the Base Charges, the monthly bill shall in no event be less than the sum of (a) the base customer charge, (b) 20 percent of the base onpeak demand charge, as adjusted, multiplied by the customer's onpeak billing demand, (c) 20 percent of the portion of the base demand charge, as adjusted, applicable to the 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, and (d) 20 percent of the distribution capacity charge, as adjusted, applied to the higher of the customer's onpeak or offpeak billing demand.

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 above and (2) \$4.00 per kW per month of the higher of the onpeak or offpeak billing demand under 2 and 3 above. 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 shall require contracts for all service provided under this rate schedule 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.

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 GSA. 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 GSA 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.

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Service is subject to Rules and Regulations of Distributor.

**EXHIBIT B**  
**to**  
**TIME-OF-DAY RESALE RATE SCHEDULE AGREEMENT**

The following adjustments shall be deemed to be a part of the Adjustment Addendum to the Schedule of Rates and Charges dated October 1, 2003, and entitled "Environmental Adjustment."

**TIME-OF-DAY SERVICE**

**General Power Service**

Schedule TGSA

Part 1	Energy Charge:	Onpeak	Add 0.592¢	Add 0.628¢
		Offpeak	Add 0.156¢	Add 0.165¢
Part 2	Demand Charge	Onpeak	Add \$0.46	Add \$0.48
		Excess Offpeak	Add \$0.06	Add \$0.06
	Energy Charge	Onpeak	Add 0.250¢	Add 0.260¢
		Offpeak	Add 0.153¢	Add 0.159¢
Part 3	Demand Charge	Onpeak	Add \$0.54	Add \$0.56
		Excess Offpeak	Add \$0.06	Add \$0.06
	Energy Charge	Onpeak	Add 0.250¢	Add 0.260¢
		Offpeak	Add 0.153¢	Add 0.159¢



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

October 9, 2003

TV-59577A, Supp. No. 55

Mr. David Smart, President and CEO  
West Kentucky Rural Electric  
Cooperative Corporation  
Post Office Box 589  
Mayfield, Kentucky 42066

Dear Mr. Smart:

This is in further response to your questions about the resale adjustment addendum amounts for your system in the 2003 Environmental Adjustment adopted by the TVA Board on August 27, 2003. After TVA analysis of the issues raised by those questions, the TVA Board has now approved the offering of the revised resale adjustment amounts reflected in the enclosed replacement Environmental Adjustment.

To confirm that your system will apply the attached replacement Environmental Adjustment in lieu of the adjustment addendum mailed to you on August 27, 2003, please execute and return the enclosed duplicate original of this letter.

Very truly yours,

A handwritten signature in black ink that reads "Cynthia L. Herron".

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

Enclosure

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

WEST KENTUCKY RURAL ELECTRIC  
COOPERATIVE CORPORATION

By David E. Smart  
Title:

**TENNESSEE VALLEY AUTHORITY**  
 -----  
**ENVIRONMENTAL ADJUSTMENT**  
**ADJUSTMENT ADDENDUM**  
 TO  
**SCHEDULE OF RATES AND CHARGES**  
 FOR

**WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION**

EFFECTIVE OCTOBER 1, 2003

The following table lists the Adjustments applicable to the designed rate schedules. All adjustments shall be applicable to bills rendered from meter readings taken for TVA and Distributor monthly billing cycles scheduled to begin on or after the effective date of this Adjustment Addendum. Subject to any future Rate Adjustment or Rate Change, this Adjustment Addendum will remain in effect for 10 years.

		Wholesale Schedules	Resale Schedules
<b>STANDARD SERVICE</b>			
<u>Residential Service</u>			
<u>Schedule RS</u>			
	Energy Charge:	Add 0.283¢	Add 0.305¢*
<u>General Power Service</u>			
<u>Schedule GSA</u>			
Part 1	Energy Charge:	Add 0.333¢	Add 0.353¢*
Part 2	Demand Charge:	First 50 kW	Add \$0.00
		Excess over 50 kW	Add \$0.47
	Energy Charge:	First 15,000 kWh	Add 0.333¢
		Additional kWh	Add 0.191¢
Part 3	Demand Charge:	First 1,000 kW	Add \$0.48
		Excess over 1,000 kW	Add \$0.58
	Energy Charge:	Add 0.191¢	Add 0.198¢*
<u>Schedule GSB</u>			
	Demand Charge:	Add \$0.59	Add \$0.61
	Energy Charge:	First 620 hours use of demand	Add 0.170¢
		Additional kWh	Add 0.139¢
<u>Schedule GSC</u>			
	Demand Charge:	Add \$0.59	Add \$0.61
	Energy Charge:	First 620 hours use of demand	Add 0.170¢
		Additional kWh	Add 0.139¢
<u>Schedule GSD</u>			
	Demand Charge:	Add \$0.73	Add \$0.75
	Energy Charge:	Add 0.136¢	Add 0.140¢

\*Applicable also to additional components of the resale energy charge

\*\*Applicable also to additional components of the resale demand charge

		Wholesale Schedules	Resale Schedules
<b><u>Manufacturing Service</u></b>			
<b><u>Schedule MSB</u></b>			
Part 1	Demand Charge:	Add \$0.50	Add \$0.52
	Energy Charge:	First 620 hours use of demand Additional kWh	Add 0.145¢ Add 0.121¢
Part 2	Demand Charge:	Add \$0.48	Add \$0.49
	Energy Charge:	First 620 hours use of demand Additional kWh	Add 0.138¢ Add 0.115¢
<b><u>Schedule MSC</u></b>			
	Demand Charge:	Add \$0.48	Add \$0.49
	Energy Charge:	First 620 hours use of demand Additional kWh	Add 0.138¢ Add 0.115¢
<b><u>Schedule MSD</u></b>			
	Demand Charge:	Add \$0.59	Add \$0.61
	Energy Charge:	Add 0.110¢	Add 0.113¢
<b><u>Outdoor Lighting Service</u></b>			
<b><u>Schedule LS Part A &amp; B</u></b>			
	Energy Charge:	Add 0.191¢	Add 0.206¢

### TIME-OF-DAY SERVICE

#### **Residential Service**

##### **Schedule TRS**

Energy Charge:	Onpeak	Add 0.481¢	N/A
	Offpeak	Add 0.156¢	N/A

#### **General Power Service**

##### **Schedule TGSA**

Part 1	Energy Charge:	Onpeak	Add 0.592¢	N/A
		Offpeak	Add 0.156¢	N/A
Part 2	Demand Charge:	Onpeak	Add \$0.46	N/A
		Excess Offpeak	Add \$0.06	N/A
	Energy Charge:	Onpeak	Add 0.250¢	N/A
		Offpeak	Add 0.153¢	N/A
Part 3	Demand Charge:	Onpeak	Add \$0.54	N/A
		Excess Offpeak	Add \$0.06	N/A
	Energy Charge:	Onpeak	Add 0.250¢	N/A
		Offpeak	Add 0.153¢	N/A

\*Applicable also to additional components of the resale energy charge

\*\*Applicable also to additional components of the resale demand charge



		Wholesale Schedules	Resale Schedules
<u>Schedule TGSB</u>			
Demand Charge:	Onpeak	Add \$0.59	Add \$0.61
	Excess Offpeak	Add \$0.05	Add \$0.05
Energy Charge:	Onpeak	Add 0.229¢	Add 0.236¢
	Offpeak	Add 0.135¢	Add 0.139¢
<u>Schedule TGSC</u>			
Demand Charge:	Onpeak	Add \$0.59	Add \$0.61
	Excess Offpeak	Add \$0.05	Add \$0.05
Energy Charge:	Onpeak	Add 0.229¢	Add 0.236¢
	Offpeak	Add 0.135¢	Add 0.139¢
<u>Schedule TGSD</u>			
Demand Charge:	Onpeak	Add \$0.74	Add \$0.76
	Excess Offpeak	Add \$0.09	Add \$0.09
Energy Charge:	Onpeak	Add 0.143¢	Add 0.147¢
	Offpeak	Add 0.133¢	Add 0.137¢
<u>Manufacturing Service</u>			
<u>Schedule TMSB</u>			
Part 1 Demand Charge:	Onpeak	Add \$0.50	Add \$0.52
	Excess Offpeak	Add \$0.04	Add \$0.04
Energy Charge:	Onpeak	Add 0.195¢	Add 0.201¢
	Offpeak	Add 0.115¢	Add 0.118¢
Part 2 Demand Charge:	Onpeak	Add \$0.48	Add \$0.49
	Excess Offpeak	Add \$0.04	Add \$0.04
Energy Charge:	Onpeak	Add 0.185¢	Add 0.191¢
	Offpeak	Add 0.109¢	Add 0.112¢
<u>Schedule TMSC</u>			
Demand Charge:	Onpeak	Add \$0.48	Add \$0.49
	Excess Offpeak	Add \$0.04	Add \$0.04
Energy Charge:	Onpeak	Add 0.185¢	Add 0.191¢
	Offpeak	Add 0.109¢	Add 0.112¢
<u>Schedule TMSD</u>			
Demand Charge:	Onpeak	Add \$0.62	Add \$0.64
	Excess Offpeak	Add \$0.07	Add \$0.07
Energy Charge:	Onpeak	Add 0.119¢	Add 0.123¢
	Offpeak	Add 0.111¢	Add 0.114¢

\*Applicable also to additional components of the resale energy charge  
 \*\*Applicable also to additional components of the resale demand charge

**TENNESSEE VALLEY AUTHORITY**

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**Increases in Reactive Demand Charges to become effective with  
the Adjustment Addendum effective October 1, 2003**

The amounts in cents per kVAR specified in the section entitled "Reactive Demand Charges" of the Wholesale Rate Schedule--Schedule WS shall be increased by (a) 68 cents per kVAR for the amount of lagging reactive demand (in kVAR) that exceeds 33 percent of the Delivery Point Demand and (b) 81 cents per kVAR for the amount of reactive demand that is leading during the 60-consecutive-minute period 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.

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

Effective Date: October 1, 2003

TV-59577A, Supp. No. 56e

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 (TVA Act);

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

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

**SECTION 1 - EGCP AGREEMENT AMENDED**

(a) Under an agreement numbered TV-59577A, Supp. No. 34, and dated May 5, 1994 (EGCP Agreement), TVA and Distributor are participating in an Enhanced Growth Credit Program (Program) to encourage the fuller and better balanced development of the resources of the region by applying credits against the electric bills of certain eligible new and expanding general power customers of Distributor. The parties wish to revise the Program in the respects necessary to provide for expanded credits to customers which qualify for participation in the Program on or after October 1, 2003. Accordingly, effective as of said date, the EGCP Agreement is amended as follows:

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

(ii) The definition of Customer provided in Guideline 1.1 of the EGCP Participation Agreement Guidelines attached to and made a part of the EGCP Agreement (Guidelines) shall be deemed to also refer to any customer of Distributor purchasing power under Standard Manufacturing Service Schedules MSB, MSC, or MSD, or Time-of-Day Manufacturing Service Schedules TMSB, TMSC, or TMSD.

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

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

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

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

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

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

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

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

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

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

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

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

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

period provided for by Guideline 4.2, 4.3, 4.4, or 4.5 (as applicable under said Participation Agreement) or (ii) the end of the Power Contract.

**SECTION 2 - TERM**

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

**SECTION 3 - POWER CONTRACT AFFIRMED**

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

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

**WEST KENTUCKY RURAL ELECTRIC  
COOPERATIVE CORPORATION**

By David E. Smart  
Title: President/CEO

**TENNESSEE VALLEY AUTHORITY**

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

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

Effective Date: October 1, 2003

TV-59577A, Supp. No. 57

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 (TVA Act);

**W I T N E S S E I 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, the parties wish to supplement and amend the Power Contract in the respects necessary to provide for revised and extended manufacturing credits for small manufacturing loads;

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

**SECTION 1 – REVISED GSA AND TGSA MANUFACTURING CREDITS**

1.1 Previous Agreement. It is recognized that the agreement numbered TV-59577A, Supp. No. 32, and dated June 1, 1994, as supplemented and amended by an agreement numbered TV-59577A, Supp. No. 42, and dated October 1, 1997 (Manufacturing Credit Agreement), is due to terminate and be of no further force and effect after Distributor's September 2003 revenue month. Notwithstanding that scheduled termination, it is agreed that said Manufacturing Credit Agreement shall continue in effect for the limited purpose provided for below in this section 1.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## **SECTION 2 - TERM**

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

## **SECTION 3 - POWER CONTRACT AFFIRMED**

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



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

**WEST KENTUCKY RURAL ELECTRIC  
COOPERATIVE CORPORATION**

By David L. Smart  
Title: President/CEO

**TENNESSEE VALLEY AUTHORITY**

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

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

Date: MARCH 24, 2004

TV-59577A, Supp. No. 58

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, 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.

#### **SECTION 4 - METERING FACILITIES**

4.1 Revenue Meter. Under previous power supply arrangements, 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.

**WEST KENTUCKY RURAL ELECTRIC  
COOPERATIVE CORPORATION**

By David E. Smart  
Title: President/CEO

**TENNESSEE VALLEY AUTHORITY**

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

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

Date: April 24, 2004

TV-59577A, Supp. No. 59

THIS AGREEMENT, made and entered into between WESTERN 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, 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 variable price interruptible power (VPI) 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 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.

#### **SECTION 4 - METERING FACILITIES**

4.1 Revenue Meter. Under previous power supply arrangements, 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.



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.

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.

**WEST KENTUCKY RURAL ELECTRIC  
COOPERATIVE CORPORATION**

By David E. Smart  
Title: President/CEO

**TENNESSEE VALLEY AUTHORITY**

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

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

Date: April 29, 2004

TV-59577A, Supp. No. 60

THIS AGREEMENT, made and entered into between the 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 numbered TV-59577A, 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 the Power Contract, Distributor takes a portion of its power requirements from a 69-kV delivery point at the East Murray Substation, which is supplied from 161-kV facilities at the Murray 161-kV Substation (161-kV Substation); and

WHEREAS, under a deed and bill of sale effective as of March 23, 1996, in accordance with Lease and Amendatory Agreement TV-59576A, Supplement No. 3, dated March 23, 1984, as amended, between TVA and the Electric Plant Board of the City of Murray, Kentucky (Board), Board acquired a major portion of the 161-kV Substation (including the transformer facilities), and under an agreement numbered TV-59576A, Supplement No. 24, dated December 4, 1995 (Use Agreement), TVA pays Board for the right to use (currently up to 40 percent of the capacity of) a portion of Board's 161-kV facilities (Use Facilities) at the 161-kV Substation for supply to, among others, the East Murray Substation; and

WHEREAS, Distributor is acquiring, under separate arrangements with TVA, TVA's Murray-East Murray 69-kV Line, 69-kV breaker 704 (including the control and relaying facilities in the switchhouse for said breaker) at the Murray 161-kV Substation, and complete 26-kV capacitor bank at the East Murray 69-kV Substation; and

WHEREAS, Distributor wishes to acquire use of the portion of the Use Facilities at the 161-kV Substation used to serve the East Murray Substation (East Murray Portion) to permit replacement of said 69-kV delivery point with a 161-kV delivery point at the 161-kV Substation; and

WHEREAS, the parties wish to amend the Power Contract and to enter into such other arrangements as are necessary to implement such a plan;

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements set forth in this agreement and subject to the TVA Act, the parties mutually agree as follow:

### **SECTION 1 - USE OF CAPACITY AT THE MURRAY 161-KV SUBSTATION**

For the period (Use Term) beginning on June 24, 2003 (Initial Use Date), and continuing, unless sooner terminated as provided under section 5 below, through the term of the Power Contract, TVA hereby makes available to Distributor the right to use the amount of TVA's capacity reservation in the Use Facilities for supply from TVA's 161-kV system to the East Murray Substation (East Murray Portion). (As of the Initial Use Date the capacity reservation for the East Murray Portion is approximately 17 percent of the capacity of Board's transformer facilities at the Murray 161-kV Substation.) Distributor's right of use of the East Murray Portion is contingent upon TVA's right to use the Use Facilities under the Use Agreement.

For this right of use, Distributor shall pay TVA each month the amount payable by TVA for that month to Board under the Lease Agreement for the East Murray Portion. Payments for any period of less than one month shall be prorated. It is recognized that Board may from time to time make changes at the 161-kV Substation that may affect TVA's use of the Use Facilities or the amount payable by TVA to Board. If Board notifies TVA of any such changes, TVA will, prior to such changes, determine from Board and notify Distributor of any resulting revisions to the amount payable by TVA to Board for the East Murray Portion. The amount to be paid by Distributor to TVA under this section 1 shall (a) be included as a separate billing item on Distributor's monthly wholesale power invoice and (b) be \$2,128.90 per month as of the effective date of this agreement.

### **SECTION 2 - AMENDMENT TO POWER CONTRACT**

During the Use Term, section 3 of the Power Contract is hereby amended by striking from the tabulation appearing therein all references to the 69-kV delivery point at the East Murray Substation and substituting therefor the following:

<u>Delivery Point</u>	<u>Normal Wholesale Delivery Voltage</u>
161-kV side of the Murray Primary 161-kV Substation	161,000

The metered amounts of power and energy at the East Murray Substation shall be appropriately adjusted to reflect losses (including no-load losses and non-metered station service or equipment use, if any) between TVA's metering installation at the East Murray Substation and the point of delivery at the 161-kV delivery point specified above. Distributor shall from time to time furnish TVA with the loss data for Distributor's facilities needed to allow TVA to make such adjustments. The adjustment for no-load losses will be a percentage of the total no-load losses in the transformers at the 161-kV Substation,

which percentage is the percentage that the East Murray Portion is of the Use Facilities (17.44 percent as of the Initial Use Date).

### **SECTION 3 – LIMITATION OF LIABILITY**

Distributor's right of use of the East Murray Portion is made available to Distributor "as is," and TVA makes no warranty of any kind whatsoever (including any warranty of merchantability), express or implied, as to same.

### **SECTION 4 – TERM OF AGREEMENT**

Except as otherwise provided herein, this agreement is effective as of the date first above written and continues in effect for the term of the Power Contract or any extension, renewal, or replacement thereof. This agreement terminates with the expiration or termination of the Lease Agreement. If the amount payable by TVA to Board for the East Murray Portion increases by more than 25 percent, Distributor may, after 90 days' written notice to TVA, terminate this agreement. If Distributor fails to pay when due any monthly amount payable by TVA to Board for the East Murray Portion, TVA may, after 10 days' written notice to Distributor, terminate this agreement. Additionally, either party may, after 12 months' written notice to the other, terminate this agreement. The Use Term ends with termination of this agreement.

### **SECTION 5 - SUCCESSORS AND ASSIGNS**

This agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, but shall not be transferred or assigned by either party without the written consent of the other. In addition, Distributor may not sublet, license any use of, or grant any other rights in or to use all or any portion of the East Murray Portion without the prior written consent of TVA.

### **SECTION 6 - AMENDMENT**

This agreement may be amended only by an instrument in writing signed by the parties.

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: David E. Smart  
Title: President/CEO

**TENNESSEE VALLEY AUTHORITY**

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

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RESOLVED, That President & CEO David Smart be authorized to sign the proposed Rental and Amendatory Agreement between West Kentucky Rural Electric Cooperative Corporation and the Tennessee Valley Authority amending the Power Contract TV-59577A, dated April 26, 1982, to cover arrangements for West Kentucky RECC's use of a portion of the Murray 161 kV Substation, and to cover arrangements for the moving of West Kentucky RECC's 69-KV East Murray Delivery Point to a 161-KV delivery point at Murray Primary Substation, and

BE IT FURTHER RESOLVED, that a copy of said agreement is incorporated by reference in these minutes and is filed in the business office of the Cooperative for references purposes as File No. 138 in the Supplements to the Minute Book.

00036450

BILL OF SALE  
Made By  
TENNESSEE VALLEY AUTHORITY  
To  
WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

THIS BILL OF SALE, made as of the 29<sup>th</sup> day of April, 2004, effective as of June 24, 2003, by the TENNESSEE VALLEY AUTHORITY (hereinafter sometimes referred to as "TVA"), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended, to WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION (hereinafter referred to as "Distributor"), a cooperative corporation created and existing under and by virtue of the laws of the Commonwealth of Kentucky;

WITNESSETH:

THAT for and in consideration of the sum of Ninety Thousand Five Hundred Eighty-eight Dollars (\$90,588) cash in hand paid, the receipt of which is hereby acknowledged, TVA has granted, bargained, sold, assigned, and set over unto Distributor and does by these presents hereby grant, bargain, sell, assign, and set over unto Distributor the following described personal property in place in Callaway County, Kentucky:

- (A) The section of TVA's Murray-East Murray 69-kV Line beginning at and including 69-kV circuit breaker installation 704 (at station 0+01.5) at the Murray 161-kV Substation and extending approximately 2.6 miles to Distributor's East Murray Substation (at station 136+67), including the structures, poles, anchors and guys, crossarms, insulators, pole hardware and fixtures, wires and conductors, all as shown on TVA drawing LW-6678, sheets 1 and 2; but excluding all easements and rights-of-way appurtenant to said line section.
- (B) The control and relaying facilities for said breaker 704 in the switchhouse at the Murray 161-kV Substation and the complete 26-kV capacitor bank at the East Murray 69-kV Substation.

Permission for Distributor to operate and maintain this line section on the excluded easements and rights-of-way is provided by a license agreement of even date herewith.

It is mutually understood and agreed by delivery and acceptance of this bill of sale that the above-described personal property is hereby sold to Distributor "as is" and

TVA makes no warranties of any kind whatsoever (including any warranty of merchantability), express or implied, as to same.

IN WITNESS WHEREOF, TVA has caused this bill of sale to be executed by its duly authorized representative as of the day and year first above written.

TENNESSEE VALLEY AUTHORITY

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



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

Date: April 29, 2004

Contract No.: 00036405

THIS AGREEMENT, effective as of June 24, 2003, made and entered into by and between TENNESSEE VALLEY AUTHORITY (TVA), a corporation created, organized, and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended, and WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION (Licensee), 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:**

In consideration of the mutual covenants herein contained, the parties agree as follows:

1. For the following facilities, transferred by TVA to Licensee by a bill of sale effective as of June 24, 2003 (Licensee's facilities):

- (A) The section of TVA's Murray-East Murray 69-kV Line beginning at and including the 69-kV circuit breaker installation 704 (at station 0+01.5) at the Murray 161-kV Substation and extending approximately 2.6 miles to Licensee's East Murray Substation (at station 136+67), including the structures, poles, anchors and guys, crossarms, insulators, pole hardware and fixtures, wires and conductors, all as shown on TVA drawing LW-6678, sheets 1 and 2; but excluding all easements and rights-of-way appurtenant to said line section.
- (B) The control and relaying facilities for said breaker 704 in the switchhouse at the Murray 161-kV Substation.

TVA, to the extent it is legally able to do so, hereby provides Licensee permission to enter upon and use, subject to the terms and conditions hereinafter stated, the easements and rights-of-way appurtenant to Licensee's facilities (the licensed premises) solely for the purpose of constructing, operating, and maintaining Licensee's facilities on the licensed premises.

Licensee shall at its expense furnish the materials for and perform the work necessary to construct Licensee's facilities in strict accordance with plans and specifications approved in advance by TVA. Licensee shall perform all work in

connection with the construction, operation, and maintenance of Licensee's facilities and maintenance of the licensed premises in accordance with and subject to the easement rights held by TVA in the name of the United States of America for the Murray-East Murray 69-kV Line.

It is understood that any plans, specifications, requirements, or coordination, and any review or approvals, provided by TVA hereunder are only for TVA's purposes, which include helping to assure (a) the safe and efficient operation of TVA's facilities and properties and (b) that the arrangements provided for hereunder do not cause undue hazards to TVA's facilities and properties. They are not to be construed as confirming or endorsing such arrangements for Licensee's purposes.

Licensee shall use the licensed premises in accordance with good, modern electric utility practices and procedures, carrying out its operations by techniques consistent with good engineering and management practices and in a manner to protect the quality of the environment. Licensee shall maintain the licensed premises with good vegetative cover and erosion control during the construction and maintenance of Licensee's facilities. Licensee shall be guided in these efforts by the then current environmental quality protection specifications for transmission line construction and best management practices and procedures TVA applies to its own such efforts. Licensee should seek guidance on these specifications, practices, and procedures and for unusual circumstances from TVA's Mayfield Customer Service Center Transmission Service Manager (or this manager's successor or designee). No substances listed as hazardous or highly toxic under any Federal, State, or local law or regulation shall be brought onto or used on or within the licensed premises without permission from TVA's Mayfield Customer Service Center Transmission Service Manager (or this manager's successor or designee).

TVA and Licensee acknowledge that in order to effectuate the terms of this Agreement, it may be necessary for Licensee to acquire additional property rights, including, but not limited to, the following: (i) rights or permission from the owners of the underlying fee simple title to the land within the licensed premises to construct, operate, and maintain Licensee's facilities on the licensed premises; and (ii) rights or permission from the owners of land immediately adjacent to the licensed premises to occupy and use such land in connection with the construction, operation, and maintenance of Licensee's facilities on the licensed premises. In that event, Licensee shall assume full responsibility for acquiring such additional property rights and for compensating such owners in connection with the acquisition of such additional property rights.

Licensee shall make every reasonable effort, including timely application for judicial relief, to discourage, prevent, and eliminate any encroachment on or other interference with its interest in the licensed premises or with its proper and safe use of the licensed premises. TVA retains at its option, however, the right to take all actions necessary to discourage, prevent, and eliminate any such encroachment on or interference with the rights of TVA or, to the extent it is legally able to do so, those of Licensee.

2. TVA may terminate the license herein provided at any time after the date of this agreement by giving written notice to Licensee stating that the licensed premises (upon which Licensee's facilities are located) are needed by TVA for other purposes and specifying the date of termination, such notice to be given not less than 180 days prior to

the date therein specified. Licensee may terminate the license herein provided at any time by giving written notice to TVA specifying the date of termination, such notice to be given not less than 30 days prior to the date therein specified. Upon any termination of said license, Licensee shall quit the licensed premises and, subject to the provisions of section 4 hereof, shall deliver possession thereof to TVA.

In the event of termination of said license by TVA to facilitate TVA's use of the licensed premises, or portions thereof, for constructing a new transmission line thereon, TVA hereby agrees, if requested by Licensee, (a) to construct said new transmission line in such a manner as to permit the attachment thereon of a circuit by Licensee, subject to the parties' entering into a written agreement acceptable to both parties covering such arrangements, including provision for reimbursement to TVA by Licensee of the increase in the cost of said line caused by providing sufficient space and support for Licensee's proposed attached circuit, or (b) to enter into such other arrangements as may be acceptable to both parties for the construction by Licensee of a separate line on the licensed premises.

3. Licensee's occupancy and use of the licensed premises are subject to, and Licensee shall comply with, all applicable laws and governmental regulations and all applicable requirements prescribed by TVA with respect thereto.

4. Licensee's facilities upon the licensed premises shall be and remain the property of Licensee and may be removed therefrom by Licensee at any time prior to any termination of the license herein provided, and shall be removed therefrom within 30 days after any such termination. Licensee shall, upon the removal of its facilities or any part thereof, backfill the holes from which any structures are removed, and promptly repair, to the satisfaction of TVA, any damage to the licensed premises resulting from the operation, maintenance, or removal of Licensee's facilities. Licensee's facilities not removed from the licensed premises within 30 days after any termination of said license shall, at TVA's discretion, become the property of TVA or be removed from the licensed premises by TVA at the expense of Licensee.

5. The license herein provided shall not affect or impair TVA's right to use the licensed premises for any purpose.

6. TVA provides the licensed premises "as is" and does not warrant or represent that the permission provided herein to use the licensed premises is good as against any person, firm, association, corporation, company, or any other legal entity not a party to this agreement or that the licensed premises are safe, healthful, or suitable for the purposes for which they are permitted to be used under the terms of this agreement.

7. Licensee agrees that it does not and will not claim at any time prior to the sale and purchase provided for in section 9 hereof any interest or estate of any kind or extent whatsoever in the licensed premises by virtue of the permission provided herein, Licensee's occupancy and use hereunder, or the termination period provided herein.

8. No assignment of this agreement or any interest therein and no sublicense for any purpose shall be made or provided by Licensee without the prior written consent of TVA.

9. As soon as practicable after the date of this agreement, the United States of America acting through TVA shall sell and Licensee shall purchase the portion of the licensed premises generally identified as that associated with the portions of the Murray-East Murray 69-kV Line from station 21+40 (near Structure 8) to station 95+70 (near Structure 30) and from station 99+25 (near Structure 31) to station 137+60.5 at Licensee's East Murray Substation (the right-of-way) for a purchase price of \$11,411 (equal to the actual net book cost of the right-of-way). Licensee shall pay TVA the purchase price within thirty (30) days after the later of the date or receipt of the invoice for the purchase price. On, or as soon as practicable after the date on which Licensee pays the purchase price, the United States of America acting through TVA shall deliver a quitclaim deed for the right-of-way to Licensee. This quitclaim deed shall contain (a) a proper description of the right-of-way, (b) appropriate reservations for any third-party rights subject to which the United States of America acquired its interests in the right-of-way, (c) appropriate reservations consistent with TVA's rights and responsibilities under this agreement, and (d) appropriate reservations consistent with TVA's rights and responsibilities with respect to floodplain, wetlands, or other Federal government land responsibilities..

10. This agreement may be amended only by a writing signed by the parties.

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

WEST KENTUCKY RURAL ELECTRIC  
COOPERATIVE CORPORATION

By David E. Smart  
Title: President/CEO

TENNESSEE VALLEY AUTHORITY

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

RECEIVED

MAR 18 2005

West Ky RECC

000326

Contract No. 00043696

MAR 15 07 11 11

FILED FOR RECORDS THIS 15 DAY OF  
MAR 2005 AT 11:46 O'CLOCK A.M.  
RECORDED IN BOOK 585 PAGE 326  
RAY G. COURSEY, R. CLARK ALLOWAY CO  
BY [Signature] D.C.

DEED  
Made By  
UNITED STATES OF AMERICA  
To

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

THIS DEED, made and entered into as of the 23<sup>rd</sup> day of February, 2005, by the UNITED STATES OF AMERICA, acting by and through the Tennessee Valley Authority, (hereinafter sometimes called "TVA") its legal agent, a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended, as Grantor, to WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION, a cooperative corporation duly created, organized, and existing under and by virtue of the laws of the Commonwealth of Kentucky, as Grantee;

WITNESSETH:

WHEREAS, Grantor and Grantee have heretofore entered into a license agreement dated as of April 29, 2004, providing, among other things, for the transfer and conveyance by TVA, as legal agent of the United States of America, of the interests in land hereinafter described; and

WHEREAS, TVA, as legal agent of the United States of America, is authorized under Section 4(k)(d) of the Tennessee Valley Authority Act of 1933, as amended, to convey as provided therein the interests in land hereinafter described, being property upon which electrical facilities are located;

NOW, THEREFORE, for and in consideration of the mutual promises made in the foregoing agreement, and the sum of Eleven Thousand Four Hundred Eleven and No/100 Dollars (\$11,411.00) cash in hand paid, and other good and valuable consideration, the receipt of which is hereby acknowledged, the Grantor United States of America by and through its legal

I certify that I prepared this instrument.

Leonard L. McCreary  
Attorney

Tennessee Valley Authority  
Chattanooga, Tennessee 37402

Grantee's mailing address:

West Kentucky Rural Electric Cooperative  
Corporation  
P. O. Box 589  
Mayfield, Kentucky 42066

Grantors' mailing address:

United States of America  
Tennessee Valley Authority  
P.O. Box 509  
Mayfield, Kentucky 42066

agent, TVA, has granted, bargained, sold, transferred, and conveyed and does by these presents hereby grant, bargain, sell, transfer, and convey unto Grantee, its successors and assigns, subject to the reservations and encumbrances hereinafter set forth, the following described interests in land, to wit:

The easements and rights-of-way for the portion of the Murray – East Murray 69-kV Transmission Line beginning at station 17+37.52 and extending approximately 2.6 miles to Grantee's East Murray Substation at station 136+67, affecting property designated on TVA's records as the easternmost 517.48 feet of US-TVA Tract MUMU-3 and US-TVA Tracts MUMU-5 through MUMU-17, all as shown on US-TVA drawing LW-6678, sheets 1 and 2; but excluding all easements and rights-of-way appurtenant to the portion of said line which are common or adjacent to those for TVA's Cumberland – Marshall 500-kV Line. Easement rights appurtenant to TVA's Mayfield Primary – Murray Primary Transmission Line are not intended to be included.

The above-described easements and rights-of-way are hereby conveyed subject to outstanding paramount easements and rights-of-way retained by the United States of America in favor of TVA for use, operation, maintenance, repair, replacement, rebuilding, and removal of TVA's Cumberland – Marshall 500-kV Line being retained by TVA (which overlap or cross a portion of the easements and rights-of-way being conveyed), and for any additional facilities as maybe required in the future by TVA for its purposes in mutually satisfactory locations, together with necessary rights of access to all of the aforesaid facilities.

Also, the above-described easements and rights-of-way are hereby conveyed subject to the rights of American Louisiana Pipe Line Company under a pipeline easement dated November 12, 1955, of record in Deed Book 100, page 385, and the rights of Michigan Wisconsin Pipe Line Company in pipeline easements dated May 11, 1966, and August 12, 1972, of record in Deed Book 128, page 3 16, and on microfilm in Book 151, Cabinet 1, Drawer 3, Card 1360, respectively, affecting US-TVA Tract MUMU-5; subject to such rights in third parties in the rights-of-way for a 13-kV transmission line and a 19-foot bituminous road affecting US-TVA Tract

MUMU-6; subject to such rights in third parties in 13-foot and 19-foot bituminous roads and a two-wire service line affecting US-TVA Tract MUMU-8; and subject to such rights in third parties in a 13-foot bituminous road affecting US-TVA Tract MUMU-9.

The above-described easements and rights-of-way being conveyed hereunder were acquired by the United States of America by instruments of record in the office of the County Court Clerk of Calloway County, Kentucky, as follows:

<u>Tract</u>	<u>Recorded</u>	<u>Book</u>	<u>Cabinet</u>	<u>Drawer</u>	<u>Card</u>
MUMU-3	10-27-72	151	1	3	2218
MUMU-5	09-29-72	151	1	3	1922
MUMU-6	11-09-72	151	1	3	2348
MUMU-7	11-09-72	151	1	3	2349
MUMU-8	11-09-72	151	1	3	2350
MUMU-9	11-17-72	151	1	3	2432
MUMU-10	11-09-72	151	1	3	2351
MUMU-11	11-17-72	151	1	3	2434
MUMU-12	11-09-72	151	1	3	2352
MUMU-13	01-11-73	151	1	3	2911
MUMU-14	11-09-72	151	1	3	2353
MUMU-15	11-09-72	151	1	3	2354
MUMU-16	11-17-72	151	1	3	2433
MUMU-17	01-11-73	151	1	3	2910

TO HAVE AND TO HOLD said interests in land and premises together with all rights and appurtenances thereto belonging unto Grantee, its successors and assigns.

And Grantor does hereby covenant that TVA, as legal agent of the United States of America, is duly authorized and has the right to execute this conveyance of the above-described interests in land and that, subject to the reservations and encumbrances herein set forth, Grantor will warrant and defend the title to the above-described interests in land against the lawful demands of all persons claiming by, through, or under Grantor but not further or otherwise.

It is mutually understood and agreed by the delivery and acceptance of this instrument that the above-described interests in land are hereby conveyed to Grantee "as is" and, other than the warranty of title set out above, Grantor makes no warranties of any kind whatsoever (including any warranty of merchantability), express or implied, as to same.

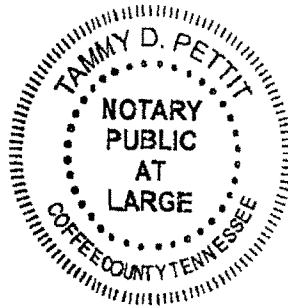
STATE OF TENNESSEE )  
 ) SS  
COUNTY OF DAVIDSON )

On the 23<sup>rd</sup> day of February, 2005, before me appeared CYNTHIA L. HERRON, to me personally known, who, being by me duly sworn, did say that she is the General Manager, Contracts and Pricing, Customer Service and Marketing, of the TENNESSEE VALLEY AUTHORITY, a corporation, and that said instrument was signed in its capacity as legal agent of the UNITED STATES OF AMERICA, by authority of its Board of Directors; and said CYNTHIA L. HERRON acknowledged said instrument to be the free act and deed of said corporation as legal agent of the UNITED STATES OF AMERICA.

WITNESS my hand and official seal at Nashville, Tennessee, the day and year aforesaid.

Tammy D. Pettit  
Notary Public

My commission expires: 9-8-07





The United States of America, acting by and through its legal agent, the Tennessee Valley Authority, Grantor, and the West Kentucky Rural Electric Cooperative Corporation, Grantee, do hereby certify, pursuant to Kentucky Revised Statutes Chapter 382, that the above-stated consideration is the full consideration paid for the property herein conveyed.

GRANTOR:

UNITED STATES OF AMERICA

By Tennessee Valley Authority  
Its Legal Agent

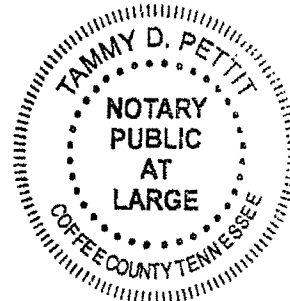
By Cynthia L. Herron  
Cynthia L. Herron  
General Manager, Contracts and Pricing  
Customer Service and Marketing

STATE OF TENNESSEE    )  
  ) SS  
COUNTY OF DAVIDSON    )

The foregoing certification was acknowledged before me on this 23rd day of February, 2005, by CYNTHIA L. HERRON, General Manager, Contracts and Pricing, Customer Service and Marketing, of the Tennessee Valley Authority, a corporation, as legal agent of the UNITED STATES OF AMERICA.

Tammy D. Pettit  
Notary Public

My commission expires: 9-8-07



GRANTEE:

WEST KENTUCKY RURAL ELECTRIC  
COOPERATIVE CORPORATION

By David E. Smart

Title President & CEO

COMMONWEALTH OF KENTUCKY     )  
  ) SS  
COUNTY OF Graves   )

The foregoing certification was acknowledged before me on this 14<sup>th</sup> day  
of March, 2005, by (Name) David E. Smart  
(Title) President & CEO of the WEST KENTUCKY RURAL ELECTRIC  
COOPERATIVE CORPORATION, a Kentucky cooperative corporation, on behalf of the  
corporation.

Cathy L. Ernstberger  
Notary Public

My commission expires: August 17, 2006

Ilm:djb  
distributor\westernky\deedbos

STATE OF KENTUCKY  
COUNTY OF CALLOWAY

I, Ray Coursey, Jr., Clerk of the County Court of the County aforesaid, do hereby certify that the foregoing Deed was on the 15 day of March 2005 lodged in my office for record; whereupon the same, the foregoing, and this certificate have been duly recorded in my office.

Given under my hand this 15 day of March 2005

RAY COURSEY, JR., CLERK

By Rich Kelso D.C.

DS Form # 5011

P.



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

June 29, 2004

Contract No. TV-50871A, Supp. No. 57

Contract No. TV-59577A, Supp. No. 61

Mr. Gregory H. Grissom, President/GM  
Hickman-Fulton Counties Rural Electric  
Cooperative Corporation  
Post Office Box 190  
Hickman, Kentucky 42050

Mr. David E. Smart, President and CEO  
West Kentucky Rural Electric  
Cooperative Corporation  
Post Office Box 589  
Mayfield, Kentucky 42066

Gentlemen:

This will confirm the arrangements developed among representatives of Hickman-Fulton Counties Rural Electric Cooperative Corporation (Hickman-Fulton), West Kentucky Rural Electric Cooperative Corporation (West Kentucky), and Tennessee Valley Authority (TVA) with respect to wholesale billing adjustments to reflect Hickman-Fulton service to the Carlisle County Sanitation Lift Station (Customer) through West Kentucky's facilities.

It is recognized that:

- (a) under separate agreements, Hickman-Fulton, West Kentucky, and Customer have previously made arrangements for Hickman-Fulton service to Customer through West Kentucky's facilities, said service having begun on June 5, 2002, and
- (b) in accordance with these arrangements, the retail billing amounts metered thereunder:
  - (i) have been reported to TVA as part of the end-use amounts that have been used by TVA to bill Hickman-Fulton at wholesale, and
  - (ii) such amounts have not been reported as retail billing amounts by West Kentucky.

It is further recognized, however, that no adjustments have been made to wholesale metered amounts or the bills determined from said amounts to reflect the above described service arrangements.

Mr. Gregory H. Grissom  
Mr. David E. Smart  
Page 2 of 3  
June 29, 2004

Accordingly, to provide for appropriate wholesale billing adjustments reflecting these service arrangements, it is understood and agreed that:

1. To reflect appropriate adjustments in wholesale Distribution Loss Charges and wholesale Facilities Rental Charges for the period from June 5, 2002, through the June 2004 revenue month, TVA shall:
  - (a) add the total amount of \$3991.09 to Hickman-Fulton's next wholesale bill, and
  - (b) credit the total amount of \$3991.09 to reduce West Kentucky's next wholesale bill.
2. Beginning with the June 2004 wholesale billing month, TVA will make estimated monthly wholesale billing adjustments as follows:
  - (a) TVA shall add 30 kW and 4,500 kWh to the power and energy delivered to Hickman-Fulton at the Clinton 161-kV Substation (Clinton Substation), said amounts reflecting
    - (i) estimated power and energy amounts supplied through West Kentucky's facilities to Customer each month, and
    - (ii) an additional 5 percent of such estimated supplied amounts to approximate the losses on West Kentucky's distribution system; and
  - (b) TVA shall deduct the same kW and kWh amounts from the power and energy delivered to West Kentucky at the Milburn 69-kV Substation (Milburn Substation).

At any time during the term of this agreement, Hickman-Fulton and West Kentucky may agree to change the estimated kW and kWh adjustment amounts set forth in 2(a) above upon at least 30 days' written notice to TVA. Such notice shall be signed by the authorized representatives of both Hickman-Fulton and West Kentucky.

3. Annual adjustments shall also be made to the wholesale billing for Hickman-Fulton and West Kentucky in order to "true-up" the estimated adjustments provided for above based on the actual amounts of power and energy (including losses) delivered to Customer each year. As soon as practicable after each May wholesale billing month during the term of this agreement, Hickman-Fulton, West Kentucky, and TVA shall agree upon the appropriate adjustment amount and TVA shall thereafter apply the agreed upon annual adjustment amount in its next wholesale bills to Hickman-Fulton and West Kentucky.

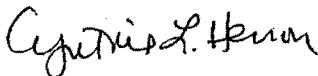
Mr. Gregory H. Grissom  
Mr. David E. Smart  
Page 3 of 3  
June 29, 2004

4. This agreement shall continue in effect until the earlier of:
- (a) the date on which Hickman-Fulton begins serving Customer from its own distribution system,
  - (b) the termination of the Power Contract between TVA and Hickman-Fulton,
  - (c) the termination of the Power Contract between TVA and West Kentucky, or
  - (d) the termination of the industrial power contract between Hickman-Fulton and Customer;

provided, however, that any obligations arising or accruing under this agreement prior to such termination date shall continue in effect until they are discharged.

If this letter correctly reflects the understanding on this matter among us, please so indicate by having a duly authorized representative sign the three enclosed originals on behalf of your system and return the originals to your TVA customer service center. Upon execution by TVA, this letter will be a binding agreement, and a fully executed original will be returned to you.

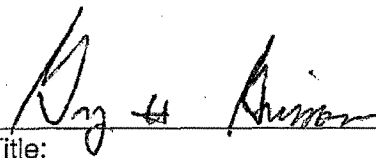
Sincerely,




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

Accepted and agreed to as of the  
day and year first above written.

HICKMAN-FULTON COUNTIES RURAL  
ELECTRIC COOPERATIVE CORPORATION

By   
Title: \_\_\_\_\_

WEST KENTUCKY RURAL ELECTRIC  
COOPERATIVE CORPORATION

By   
Title: \_\_\_\_\_



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

November 15, 2004

TV-59577A  
Supp. No. 62

Mr. David Smart  
President and CEO  
West Kentucky Rural Electric  
Cooperative Corporation  
Post Office Box 589  
Mayfield, Kentucky 42066

Dear Mr. Smart:

This will confirm the understanding reached between representatives of West Kentucky Rural Electric Cooperative Corporation (Distributor) and Tennessee Valley Authority (TVA) with respect to amending and supplementing the power contract numbered TV-59577A and dated April 26, 1982, as amended (Power Contract), between Distributor and TVA to replace for a temporary period the resale rate schedules as specified in the Schedule of Rates and Charges attached to and made a part of the Power Contract.

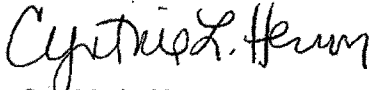
It is understood and agreed that the Schedule of Rates and Charges of the Power Contract is hereby amended by substituting resale rate schedules designated Schedules RS, GSA, GSB, GSC, GSD, TGSA, TGSA, TGSC, TGSD, MSB, MSC, MSD, TMSB, TMSC, and TMSD (Substitute Rate Schedules), all dated January 2005, copies of which are attached to and made a part of this agreement, for the corresponding resale rate schedules, which are all dated October 2003 and which are now in effect (Existing Rate Schedules).

This substitution shall be effective for all bills rendered from resale meter readings taken for revenue months of Distributor beginning with the January 2005 revenue month and shall continue through the December 2008 revenue month. It is expressly recognized that the adjustments set forth in the Adjustment Addendum to said Schedule of Rates and Charges dated October 1, 2003, and entitled "Environmental Adjustment," shall continue to apply to the charges provided for by the attached Substitute Rate Schedules. During the period of said substitution, all references in the Power Contract to the Existing Rate Schedules or to any predecessor rate schedules shall be deemed to refer to the appropriate Substitute Rate Schedules.

Mr. David Smart  
Page 2  
November 15, 2004

If this letter satisfactorily sets forth our understandings, please have two copies executed on behalf of Distributor and return them to the TVA customer service center. Upon execution by TVA, this letter shall be a binding agreement, and a fully executed copy will be returned to you.

Sincerely,



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

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

**WEST KENTUCKY RURAL ELECTRIC  
COOPERATIVE CORPORATION**

By David E. Smart  
Title: President & CEO



# WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

## RESIDENTIAL RATE--SCHEDULE RS

(January 2005)

### 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: \$1.71 per month

Right-of-way

Clearing Surcharge: \$3.25 per meter per month

Energy Charge: 6.623¢ per kWh per month for first 800 kWh

5.885¢ 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 under Adjustment 2 or Adjustment 4 of the wholesale power rate schedule applicable under contractual arrangements between TVA and Distributor.)

### 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.

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Service is subject to Rules and Regulations of Distributor.

# WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

## GENERAL POWER RATE--SCHEDULE GSA

(January 2005)

### 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  
  
Right-of-way  
Clearing Surcharge: \$3.25 per meter per month  
  
Energy Charge: 7.413¢ 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  
  
Right-of-way  
Clearing Surcharge: \$3.25 per meter 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 \$12.96 per kW  
  
Energy Charge: First 15,000 kWh per month at 7.413¢ per kWh  
  
Additional kWh per month at 3.24¢ per kWh

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

Customer Charge: \$100.00 per delivery point per month

Right-of-way  
Clearing Surcharge: \$3.25 per meter per month

Demand Charge: First 1,000 kW of billing demand per month, at \$12.28 per kW

Excess over 1,000 kW of billing demand per month, at  
\$13.24 per kW, plus an additional

\$13.24 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: 3.24¢ per kWh per month

#### Adjustment

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

#### Determination of Demand

Distributor shall meter the demands in kW of all customers having loads in excess of 50 kW. The metered demand for any month shall be the highest average during any 30-consecutive-minute period of the month of the load metered in kW. The measured demand for any month shall be the higher of the highest average during any 30-consecutive-minute period of the month of (a) the load metered in kW or (b) 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.

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Service is subject to Rules and Regulations of Distributor.

# WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

## GENERAL POWER RATE--SCHEDULE GSB

(January 2005)

### 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
Right-of-way Clearing Surcharge:	\$3.25 per meter per month
Demand Charge:	\$10.97 per kW of billing demand per month, plus an additional \$10.97 per kW per month for each kW, if any, of the amount by which the customer's billing demand exceeds its contract demand
Energy Charge:	2.860¢ per kWh for up to 620 hours use of metered demand per month 2.334¢ per kWh for all additional kWh per month

### Adjustment

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

### Facilities Rental Charge

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

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

### Reactive Demand Charges

If the reactive demand (in kVAR) is lagging during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's highest metered demand occurs, there shall be added to the customer's bill a reactive charge of \$1.46 per kVAR of the amount, if any, by which the reactive demand exceeds 33 percent of such metered demand. If the reactive demand (in kVAR) is leading during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's lowest metered demand (excluding any metered demands which are less than 25 percent of the highest metered demand) occurs, there shall be added to the customer's bill a reactive charge of \$1.14 per kVAR of the amount of reactive demand. Such charges shall be in addition to all other charges under this rate schedule, including minimum bill charges.

### Determination of Demand

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

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Service is subject to Rules and Regulations of Distributor.



## WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

### GENERAL POWER RATE--SCHEDULE GSC

(January 2005)

#### Availability

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

#### Character of Service

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

#### Base Charges

Customer Charge:	\$1,500 per delivery point per month
Right-of-way Clearing Surcharge:	\$3.25 per meter per month
Demand Charge:	\$10.46 per kW of billing demand per month, plus an additional \$10.46 per kW per month for each kW, if any, of the amount by which the customer's billing demand exceeds its contract demand
Energy Charge:	2.860¢ per kWh for up to 620 hours use of metered demand per month 2.334¢ per kWh for all additional kWh per month

#### Adjustment

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

#### Facilities Rental Charge

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

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

### Reactive Demand Charges

If the reactive demand (in kVAR) is lagging during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's highest metered demand occurs, there shall be added to the customer's bill a reactive charge of \$1.46 per kVAR of the amount, if any, by which the reactive demand exceeds 33 percent of such metered demand. If the reactive demand (in kVAR) is leading during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's lowest metered demand (excluding any metered demands which are less than 25 percent of the highest metered demand) occurs, there shall be added to the customer's bill a reactive charge of \$1.14 per kVAR of the amount of reactive demand. Such charges shall be in addition to all other charges under this rate schedule, including minimum bill charges.

### Determination of Demand

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

### Minimum Bill

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

Distributor may require minimum bills higher than those stated above.

### Contract Requirement

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

contract shall be subject to adjustment, modification, change, or replacement from time to time as provided under the power contract between Distributor and TVA.

### Payment

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

### Single-Point Delivery

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

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Service is subject to Rules and Regulations of Distributor.

# WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

## GENERAL POWER RATE--SCHEDULE GSD

(January 2005)

### 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
Right-of-way Clearing Surcharge:	\$3.25 per meter per month
Demand Charge:	\$12.75 per kW of billing demand per month, plus an additional \$12.75 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:	2.293¢ per kWh per month

### Adjustment

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

### 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 the highest

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

### Reactive Demand Charges

If the reactive demand (in kVAR) is lagging during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's highest metered demand occurs, there shall be added to the customer's bill a reactive charge of \$1.46 per kVAR of the amount, if any, by which the reactive demand exceeds 33 percent of such metered demand. If the reactive demand (in kVAR) is leading during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's lowest metered demand (excluding any metered demands which are less than 25 percent of the highest metered demand) occurs, there shall be added to the customer's bill a reactive charge of \$1.14 per kVAR of the amount of reactive demand. Such charges shall be in addition to all other charges under this rate schedule, including minimum bill charges.

### Determination of Demand

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

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Service is subject to Rules and Regulations of Distributor.

**WEST KENTUCKY RURAL ELECTRIC**  
**TIME-OF-DAY GENERAL POWER RATE--SCHEDULE TGSA**  
(January 2005)

Availability

This rate shall be available for the firm power requirements (where the higher of a customer's onpeak or offpeak 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, 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 service voltage available in the vicinity or agreed to by Distributor.

Base Charges

1. If the higher of (1) the higher of the customer's currently effective onpeak or offpeak contract demand or (2) the customer's highest onpeak or offpeak billing demand during the latest 12-month period is not more than 50 kW:

Customer Charge:           \$38.50 per delivery point per month

Right-of-way  
Clearing Surcharge:       \$3.25 per meter per month

Energy Charge:           11.623¢ per kWh per month for all onpeak kWh

4.535¢ per kWh per month for all offpeak kWh

2. If the higher of (1) the higher of the customer's currently effective onpeak or offpeak contract demand or (2) the customer's highest onpeak or offpeak billing demand during the latest 12-month period is greater than 50 kW but no more than 1,000 kW:

Customer Charge: \$62.00 per delivery point per month

Right-of-way  
Clearing Surcharge: \$3.25 per meter per month

Demand Charge: \$12.90 per kW of the customer's onpeak billing demand, plus  
\$6.35 per month for each kW, if any, of the amount by which the customer's offpeak billing demand exceeds its onpeak billing demand

Energy Charge: 5.052¢ per kWh per month for all onpeak kWh  
3.468¢ per kWh per month for all offpeak kWh

3. If the higher of (1) the higher of the customer's currently effective onpeak or offpeak contract demand or (2) the customer's highest onpeak or offpeak billing demand during the latest 12-month period is greater than 1,000 kW:

Customer Charge: \$125.00 per delivery point per month

Right-of-way  
Clearing Surcharge: \$3.25 per meter per month

Demand Charge: \$12.97 per kW per month of the customer's onpeak billing demand, plus  
\$5.15 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  
\$12.97 per kW per month for each kW, if any, of the amount by which (1) the customer's onpeak billing demand exceeds the higher of 2,500 kW or its onpeak contract demand or (2) the customer's offpeak billing demand exceeds the higher of 2,500 kW or its offpeak contract demand, whichever is higher

Energy Charge: 4.205¢ per kWh per month for all onpeak kWh  
2.621¢ per kWh per month for all offpeak kWh

### Adjustment

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



### 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 demand and the offpeak 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 higher of the highest average during any 30-consecutive-minute period beginning or ending on a clock hour 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, 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 30 percent of the customer's onpeak demand amount. The offpeak billing demand shall in no case be less than 30 percent of the customer's offpeak demand amount.

For purposes of this section, the onpeak demand amount referred to above shall be the higher of the currently effective onpeak contract demand or the highest onpeak billing demand established in the preceding 12 months, and the offpeak demand amount referred to above shall be the higher of the currently effective offpeak contract demand or the highest offpeak billing demand established in 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 portion of the base demand charge, as adjusted, applicable to onpeak billing demand applied to the customer's onpeak billing demand, (c) the portion of the base demand charge, as adjusted, applicable to the 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, (d) the base onpeak energy charge, as adjusted, applied to the customer's onpeak energy takings, (e) the base offpeak energy charge, as adjusted, applied to the customer's offpeak energy takings, and (f) the distribution capacity charge applied to the higher of the customer's onpeak or offpeak billing demand; provided, however, under 2 of the Base Charges, the monthly bill shall in no event be less than the sum of (a) the base customer charge, (b) 20 percent of the base onpeak demand charge, as adjusted, multiplied by the customer's onpeak billing demand, (c) 20 percent of the portion of the base demand charge, as adjusted, applicable to the 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, and (d) 20 percent of the distribution capacity charge, as adjusted, applied to the higher of the customer's onpeak or offpeak billing demand.

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 above and (2) \$4.00 per kW per month of the higher of the onpeak or offpeak billing demand under 2 and 3 above. 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 shall require contracts for all service provided under this rate schedule 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.

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 GSA. 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 GSA 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.

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Service is subject to Rules and Regulations of Distributor.

# WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

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

(January 2005)

### Availability

This rate shall be available for the firm electric power requirements where the higher of a customer's currently effective onpeak or offpeak contract demand is greater than 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
Right-of-way Clearing Surcharge:	\$3.25 per meter per month
Demand Charge:	\$10.97 per kW per month of the customer's onpeak billing demand, plus \$1.89 per month for each kW, if any, of the amount by which the customer's offpeak billing demand exceeds its onpeak billing demand, plus an additional \$10.97 per kW per month for each kW, if any, of the amount by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher
Energy Charge:	3.851¢ per kWh per month for all onpeak kWh 2.274¢ per kWh per month for all offpeak kWh

### Adjustment

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

### Facilities Rental Charge

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

### Reactive Demand Charges

If the reactive demand (in kVAR) is lagging during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's highest metered demand occurs, there shall be added to the customer's bill a reactive charge of \$1.46 per kVAR of the amount, if any, by which the reactive demand exceeds 33 percent of such metered demand. If the reactive demand (in kVAR) is leading during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's lowest metered demand (excluding any metered demands which are less than 25 percent of the highest metered demand) occurs, there shall be added to the customer's bill a reactive charge of \$1.14 per kVAR of the amount of reactive demand. Such charges shall be in addition to all other charges under this rate schedule, including minimum bill charges.

### Determination of Onpeak and Offpeak Hours

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

## Determination of Onpeak and Offpeak Demands and Energy Amounts

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

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

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Service is subject to Rules and Regulations of Distributor.

**WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION**

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

(January 2005)

Availability

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

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

Character of Service

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

Base Charges

Customer Charge:	\$1,500 per delivery point per month
Right-of-way Clearing Surcharge:	\$3.25 per meter per month
Demand Charge:	\$10.46 per kW per month of the customer's onpeak billing demand, plus  \$1.38 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  \$10.46 per kW per month for each kW, if any, of the amount by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher
Energy Charge:	3.851¢ per kWh per month for all onpeak kWh  2.274¢ per kWh per month for all offpeak kWh

## Adjustment

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

## Facilities Rental Charge

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

## Reactive Demand Charges

If the reactive demand (in kVAR) is lagging during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's highest metered demand occurs, there shall be added to the customer's bill a reactive charge of \$1.46 per kVAR of the amount, if any, by which the reactive demand exceeds 33 percent of such metered demand. If the reactive demand (in kVAR) is leading during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's lowest metered demand (excluding any metered demands which are less than 25 percent of the highest metered demand) occurs, there shall be added to the customer's bill a reactive charge of \$1.14 per kVAR of the amount of reactive demand. Such charges shall be in addition to all other charges under this rate schedule, including minimum bill charges.

## Determination of Onpeak and Offpeak Hours

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



## Determination of Onpeak and Offpeak Demands and Energy Amounts

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

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

## Minimum Bill

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

Distributor may require minimum bills higher than those stated above.

## Contract Requirement

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

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

### Payment

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

### Single-Point Delivery

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

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Service is subject to Rules and Regulations of Distributor.

## WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

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

(January 2005)

#### Availability

This rate shall be available for the firm electric power requirements where the higher of a customer's currently effective onpeak or offpeak contract demand is greater than 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
Right-of-way Clearing Surcharge:	\$3.25 per meter per month
Demand Charge:	\$12.85 per kW per month of the customer's onpeak billing demand, plus \$1.89 per month for each kW, if any, of the amount by which the customer's offpeak billing demand exceeds its onpeak billing demand, plus an additional \$12.85 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:	2.396¢ per kWh per month for all onpeak kWh  2.237¢ per kWh per month for all offpeak kWh

## Adjustment

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

## Facilities Rental Charge

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

## Reactive Demand Charges

If the reactive demand (in kVAR) is lagging during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's highest metered demand occurs, there shall be added to the customer's bill a reactive charge of \$1.46 per kVAR of the amount, if any, by which the reactive demand exceeds 33 percent of such metered demand. If the reactive demand (in kVAR) is leading during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's lowest metered demand (excluding any metered demands which are less than 25 percent of the highest metered demand) occurs, there shall be added to the customer's bill a reactive charge of \$1.14 per kVAR of the amount of reactive demand. Such charges shall be in addition to all other charges under this rate schedule, including minimum bill charges.

## Determination of Onpeak and Offpeak Hours

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

## Determination of Onpeak and Offpeak Demands and Energy Amounts

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

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

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Service is subject to Rules and Regulations of Distributor.

# WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

## MANUFACTURING SERVICE RATE--SCHEDULE MSB

(January 2005)

### Availability

This rate shall apply to the firm electric power requirements where (a) a customer's currently effective contract demand is greater than 5,000 kW but not more than 15,000 kW and (b) the major use of electricity is for activities conducted at the delivery point serving that customer which are classified with a 2-digit Standard Industrial Classification Code between 20 and 39, inclusive.

Prior to initially taking any service under this schedule, and from time to time thereafter as may be required by Distributor or the Tennessee Valley Authority (TVA), a customer shall certify to both Distributor and TVA that it meets the requirements set forth in condition (b) above. The certification form to be used shall be (i) furnished or approved by TVA, (ii) provided by Distributor to the customer, and (iii) signed and promptly returned by the customer to Distributor. Further, such customer shall promptly certify any change in the status of any of the information contained in the certification form to Distributor.

Service during any period for which a customer does not meet the eligibility requirements set forth in condition (b) above will be made available by Distributor under, and billed in accordance with, the applicable General Power schedule.

### Character of Service

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

### Base Charges

1. If the customer's metered demand for the month is not more than 5,000 kW:

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

Right-of-way  
Clearing Surcharge: \$3.25 per meter per month

Demand Charge: \$9.49 per kW of billing demand per month, plus an additional  
\$9.49 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: 2.435¢ per kWh for up to 620 hours use of metered demand per month  
1.987¢ per kWh for all additional kWh per month

2. If the customer's metered demand for the month is greater than 5,000 kW:

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

Right-of-way  
Clearing Surcharge: \$3.25 per meter per month

Demand Charge: \$9.02 per kW of billing demand per month, plus an additional  
\$9.02 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: 2.312¢ per kWh for up to 620 hours use of metered demand per month  
1.888¢ per kWh for all additional kWh per month

#### Adjustment

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

#### Facilities Rental Charge

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

#### Reactive Demand Charges

If the reactive demand (in kVAR) is lagging during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's highest metered demand occurs, there shall be added to the customer's bill a reactive charge of \$1.46 per kVAR of the amount, if any, by which the reactive demand exceeds 33 percent of such metered demand. If the reactive demand (in kVAR) is leading during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's lowest metered demand (excluding any metered demands which are less than 25 percent of the highest metered demand) occurs, there shall be added to the customer's bill a reactive charge of \$1.14 per kVAR of the amount of reactive demand. Such charges shall be in addition to all other charges under this rate schedule, including minimum bill charges.



### Determination of Demand

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

### Minimum Bill

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

Distributor may require minimum bills higher than those stated above.

### Contract Requirement

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

### Payment

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

### Single-Point Delivery

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

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Service is subject to Rules and Regulations of Distributor.

# WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

## MANUFACTURING SERVICE RATE--SCHEDULE MSC

(January 2005)

### Availability

This rate shall apply to the firm electric power requirements where (a) a customer's currently effective contract demand is greater than 15,000 kW but not more than 25,000 kW and (b) the major use of electricity is for activities conducted at the delivery point serving that customer which are classified with a 2-digit Standard Industrial Classification Code between 20 and 39, inclusive.

Prior to initially taking any service under this schedule, and from time to time thereafter as may be required by Distributor or the Tennessee Valley Authority (TVA), a customer shall certify to both Distributor and TVA that it meets the requirements set forth in condition (b) above. The certification form to be used shall be (i) furnished or approved by TVA, (ii) provided by Distributor to the customer, and (iii) signed and promptly returned by the customer to Distributor. Further, such customer shall promptly certify any change in the status of any of the information contained in the certification form to Distributor.

Service during any period for which a customer does not meet the eligibility requirements set forth in condition (b) above will be made available by Distributor under, and billed in accordance with, the applicable General Power schedule.

### Character of Service

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

### Base Charges

Customer Charge:	\$1,500 per delivery point per month
Right-of-way Clearing Surcharge:	\$3.25 per meter per month
Demand Charge:	\$8.51 per kW of billing demand per month, plus an additional \$8.51 per kW per month for each kW, if any, of the amount by which the customer's billing demand exceeds its contract demand
Energy Charge:	2.312¢ per kWh for up to 620 hours use of metered demand per month 1.888¢ per kWh for all additional kWh per month

### Adjustment

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

### Facilities Rental Charge

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

### Reactive Demand Charges

If the reactive demand (in kVAR) is lagging during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's highest metered demand occurs, there shall be added to the customer's bill a reactive charge of \$1.46 per kVAR of the amount, if any, by which the reactive demand exceeds 33 percent of such metered demand. If the reactive demand (in kVAR) is leading during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's lowest metered demand (excluding any metered demands which are less than 25 percent of the highest metered demand) occurs, there shall be added to the customer's bill a reactive charge of \$1.14 per kVAR of the amount of reactive demand. Such charges shall be in addition to all other charges under this rate schedule, including minimum bill charges.

### Determination of Demand

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

### Minimum Bill

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

Distributor may require minimum bills higher than those stated above.

### Contract Requirement

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

### Payment

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

### Single-Point Delivery

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

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Service is subject to Rules and Regulations of Distributor.

## WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

### MANUFACTURING SERVICE RATE--SCHEDULE MSD

(January 2005)

#### Availability

This rate shall apply to the firm electric power requirements where (a) a customer's currently effective contract demand is greater than 25,000 kW and (b) the major use of electricity is for activities conducted at the delivery point serving that customer which are classified with a 2-digit Standard Industrial Classification Code between 20 and 39, inclusive.

Prior to initially taking any service under this schedule, and from time to time thereafter as may be required by Distributor or the Tennessee Valley Authority (TVA), a customer shall certify to both Distributor and TVA that it meets the requirements set forth in condition (b) above. The certification form to be used shall be (i) furnished or approved by TVA, (ii) provided by Distributor to the customer, and (iii) signed and promptly returned by the customer to Distributor. Further, such customer shall promptly certify any change in the status of any of the information contained in the certification form to Distributor.

Service during any period for which a customer does not meet the eligibility requirements set forth in condition (b) above will be made available by Distributor under, and billed in accordance with, the applicable General Power schedule.

#### Character of Service

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

#### Base Charges

Customer Charge:	\$1,500 per delivery point per month
Right-of-way Clearing Surcharge:	\$3.25 per meter 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:	1.854¢ per kWh per month

## Adjustment

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

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

## Reactive Demand Charges

If the reactive demand (in kVAR) is lagging during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's highest metered demand occurs, there shall be added to the customer's bill a reactive charge of \$1.46 per kVAR of the amount, if any, by which the reactive demand exceeds 33 percent of such metered demand. If the reactive demand (in kVAR) is leading during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's lowest metered demand (excluding any metered demands which are less than 25 percent of the highest metered demand) occurs, there shall be added to the customer's bill a reactive charge of \$1.14 per kVAR of the amount of reactive demand. Such charges shall be in addition to all other charges under this rate schedule, including minimum bill charges.

## Determination of Demand

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

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Service is subject to Rules and Regulations of Distributor.

## WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

### TIME-OF-DAY MANUFACTURING SERVICE RATE--SCHEDULE TMSB

(January 2005)

#### Availability

This rate shall be available for the firm electric power requirements where:

(a) 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, however, that 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;

and

(b) the major use of electricity is for activities conducted at the delivery point serving that customer which are classified with a 2-digit Standard Industrial Classification Code between 20 and 39, inclusive.

Prior to initially taking any service under this schedule, and from time to time thereafter as may be required by Distributor or the Tennessee Valley Authority (TVA), a customer shall certify to both Distributor and TVA that it meets the requirements set forth in condition (b) above. The certification form to be used shall be (i) furnished or approved by TVA, (ii) provided by Distributor to the customer, and (iii) signed and promptly returned by the customer to Distributor. Further, such customer shall promptly certify any change in the status of any of the information contained in the certification form to Distributor.

Service during any period for which a customer does not meet the eligibility requirements set forth in condition (b) above will be made available by Distributor under, and billed in accordance with, the applicable Time-of-Day General Power schedule.

#### Character of Service

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



### Base Charges

1. If the higher of the customer's onpeak metered demand or offpeak metered demand for the month is not more than 5,000 kW:

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

Right-of-way

Clearing Surcharge: \$3.25 per meter per month

Demand Charge: \$9.49 per kW per month of the customer's onpeak billing demand, plus

\$1.76 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

\$9.49 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: 3.280¢ per kWh per month for all onpeak kWh

1.935¢ per kWh per month for all offpeak kWh

2. If the higher of the customer's onpeak metered demand or offpeak metered demand for the month is greater than 5,000 kW:

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

Right-of-way

Clearing Surcharge: \$3.25 per meter per month

Demand Charge: \$9.02 per kW per month of the customer's onpeak billing demand, plus

\$1.67 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

\$9.02 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: 3.115¢ per kWh per month for all onpeak kWh

1.838¢ per kWh per month for all offpeak kWh

## Adjustment

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

## Facilities Rental Charge

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

## Reactive Demand Charges

If the reactive demand (in kVAR) is lagging during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's highest metered demand occurs, there shall be added to the customer's bill a reactive charge of \$1.46 per kVAR of the amount, if any, by which the reactive demand exceeds 33 percent of such metered demand. If the reactive demand (in kVAR) is leading during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's lowest metered demand (excluding any metered demands which are less than 25 percent of the highest metered demand) occurs, there shall be added to the customer's bill a reactive charge of \$1.14 per kVAR of the amount of reactive demand. Such charges shall be in addition to all other charges under this rate schedule, including minimum bill charges.

## Determination of Onpeak and Offpeak Hours

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

## Determination of Onpeak and Offpeak Demands and Energy Amounts

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

Distributor shall meter the onpeak and offpeak demands in kW of all customers taking service under this rate schedule. The onpeak metered demand and offpeak metered demand for any month shall be determined separately for the respective hours of the month designated under this rate schedule as onpeak and offpeak hours and in each case shall be the highest average during any 30-consecutive-minute period beginning or ending on a clock hour of the month of the load metered in kW, and, except as provided below in this section, such amounts shall be used as the onpeak and offpeak billing demands. The onpeak billing

demand shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW 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 Manufacturing Service Rate-Schedule MSB. In such case the term of the power contract shall remain the same and the contract demand for service under the Manufacturing Service Rate-Schedule MSB 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.

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Service is subject to Rules and Regulations of Distributor.

## **WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION**

### **TIME-OF-DAY MANUFACTURING SERVICE RATE--SCHEDULE TMSC**

(January 2005)

#### Availability

This rate shall be available for the firm electric power requirements where:

(a) 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, however, that 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;

and

(b) the major use of electricity is for activities conducted at the delivery point serving that customer which are classified with a 2-digit Standard Industrial Classification Code between 20 and 39, inclusive.

Prior to initially taking any service under this schedule, and from time to time thereafter as may be required by Distributor or the Tennessee Valley Authority (TVA), a customer shall certify to both Distributor and TVA that it meets the requirements set forth in condition (b) above. The certification form to be used shall be (i) furnished or approved by TVA, (ii) provided by Distributor to the customer, and (iii) signed and promptly returned by the customer to Distributor. Further, such customer shall promptly certify any change in the status of any of the information contained in the certification form to Distributor.

Service during any period for which a customer does not meet the eligibility requirements set forth in condition (b) above will be made available by Distributor under, and billed in accordance with, the applicable Time-of-Day General Power schedule.

#### Character of Service

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

### Base Charges

Customer Charge:	\$1,500 per delivery point per month
Right-of-way Clearing Surcharge:	\$3.25 per meter per month
Demand Charge:	\$8.53 per kW per month of the customer's onpeak billing demand, plus  \$1.19 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  \$8.53 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:	3.115¢ per kWh per month for all onpeak kWh  1.838¢ per kWh per month for all offpeak kWh

### Adjustment

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

### Facilities Rental Charge

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

### Reactive Demand Charges

If the reactive demand (in kVAR) is lagging during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's highest metered demand occurs, there shall be added to the customer's bill a reactive charge of \$1.46 per kVAR of the amount, if any, by which the reactive demand exceeds 33 percent of such metered demand. If the reactive demand (in kVAR) is leading during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's

lowest metered demand (excluding any metered demands which are less than 25 percent of the highest metered demand) occurs, there shall be added to the customer's bill a reactive charge of \$1.14 per kVAR of the amount of reactive demand. Such charges shall be in addition to all other charges under this rate schedule, including minimum bill charges.

### Determination of Onpeak and Offpeak Hours

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

### Determination of Onpeak and Offpeak Demands and Energy Amounts

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

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

### Minimum Bill

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

Distributor may require minimum bills higher than those stated above.

### Contract Requirement

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

After having received service for at least 1 year under this rate schedule, the customer, subject to appropriate amendments in its power contract with Distributor, may receive service under the Manufacturing Service Rate-Schedule MSC. In such case the term of the power contract shall remain the same and the contract demand for service under the Manufacturing Service Rate-Schedule MSC 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.

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Service is subject to Rules and Regulations of Distributor.

## WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

### TIME-OF-DAY MANUFACTURING SERVICE RATE--SCHEDULE TMSD

(January 2005)

#### Availability

This rate shall be available for the firm electric power requirements where:

(a) the higher of a customer's currently effective onpeak or offpeak contract demand is greater than 25,000 kW; provided, however, that 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;

and

(b) the major use of electricity is for activities conducted at the delivery point serving that customer which are classified with a 2-digit Standard Industrial Classification Code between 20 and 39, inclusive.

Prior to initially taking any service under this schedule, and from time to time thereafter as may be required by Distributor or the Tennessee Valley Authority (TVA), a customer shall certify to both Distributor and TVA that it meets the requirements set forth in condition (b) above. The certification form to be used shall be (i) furnished or approved by TVA, (ii) provided by Distributor to the customer, and (iii) signed and promptly returned by the customer to Distributor. Further, such customer shall promptly certify any change in the status of any of the information contained in the certification form to Distributor.

Service during any period for which a customer does not meet the eligibility requirements set forth in condition (b) above will be made available by Distributor under, and billed in accordance with, the applicable Time-of-Day General Power schedule.

#### Character of Service

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



### Base Charges

Customer Charge:	\$1,500 per delivery point per month
Right-of-way Clearing Surcharge:	\$3.25 per meter per month
Demand Charge:	\$10.77 per kW per month of the customer's onpeak billing demand, plus  \$1.62 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  \$10.77 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:	2.000¢ per kWh per month for all onpeak kWh  1.867¢ per kWh per month for all offpeak kWh

### Adjustment

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

### Facilities Rental Charge

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

### Reactive Demand Charges

If the reactive demand (in kVAR) is lagging during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's highest metered demand occurs, there shall be added to the customer's bill a reactive charge of \$1.46 per kVAR of the amount, if any, by which the reactive demand exceeds 33 percent of such metered demand. If the reactive demand (in kVAR) is leading during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's lowest metered demand (excluding any metered demands which are less than 25 percent of the highest metered demand) occurs, there shall be added to the customer's bill a reactive charge of \$1.14 per kVAR of the amount of reactive demand. Such charges shall be in addition to all other charges under this rate schedule, including minimum bill charges.

### Determination of Onpeak and Offpeak Hours

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

### Determination of Onpeak and Offpeak Demands and Energy Amounts

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

Distributor shall meter the onpeak and offpeak demands in kW of all customers taking service under this rate schedule. The onpeak metered demand and offpeak metered demand for any month shall be determined separately for the respective hours of the month designated under this rate schedule as onpeak and offpeak hours and in each case shall be the highest average during any 30-consecutive-minute period beginning or ending on a clock hour of the month of the load metered in kW, and, except as provided below in this section, such amounts shall be used as the onpeak and offpeak billing demands. The onpeak billing demand shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW, (2) 40 percent of the next 20,000 kW, (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 Manufacturing Service Rate-Schedule MSD. In such case the term of the power contract shall remain the same and the contract demand for service under the Manufacturing Service Rate-Schedule MSD 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.

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Service is subject to Rules and Regulations of Distributor.

November 29, 2004

**RESALE RATE SCHEDULE SUBSTITUTION AGREEMENT**

**Between**

**WEST KENTUCKY RURAL ELECTRIC  
COOPERATIVE CORPORATION (DISTRIBUTOR)**

**And**

**TENNESSEE VALLEY AUTHORITY (TVA)**

Distributor and TVA agree to substitute for a temporary period the new resale rate schedule specified in (a) below, a copy of which is attached, for the resale rate schedule specified in (b) below, which, as adjusted, is now in effect as a part of the Schedule of Rates and Charges attached to and made a part of the Power Contract, TV-59577A, dated April 26, 1982, as amended (Power Contract), between TVA and Distributor. This substitution shall be effective for all bills rendered from resale meter readings taken for revenue months of Distributor beginning with the January 2005 revenue month and shall continue through the December 2008 revenue month. It is expressly recognized that the adjustments set forth in the Adjustment Addendum to said Schedule of Rates and Charges dated October 1, 2003, and entitled "Environmental Adjustment," shall continue to apply to the charges provided for by the attached schedule specified in (a) below.

- (a) New resale rate schedule:  
Outdoor Lighting Rate--Schedule LS (January 2005)
  
- (b) Existing resale rate schedule:  
Outdoor Lighting Rate--Schedule LS (October 2003, R1)

It is understood that, upon execution of this agreement by TVA and Distributor, during the period of said substitution 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 G. Hannon  
General Manager, Contracts and Pricing  
Customer Service and Marketing

# WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

## OUTDOOR LIGHTING RATE--SCHEDULE LS

(January 2005)

### Availability

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

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

### Payment

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

### Adjustment

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

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

- I. Energy Charge: 4.418¢ per kWh per month
- II. Facility Charge

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

Traffic signal systems and athletic field lighting installations shall be provided, owned, and maintained by and at the expense of the customer, except as Distributor may agree otherwise in accordance with the provisions of the paragraph next following in this section II. The facilities necessary to provide service to such systems and installations shall be provided by and at the expense of Distributor's electric system, and the annual facility charge provided for first above in this section II shall apply to the installed cost of such facilities.

When so authorized by policy duly adopted by Distributor's governing board, traffic signal systems and athletic field lighting installations may be provided, owned, and maintained by Distributor's

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

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

Distributor shall apply a uniform monthly customer charge of \$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.

V. Right-of-way Clearing Surcharge: \$3.25 per meter per month for service to street and park lighting systems, traffic signal systems, and athletic field lighting installations

Metering

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

Revenue and Cost Review

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

## PART B--CHARGES FOR OUTDOOR LIGHTING FOR INDIVIDUAL CUSTOMERS

### Charges Per Fixture Per Month

(a) <u>Type of Fixture</u>	<u>Lamp Size</u>		<u>Rated kWh</u>	<u>Facility Charge</u>
	<u>(Watts)</u>	<u>(Lumens)</u>		
Mercury Vapor or Incandescent	175	7,650	70	\$4.43
	250	10,400	98	\$3.21
	400	19,100	155	\$5.92
	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	\$4.95
	150	14,400	63	\$4.90
	200	18,900	82	\$4.61
	250	23,000	105	\$4.87
	400	45,000	165	\$5.87
	1,000	126,000	385	\$10.40
Low Pressure Sodium	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, 4.418¢ 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.

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Service is subject to Rules and Regulations of Distributor.

# WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

## OUTDOOR LIGHTING RATE--SCHEDULE LS

(January 2005)\*

### Availability

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

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

### Payment

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

### Adjustment

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

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

- I. Energy Charge: 4.624¢ per kWh per month
  
- II. Facility Charge

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

Traffic signal systems and athletic field lighting installations shall be provided, owned, and maintained by and at the expense of the customer, except as Distributor may agree otherwise in accordance with the provisions of the paragraph next following in this section II. The facilities necessary to provide service to such systems and installations shall be provided by and at the expense of Distributor's electric system, and the annual facility charge provided for first above in this section II shall apply to the installed cost of such facilities.

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\* Incorporates adjustments set out in October 2003 Adjustment Addendum (Environmental Adjustment)



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.

V. Right-of-way Clearing Surcharge: \$3.25 per meter per month for service to street and park lighting systems, traffic signal systems, and athletic field lighting installations

### Metering

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

### Revenue and Cost Review

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

## PART B--CHARGES FOR OUTDOOR LIGHTING FOR INDIVIDUAL CUSTOMERS

### Charges Per Fixture Per Month

(a) <u>Type of Fixture</u>	<u>Lamp Size</u>		<u>Rated kWh</u>	<u>Facility Charge</u>
	<u>(Watts)</u>	<u>(Lumens)</u>		
Mercury Vapor or Incandescent	175	7,650	70	\$4.43
	250	10,400	98	\$3.21
	400	19,100	155	\$5.92
	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	\$4.95
	150	14,400	63	\$4.90
	200	18,900	82	\$4.61
	250	23,000	105	\$4.87
	400	45,000	165	\$5.87
1,000	126,000	385	\$10.40	
Low Pressure Sodium	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, 4.624¢ 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.

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Service is subject to Rules and Regulations of Distributor.

**NEW DELIVERY POINT AGREEMENT**  
**Between**  
**WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION**  
**And**  
**TENNESSEE VALLEY AUTHORITY**

Date: June 1, 2005

TV-59577A, Supp. No. 64  
00045848

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 (TVA Act);

**WITNESSETH:**

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

WHEREAS, Distributor is building the Golo 161-kV Substation (New Substation) near Golo, Kentucky, with a target in-service date of June 1, 2005; and

WHEREAS, the parties wish to amend the Power Contract to add a new delivery point at the New Substation;

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

**SECTION 1 - CONSTRUCTION BY DISTRIBUTOR**

Distributor shall at its expense:

- (a) provide the New Substation and
- (b) perform all work on its distribution system necessary to enable it to take power and energy at the New Substation on or as soon as practicable after the date the New Substation is completed.

## **SECTION 2 - CONSTRUCTION BY TVA**

TVA shall at its expense:

- (a) install a slack-span loop extending TVA's Marshall-Mayfield 161-kV Line (161-kV Line) into the New Substation and
- (b) connect this loop to the New Substation.

## **SECTION 3 - AMENDMENT TO POWER CONTRACT**

Effective as of the date on which Distributor first takes power at the New Substation, section 3 of the Power Contract is amended by adding to the respective columns of the tabulation set out in that section the following:

<u>Delivery Point</u>	<u>Normal Wholesale Delivery Voltage</u>
161-kV side of the Golo 161-kV Substation	161,000

## **SECTION 4 - INCORPORATION OF ATTACHMENTS**

The attachments entitled "Terms and Conditions" and "Billing and Payment Terms" are made a part of this agreement. In the event of any conflict between the body of this agreement and the attachments, the former shall control.

## **SECTION 5 - METERING**

TVA and Distributor will cooperate in providing at the New Substation a 13-kV revenue metering installation in accordance with the attached Terms and Conditions. There will, however, be no telephone circuit and no remote access by Distributor to meter data as specified in the Terms and Conditions. Instead, TVA (for its exclusive use) shall supply a cellular phone for remote access to the metering installation, and Distributor shall supply TVA at no charge 120-volt power for TVA's cellular phone.

## **SECTION 6 - RELAY INSTALLATIONS**

TVA and Distributor will cooperate in providing at the New Substation an underfrequency relay and an HEA relay with accessory equipment (Relays). In accordance with plans and specifications satisfactory to TVA, Distributor shall at its expense install the Relays and thereafter remove or replace them at TVA's request. TVA shall at its expense furnish the Relays and any needed replacements for them and shall operate, maintain, and repair the Relays.

**SECTION 7 - STATIC POLE AND SWITCH INSTALLATIONS**

TVA and Distributor will cooperate in providing at the New Substation (a) two 161-kV sectionalizing switches and associated structures (Switches), (b) the foundation for the Switches (Foundation) and (c) a 125 foot static pole. TVA shall at its expense provide and install the Switches and static pole. In accordance with plans and specifications satisfactory to TVA, Distributor shall at its expense provide and install the Foundation. As soon as the work is completed, the static pole will become Distributor's property. After the work is completed, TVA shall, consistent with the Billing and Payment Terms, reimburse Distributor an amount (estimated to be \$6,500) for the total cost of the Foundation less the total cost of the static pole. The Foundation will become TVA's property as soon as TVA makes this reimbursement. Thereafter, TVA shall operate, maintain, and repair the Switches and Foundation.

Distributor shall permit TVA unrestricted use of the bus section between the Switches to maintain a continuous electrical path in the 161-kV Line.

**SECTION 8 - AMENDMENT**

This agreement may be amended only by a writing signed by the parties.

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

**WEST KENTUCKY RURAL ELECTRIC  
COOPERATIVE CORPORATION**

By David E. Smart  
Title: President & CEO

**TENNESSEE VALLEY AUTHORITY**

By Anthony G. Hester  
General Manager, Contracts and Pricing  
Customer Service and Marketing

**TERMS AND CONDITIONS**  
**(New Delivery Point)**

**SECTION 1 - COORDINATION**

1.1 Objectives of Coordination. The parties agree that it is necessary to coordinate their efforts under this agreement to ensure that the following objectives are met: (a) timely and efficient completion of construction and connection of the New Substation to the TVA system, (b) timely and efficient completion of the metering installation, (c) the safe, reliable, and efficient operation of TVA's facilities, and (d) prevention of any undue hazards to TVA's facilities and operations. Each party will use reasonable diligence in carrying out its responsibilities under this agreement and will notify the other of any significant changes in schedule.

1.2 New Substation Plans and Specifications. Distributor shall consult with TVA in designing the New Substation and shall use plans and specifications that TVA concurs will ensure consistency with objectives (c) and (d) in subsection 1.1 above. Distributor will design, construct, operate, and maintain the New Substation in accordance with good, modern practices and procedures.

1.3 New Substation Protective Scheme. Distributor shall also consult with TVA in planning for the installation, operation, testing, calibration, and maintenance of the protective scheme for the New Substation. Such protective scheme shall include backup protection for the New Substation in the event of failure of primary interrupting devices. As a minimum, backup protection would involve equipment (such as backup relays and fault initiating switches) to trigger operation of secondary interrupting devices (typically remote line breakers). Distributor agrees not to install, operate, or maintain any protective devices without TVA's concurrence that objectives (c) and (d) in subsection 1.1 above will be fully met.

1.4 TVA Review. Any review by TVA of Distributor's plans provided for in this agreement should not be considered an endorsement that they are adequate for Distributor's purposes. TVA will not unreasonably withhold its concurrence following any such review.

1.5 Metering. TVA and Distributor will coordinate their work under section 2 below to the extent necessary and practicable.

**SECTION 2 - METERING**

2.1 TVA's Installation Work. TVA at its expense shall provide and install the revenue meter and related items necessary to determine the power and energy taken by Distributor at the New Substation. This metering installation will be at a mutually satisfactory location in the New Substation.

## 2.2 Distributor's Installation Work.

2.2.1 Current and Voltage Transformers. Distributor shall, at its expense and in accordance with plans and specifications furnished or approved by TVA, install the metering current and voltage transformers (furnished by TVA). This will be done on the source side of any station service transformers and voltage correction equipment.

2.2.2 Miscellaneous Facilities. Distributor shall install all other facilities required for the metering installation, including a prewired meter cabinet (provided by TVA) and the foundation (if necessary) for TVA's meter cabinet, the primary connections from the metering transformers to Distributor's facilities and the conduit (together with any required test boxes) and cable extending from the metering transformer secondaries to the meter cabinet. Distributor will furnish the supplies and materials needed under this subsection 2.2.2, except that TVA will furnish the cable and test boxes.

## 2.3 Remote Access to Metering Installation.

2.3.1 Installation of Circuit. For TVA's metering purposes, Distributor shall provide and install (or have installed) a telephone circuit (Circuit) and, if needed, protective conduit extending from TVA's revenue meter to a location specified by TVA. The installation shall be in accordance with guidelines and specifications furnished or approved by TVA. Distributor shall install and then operate and maintain the Circuit (and any such conduit) at its expense. TVA will connect the Circuit to the revenue meter.

2.3.2 Distributor Access to Meter Data. TVA agrees to allow Distributor (a) remote access to TVA's metering data through the Circuit and (b) access to the metering information available from the readout display of the revenue meter. Use of the Circuit and access to the readout display will be coordinated between TVA's and Distributor's operating representatives to ensure unrestricted telephone access by TVA for data retrieval purposes during such periods as specified by TVA.

2.3.3 Remote Access Equipment. It is recognized that Distributor will need equipment not provided by TVA in order to obtain metering data by remote telephone access. If requested, TVA will assist Distributor in selecting such equipment, but acquisition of the equipment shall be the sole responsibility of Distributor.

2.4 Control of Metering Installation. Except as specifically provided otherwise in this agreement (or as agreed otherwise by TVA), the metering installation shall be for TVA's exclusive use and control. It may be used by TVA separately or in conjunction with any other metering facilities of TVA. TVA will place its seals on the revenue meter and metering facilities in the metering installation, and Distributor shall assure that those seals are not broken except at TVA's request.

## 2.5 Maintenance of Metering Installation.

2.5.1 TVA's Responsibilities. TVA at its expense shall test, calibrate, operate, maintain, and replace the portion of the metering installation provided and installed by TVA.

2.5.2 Distributor's Responsibilities. As requested by TVA from time to time, Distributor at its expense shall perform necessary maintenance (including making of replacements) of the remaining portion of the metering installation. In doing this work Distributor shall furnish the necessary materials, except that TVA shall furnish for installation by Distributor any replacements required for the current and voltage transformers, metering cable, and test boxes.

## **SECTION 3 - METERING OUTPUTS**

3.1 Access to Outputs. Distributor may desire access to metering outputs from the metering installation for such purposes as monitoring and load control, and TVA is willing to make such access available at no charge. Accordingly, Distributor may, at such time as it deems appropriate, provide and install at its expense such additional facilities as are necessary for obtaining access to metering outputs. This includes provision and installation of cable to be connected by TVA to a terminal block in TVA's meter cabinet. Distributor shall also furnish and install any protective facilities requested by TVA for the protection of TVA's metering installation.

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

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

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



3.5 Termination of Arrangements. The arrangements set out under this section 3, may be terminated by TVA or Distributor at any time upon at least 120 days' written notice. As soon as practicable following the effective date of such termination, TVA will disconnect the cable from the metering installation.

#### **SECTION 4 - ADJUSTMENT OF METERED AMOUNTS**

If the metering installation at the New Substation is not at the point of delivery specified in the Power Contract, the metered amounts of power and energy shall be appropriately adjusted to reflect losses (and non-metered station service or equipment use, if any) between the point of delivery and the metering installation. Distributor shall from time to time furnish TVA with the loss data for Distributor's facilities needed to allow TVA to make such adjustments.

#### **SECTION 5 - RIGHTS OF ACCESS**

Distributor hereby grants to TVA such rights to use Distributor's property as are reasonably necessary or desirable to enable TVA to carry out its responsibilities under this agreement. These rights include installation, operation, maintenance, replacement, removal, and inspection of TVA's electrical facilities and equipment (including metering equipment) installed in connection with service to Distributor.

#### **SECTION 6 - POWER REQUIREMENTS**

Distributor shall at its expense provide the battery and station service power requirements for TVA's facilities and equipment (including metering equipment) installed at the New Substation.

#### **SECTION 7 - TERM OF AGREEMENT**

Except as otherwise provided, this agreement shall become effective as of the date of the agreement and shall continue in effect for the term of the Power Contract or any renewal, extension, or replacement of it.

#### **SECTION 8 - RESTRICTION OF BENEFITS**

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

## **BILLING AND PAYMENT TERMS**

### **SECTION 1 - DEFINITION OF TERMS**

"TVA" means the Tennessee Valley Authority.

"Reimbursable Contract" means the agreement or contract to which these Billing and Payment Terms are made a part as an attachment or exhibit.

"Billing Party" means the party owed any amount due under the Reimbursable Contract in accordance with these Billing and Payment Terms.

"Billed Party" means the party obligated to pay any amount due under the Reimbursable Contract in accordance with these Billing and Payment Terms. (The same party to the Reimbursable Contract may be the Billing Party or the Billed Party or both.)

"Payment Due Date" means the date by which payment is due the Billing Party as defined in Section 2 below.

"Deliverables" means the work or services performed, or property or equipment furnished, by the Billing Party under the Reimbursable Contract for the ownership benefit of the Billed Party.

### **SECTION 2 - INVOICING AND PAYMENT DUE DATE**

The Billing Party shall submit an invoice to the Billed Party for the amount due. The invoice may be submitted in electronic form, if permitted under the Reimbursable Contract. The invoice shall include reasonably sufficient detail or supporting documentation to permit the Billed Party to verify the appropriateness or accuracy of the amount owed. Unless a later due date is specified in the Reimbursable Contract, the Payment Due Date shall be 30 days from the later of the date or receipt of the invoice.

### **SECTION 3 - INTEREST ON UNDERPAYMENTS OR OVERPAYMENTS**

If the Billed Party fails to pay the amount due by the Payment Due Date, the Billed Party shall pay interest on the unpaid amount based on the maximum rate under the United States Prompt Payment Act, (31 U.S.C. §§ 3901-3907) as published in the Federal Register and adjusted periodically (currently semi-annually). Interest shall accrue from the Payment Due Date until the date the Billing Party receives payment. Failure to pay within 90 days after the Payment Due Date shall constitute a material breach of the Reimbursable Contract. If the Billed Party overpays (such as, due to erroneous or inaccurate invoicing by the Billing Party or due to refund of an excess deposit payment), the Billing Party shall promptly refund the amount overpaid with interest on the overpaid amount at the rate set out above for the period from the date the Billing Party received the overpaid amount to the date the refund is paid by the Billing Party.

#### **SECTION 4 - DELAY OR SUSPENSION OF WORK DUE TO PAYMENT FAILURE**

If the Billed Party fails to pay the amount due by the Payment Due Date, the Billing Party shall have the right to delay or suspend the work or services being performed until after such payment failure has been satisfactorily resolved. Nothing herein contained shall be construed as relieving the Billed Party of the obligation to pay the Billing Party for the work completed as of the date such work or services are delayed or suspended.

#### **SECTION 5 - PAYMENT DISPUTE**

The Billed Party may dispute the payment of all or a portion of the amount due in an invoice if the Billed Party has a reasonable basis to demonstrate that such amount is inappropriate or questionable. In that case, the Billed Party shall promptly advise the Billing Party in writing of the reasons for disputing all or a portion of the invoiced amount. Upon receipt of the Billed Party's written statement of reasons, the dispute resolution provisions of Section 12 below shall apply. If as a result of the dispute resolution, one party is required to pay the other for the amount overpaid or underpaid, such amount shall include interest calculated in accordance with Section 3 (**Interest on Underpayments or Overpayments**) above.

#### **SECTION 6 - OFFSET**

Each party reserves the right to offset any amount owed to the other party against any amount owed by the other party.

#### **SECTION 7 - WARRANTIES AND LIMITATION OF LIABILITY**

Unless otherwise provided in the Reimbursable Contract, the Billing Party warrants the Deliverables to be in conformance with generally accepted professional standards prevailing at the time of delivery. Any Deliverables not in accordance with such standards shall be corrected at no cost to the Billed Party as long as such nonconformance is reported in writing within one year from the date of delivery. The Billing Party expressly disclaims any other warranties, including implied warranties of merchantability or fitness for any particular use or purpose, as to any Deliverables provided hereunder.

#### **SECTION 8 - TIME OF COMPLETION AND FORCE MAJEURE**

Any delays in or failure of performance by the Billing Party or its contractors shall not constitute default hereunder if and to the extent such delays or failures of performance are caused by occurrences beyond the reasonable control of Billing Party or its contractors, and Billing Party shall not be liable for any loss or damage due to or arising out of any such delays or failure of performance. Such occurrences include, but are not limited to, acts of God or the public enemy, fires, epidemics, quarantines, strikes, freight embargoes or delays in transportation, priorities or other acts or orders of Governmental authority, or unforeseeable severe weather or floods, or any causes, whether or not of the same class or kind of those specifically above named, which are not within the control of Billing Party or its contractors.

## **SECTION 9 - ACCESS TO BILLING RECORDS AND CONFIDENTIALITY**

Upon written request by the Billed Party, the Billing Party shall provide access during normal working hours to its records as necessary to permit the Billed Party to verify the accuracy or appropriateness of the invoice. The Billed Party shall keep the information examined confidential. If a billing dispute is submitted to dispute resolution as set out in Section 12 below, the Billing Party agrees to provide the pertinent records or information to counsel and independent experts of the Billed Party and those attempting to resolve the dispute, provided such third parties agree to keep such records or information confidential. Nothing in this Section shall be construed as in any way impairing the ability pursuant to statutory authority of the Office of the Inspector General of TVA or of any other Federal agency having auditing jurisdiction over TVA to examine the records of the Billing Party to the extent relating to any amount billed TVA by the Billing Party.

## **SECTION 10 - ENTIRE CONTRACT**

The Reimbursable Contract and all exhibits or attachments thereto (including these Billing and Payment Terms) shall constitute the entire agreement between the parties. In the event of any conflict between the provisions of the Reimbursable Contract and these Billing and Payment Terms, the Reimbursable Contract shall prevail.

## **SECTION 11 - ASSIGNMENT OF CONTRACT NUMBER**

The Reimbursable Contract will have a contract number assigned by TVA for all parties to use as a reference as part of the invoicing and payment processes.

## **SECTION 12 - DISPUTE RESOLUTION**

If a billing amount dispute arises out of or relates to the Reimbursable Contract, including these Billing and Payment Terms, or the breach thereof, the parties agree to use their best efforts to resolve such a dispute informally at the lowest possible levels of decisionmaking. Such a dispute not resolved at the working level should be referred to higher levels of management of both parties for consideration, as necessary. If said dispute cannot be so settled, the parties further agree to develop and use consensual alternative dispute resolution processes, such as facilitation and mediation to try in good faith to settle said dispute, before resorting to arbitration, litigation, or some other dispute resolution procedure. The parties may, for example, try to resolve the dispute by mediation administered by the American Arbitration Association under its Commercial Mediation Rules.

## **SECTION 13 - 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 the Reimbursable Contract or to any benefit that may arise from it unless the agreement be made with a corporation for its general benefit. The other party to the Reimbursable Contract shall not offer or give, directly or indirectly, to any officer, employee, special Government employee, or agent of TVA any gift,

**NEW DELIVERY POINT AGREEMENT**  
**Between**  
**WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION**  
**And**  
**TENNESSEE VALLEY AUTHORITY**

Date: November 17, 2005

TV-59577A, Supp. No. 65

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 (TVA Act);

**W I T N E S S E T H:**

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

WHEREAS, Distributor is converting its existing Hardin Substation near Hardin, Kentucky, from 69-kV to 161-kV operation, with a target in-service date of ~~May 5, 2006~~; and

*Call [signature]*  
*September 29, 2006j*

Whereas, Distributor plans to take power at a nominal voltage of 161,000 volts at the converted Hardin 161-kV Substation (New Substation); and

WHEREAS, the parties wish to amend the Power Contract to (a) eliminate the 69-kV delivery point at the Hardin Substation and (b) add a new 161-kV delivery point at the New Substation;

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

**SECTION 1 - CONSTRUCTION BY DISTRIBUTOR**

Distributor shall at its expense:

- (a) provide the New Substation and
- (b) perform all work on its distribution system necessary to enable it to take power and energy at the New Substation on or as soon as practicable after the date the New Substation is completed.

**SECTION 2 - CONSTRUCTION BY TVA**

TVA shall at its expense:

- (a) provide a tap point (Tap Point) in TVA's Marshall-Murray (formerly named Marshall-Mayfield No. 2) 161-kV Line,
- (b) provide a slack span extending from the Tap Point to the New Substation, and
- (c) connect this slack span to the New Substation.

**SECTION 3 - AMENDMENT TO POWER CONTRACT**

Effective as of the date on which Distributor first takes power at 161-kV at the New Substation, section 3 of the Power Contract is amended by striking from the tabulation appearing therein all references to the 69-kV delivery point at the Hardin Substation and substituting therefore the following:

<u>Delivery Point</u>	<u>Normal Wholesale Delivery Voltage</u>
161-kV side of the Hardin 161-kV Substation	161,000

**SECTION 4 - INCORPORATION OF TERMS AND CONDITIONS**

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

**SECTION 5 - REVENUE METERING INSTALLATIONS**

TVA and Distributor will cooperate in providing a 13-kV revenue metering installation at the New Substation in accordance with the Terms and Conditions, utilizing, to the extent feasible, the existing 13-kV metering installation and telephone circuit.

**SECTION 6 - AMENDMENT**

This agreement may be amended only by a writing signed by the parties.

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

**WEST KENTUCKY RURAL ELECTRIC  
COOPERATIVE CORPORATION**

By David E. Smart  
Title: President + CEO

**TENNESSEE VALLEY AUTHORITY**

By Cynthia G. Henry  
General Manager, Contracts and Pricing  
Customer Service and Marketing

**TERMS AND CONDITIONS**  
**(New Delivery Point)**

**SECTION 1 - COORDINATION**

1.1 Objectives of Coordination. The parties agree that it is necessary to coordinate their efforts under this agreement to ensure that the following objectives are met: (a) timely and efficient completion of construction and connection of the New Substation to the TVA system, (b) timely and efficient completion of the metering installation, (c) the safe, reliable, and efficient operation of TVA's facilities, and (d) prevention of any undue hazards to TVA's facilities and operations. Each party will use reasonable diligence in carrying out its responsibilities under this agreement and will notify the other of any significant changes in schedule.

1.2 New Substation Plans and Specifications. Distributor shall consult with TVA in designing the New Substation and shall use plans and specifications that TVA concurs will ensure consistency with objectives (c) and (d) in subsection 1.1 above. Distributor will design, construct, operate, and maintain the New Substation in accordance with good, modern practices and procedures.

1.3 New Substation Protective Scheme. Distributor shall also consult with TVA in planning for the installation, operation, testing, calibration, and maintenance of the protective scheme for the New Substation. Such protective scheme shall include backup protection for the New Substation in the event of failure of primary interrupting devices. As a minimum, backup protection would involve equipment (such as backup relays and fault initiating switches) to trigger operation of secondary interrupting devices (typically remote line breakers). Distributor agrees not to install, operate, or maintain any protective devices without TVA's concurrence that objectives (c) and (d) in subsection 1.1 above will be fully met.

1.4 TVA Review. Any review by TVA of Distributor's plans provided for in this agreement should not be considered an endorsement that they are adequate for Distributor's purposes. TVA will not unreasonably withhold its concurrence following any such review.

1.5 Metering. TVA and Distributor will coordinate their work under section 2 below to the extent necessary and practicable.

**SECTION 2 - METERING**

2.1 TVA's Installation Work. TVA at its expense shall provide and install the revenue meter and related items necessary to determine the power and energy taken by Distributor at the New Substation. This metering installation will be at a mutually satisfactory location in the New Substation.



## 2.2 Distributor's Installation Work.

2.2.1 Current and Voltage Transformers. Distributor shall, at its expense and in accordance with plans and specifications furnished or approved by TVA, install the metering current and voltage transformers (furnished by TVA). This will be done on the source side of any station service transformers and voltage correction equipment.

2.2.2 Miscellaneous Facilities. Distributor shall install all other facilities required for the metering installation, including a prewired meter cabinet (provided by TVA) and the foundation (if necessary) for TVA's meter cabinet, the primary connections from the metering transformers to Distributor's facilities and the conduit (together with any required test boxes) and cable extending from the metering transformer secondaries to the meter cabinet. Distributor will furnish the supplies and materials needed under this subsection 2.2.2, except that TVA will furnish the cable and test boxes.

## 2.3 Remote Access to Metering Installation.

2.3.1 Installation of Circuit. For TVA's metering purposes, Distributor shall provide and install (or have installed) a telephone circuit (Circuit) and, if needed, protective conduit extending from TVA's revenue meter to a location specified by TVA. If TVA furnishes a telephone switcher, Distributor shall install it at an agreed upon location. Distributor installation of the Circuit and telephone switcher shall be in accordance with guidelines and specifications furnished or approved by TVA. Distributor shall install and then operate and maintain the Circuit (and any such conduit) at its expense. TVA will connect the Circuit to the revenue meter.

2.3.2 Distributor Access to Meter Data. TVA agrees to allow Distributor (a) remote access to TVA's metering data through the Circuit and (b) access to the metering information available from the readout display of the revenue meter. Use of the Circuit and access to the readout display will be coordinated between TVA's and Distributor's operating representatives to ensure unrestricted telephone access by TVA for data retrieval purposes during such periods as specified by TVA.

2.3.3 Remote Access Equipment. It is recognized that Distributor will need equipment not provided by TVA in order to obtain metering data by remote telephone access. If requested, TVA will assist Distributor in selecting such equipment, but acquisition of the equipment shall be the sole responsibility of Distributor.

2.4 Control of Metering Installation. Except as specifically provided otherwise in this agreement (or as agreed otherwise by TVA), the metering installation shall be for TVA's exclusive use and control. It may be used by TVA separately or in conjunction with any other metering facilities of TVA. TVA will place its seals on the revenue meter and metering facilities in the metering installation, and Distributor shall assure that those seals are not broken except at TVA's request.

## 2.5 Maintenance of Metering Installation.

2.5.1 TVA's Responsibilities. TVA at its expense shall test, calibrate, operate, maintain, and replace the portion of the metering installation provided and installed by TVA.

2.5.2 Distributor's Responsibilities. As requested by TVA from time to time, Distributor at its expense shall perform necessary maintenance (including making of replacements) of the remaining portion of the metering installation. In doing this work Distributor shall furnish the necessary materials, except that TVA shall furnish for installation by Distributor any replacements required for the current and voltage transformers, metering cable, and test boxes.

## SECTION 3 - METERING OUTPUTS

3.1 Access to Outputs. Distributor may desire access to metering outputs from the metering installation for such purposes as monitoring and load control, and TVA is willing to make such access available at no charge. Accordingly, Distributor may, at such time as it deems appropriate, provide and install at its expense such additional facilities as are necessary for obtaining access to metering outputs. This includes provision and installation of cable to be connected by TVA to a terminal block in TVA's meter cabinet. Distributor shall also furnish and install any protective facilities requested by TVA for the protection of TVA's metering installation.

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

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

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

3.5 Termination of Arrangements. The arrangements set out under this section 3, may be terminated by TVA or Distributor at any time upon at least 120 days' written notice. As soon as practicable following the effective date of such termination, TVA will disconnect the cable from the metering installation.

#### **SECTION 4 - ADJUSTMENT OF METERED AMOUNTS**

If the metering installation at the New Substation is not at the point of delivery specified in the Power Contract, the metered amounts of power and energy shall be appropriately adjusted to reflect losses (and non-metered station service or equipment use, if any) between the point of delivery and the metering installation. Distributor shall from time to time furnish TVA with the loss data for Distributor's facilities needed to allow TVA to make such adjustments.

#### **SECTION 5 - RIGHTS OF ACCESS**

Distributor hereby grants to TVA such rights to use Distributor's property as are reasonably necessary or desirable to enable TVA to carry out its responsibilities under this agreement. These rights include installation, operation, maintenance, replacement, removal, and inspection of TVA's electrical facilities and equipment (including metering equipment) installed in connection with service to Distributor.

#### **SECTION 6 - POWER REQUIREMENTS**

Distributor shall at its expense provide the battery and station service power requirements for TVA's facilities and equipment (including metering equipment) installed at the New Substation.

#### **SECTION 7 - TERM OF AGREEMENT**

Except as otherwise provided, this agreement shall become effective as of the date of the agreement and shall continue in effect for the term of the Power Contract or any renewal, extension, or replacement of it.

#### **SECTION 8 - RESTRICTION OF BENEFITS**

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

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

Date: February 7, 2006

TV-59577A, Supp. No. 66

THIS AGREEMENT, made and entered into between WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION (WKRECC), 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, WKRECC and TVA have entered into a contract dated April 26, 1982, as amended (Power Contract), under which WKRECC purchases its entire requirements for electric power and energy from TVA for resale at specified delivery points, including a 69-kV delivery point at the Gilbertsville 69-kV Substation (69-kV Substation); and

WHEREAS, due to circumstances beyond WKRECC's control, WKRECC's 13-kV service to the east bank of the Tennessee River (East Bank Customers) from the 69-kV Substation was interrupted and subsequently replaced on a temporary and emergency basis by a 13-kV feed (Emergency Feed) providing an electrical path between Jackson Purchase Rural Electric Cooperative Corporation's (JPRECC) distribution system and the East Bank Customers; and

WHEREAS, as a result of the configuration of the Emergency Feed, JPRECC's Vulcan, Incorporated (Vulcan), power charges included charges associated with power and energy used by East Bank Customers that was delivered through the Emergency Feed (East Bank Customer Charges); and

WHEREAS, TVA has agreed with WKRECC that it is appropriate to reimburse Vulcan for the East Bank Customer Charges; and

WHEREAS, to expedite reimbursement to Vulcan, WKRECC has agreed to pay Vulcan for the East Bank Customer Charges and that TVA would keep WKRECC whole in this reimbursement; and

WHEREAS, WKRECC and TVA wish to agree on the arrangements for such reimbursement to Vulcan, including appropriate adjustments to WKRECC's monthly wholesale bill;

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

**SECTION 1 - TERM OF AGREEMENT**

This agreement shall become effective as of the date first written above and remains in effect until all obligations of the parties under it have been fulfilled.

**SECTION 2 - WHOLESALE BILLING ADJUSTMENT**

It is recognized that, through a separate agreement, Vulcan has accepted reimbursement of \$71,120.02 from WKRECC for any and all East Bank Customer Charges resulting from the configuration of the Emergency Feed. Accordingly, as soon as practicable, TVA shall include in WKRECC's monthly power invoice a credit in the amount of \$71,120.02 to keep WKRECC whole.

**SECTION 3 - POWER CONTRACT AFFIRMED**

Except as expressly set out above, nothing in this agreement shall affect the other terms of the Power Contract, which is 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 representatives, as of the day and year first above written.

**WEST KENTUCKY RURAL ELECTRIC  
COOPERATIVE CORPORATION**

By David E. Smart  
Title: President + CEO

**TENNESSEE VALLEY AUTHORITY**

By Cynthia G. Huron  
General Manager, Contracts and Pricing  
Customer Service and Marketing



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

March 23, 2006

TV-59577A  
Supp. No. 61

Mr. David Smart, President/CEO  
West Kentucky Rural Electric  
Cooperative Corporation  
Post Office Box 589  
Mayfield, Kentucky 42066-0589

Dear Mr. Smart:

This is to confirm the understanding between West Kentucky Rural Electric Cooperative Corporation (Distributor) and Tennessee Valley Authority (TVA) concerning the reimbursement plan for Distributor's costs of preparing or having prepared a Statement on Auditing Standards No. 70 (SAS 70) Type II audit of internal controls (Report) including an opinion of a certified public accountant (Opinion) as described in section 1 below in support of TVA efforts related to Section 404 of the Sarbanes-Oxley Act of 2002. It is recognized that (a) TVA's internal control structure is impacted by the nature of its current end-use billing arrangements with Distributor, (b) that under these arrangements, Distributor calculates major components of its power bills, and (c) that TVA will rely on the Report provided for by this agreement in assessing the effectiveness of TVA's internal controls over the end-use billing process as well as the effectiveness of related controls performed by Distributor.

In accordance with the following timetable and conditions, TVA will reimburse Distributor at the flat rate provided for in Attachment A to this agreement:

1. Distributor agrees to prepare or have prepared a Report.
  - a. The Report will cover, at least, the following 12 control objectives:
    - i. Correct billing rates are associated with contractual end-use customer classifications in the computer system(s) used by Distributor, and only valid changes are made by authorized individuals;
    - ii. The end-use customer master file, including end-use customer classifications and applicable SIC codes, is accurate, and only valid changes are made to the file by authorized individuals;
    - iii. Meter readings for energy usage (kWh) and peak demands (kW) accurately report the service provided;

- iv. All actual power usage for the period is captured and meter readings for energy usage (kWh) and peak demands (kW) are transferred completely and accurately to the computer system used to compute the "Schedule 1" power invoice;
- v. All adjustments to energy usage (kWh) and interval meter data (kW) are valid (for example, based on prior inaccurate meter readings or other valid support) and made by authorized personnel;
- vi. Processes are in place to verify periodically the proper performance of commercial and industrial meters used for demand charge calculations;
- vii. "Schedule 1" summaries are accurately calculated (using correct power usage, product and credit charge codes, customer classifications, usage calculations, credit calculations, contract terms, valid rates, and appropriate factors) and conveyed completely and accurately to TVA on a timely basis;
- viii. Logical access controls exist in Distributor and/or third party processor systems for proper system security and segregation of duties;
- ix. Data that has been recorded, processed, and reported remains complete, accurate, and valid throughout the update and storage process;
- x. Controls are in place for computer operations, program development and change, and records management;
- xi. Related spreadsheets and reports are controlled and validated; and
- xii. System backups are maintained and tested to ensure that recovery of systems can occur.

If Distributor relies on a third party to perform any of the control objectives above, Distributor is to obtain a separate Report, including Opinion, from the third party on the related controls.

- b. The Opinion will address the following four components:
  - i. Fair presentation of the description of controls,

- ii. Design effectiveness of controls,
  - iii. Operating effectiveness as of a specified date, and
  - iv. Whether or not the Distributor's or third party possessor's controls are operating effectively over a specified period of time.
2. On or before August 31, 2006, Distributor will submit to TVA the required Report(s), including Opinion(s) and descriptions of controls performed to meet each of the 12 control objectives listed under subsection 1a above; the nature of the tests conducted; and the results of each test as described in TVA's "Audit Plan-End-Use Billing Process;" provided, however, that if Distributor informs TVA of adequate explanation of why the Report(s) cannot be ready by August 31, 2006, TVA may agree in writing to accept the Report(s) after August 31, 2006.

Distributor agrees to submit the Report(s) by either mail or e-mail as listed below. If submitted by mail, two (2) copies of the Report(s) will be included.

By Mail: Tennessee Valley Authority  
Attn: Controller  
400 West Summit Hill Drive  
WT 4B-K  
Knoxville, Tennessee 37902

E-mail: dsasrepo@tva.gov

3. TVA will provide an advance of one-half of the applicable flat rate, set out under Attachment A to this agreement, by applying a credit equal to that amount on the Distributor's next power invoice calculated after the execution of this agreement.
4. If TVA receives the Report(s) meeting the requirements of section 1 above on or before the deadline provided for in section 2 above (as such deadline may be extended in accordance with the provisions of that section), TVA will reimburse the second half of the applicable flat rate by applying a credit on the Distributor's next power invoice.
5. If TVA does not receive such Report(s) by such deadline, Distributor's next power invoice will be subject to a charge equal to the advance reimbursement provided by TVA under section 3 above.



Mr. David Smart  
Page 4  
March 23, 2006

6. Nothing in this agreement is intended to subject a distributor that is not otherwise legally subject to the provisions of the Sarbanes-Oxley Act of 2002 to this act. The Report(s) and Opinion(s) described in this agreement support TVA's efforts under the act.

If this correctly states our understanding, please have a duly authorized representative sign and date both duplicate originals of this letter on behalf of Distributor and return them to your TVA Customer Service Manager. A fully executed original will be returned to you.

Sincerely,



Kenneth R. Breeden  
Executive Vice President  
Customer Service and Marketing

Accepted and agreed to as of  
the 23<sup>rd</sup> day of March, 2006

WEST KENTUCKY RURAL ELECTRIC  
COOPERATIVE CORPORATION

By: David E. Smart  
Title: President + CEO

## SAS 70 Audit Cost - Reimbursement Amounts Fiscal Year 2006

Distributor MWh Usage TVA's FY 2005	Reimbursement Amounts
Less Than 500,000	\$ 25,000
500,000 to 1 Million	\$ 35,000
1 to 2 Million	\$ 45,000
2 to 5 Million	\$ 55,000
5 to 10 Million	\$ 75,000
Over 10 Million	\$ 100,000

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

Date: October 1, 2006

TV-59577A, Supp. No. 68

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 (TVA Act);

**W I T N E S S E T H:**

WHEREAS, TVA and Distributor have a longstanding relationship as seller and buyer of power, under which Distributor currently purchases all of its power requirements from TVA pursuant to Power Contract TV-59577A, dated April 26, 1982, as amended (Power Contract); and

WHEREAS, in accordance with the rate adjustment provisions in section 6 of the Terms and Conditions to the Power Contract, TVA has published an Adjustment Addendum, effective October 1, 2006, which includes a Fuel Cost Adjustment (FCA) formula under which rates will be automatically adjusted quarterly to reflect changes in costs for fuel and purchased power; and

WHEREAS, TVA and Distributor wish to agree upon a communication and oversight process under which FCA issues could be raised with TVA staff, TVA management, and the TVA Chief Executive Officer (CEO), and following such process, FCA policy issues could be ultimately appealed to the TVA Board; and

WHEREAS, TVA and Distributor also wish to agree upon an additional process to be applicable with respect to any proposed changes to or replacement of the FCA formula;

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

**1. Communication and Oversight Process.**

- 1.1 FCA Information. TVA will endeavor to provide the following Information related to the FCA at least 45 days prior to the quarterly operation of the FCA or as soon thereafter as practicable; provided, however, that such information shall in no event be provided later than 15 days in advance of such quarterly operation:

- (a) The FCA adjustment amounts for the following quarter.
- (b) Reconciliation between the prior quarter's forecast data and actual data, including the resulting deferred account impact.
- (c) A revised preliminary forecast for each of the next four quarters following the quarter for which FCA adjustment amounts are provided under (a).

1.2 Oversight. TVA and Distributor agree to use their best efforts to resolve any FCA issues that may arise informally at the lowest possible levels of decision making. Accordingly, any such issues may be submitted by Distributor to TVA in accordance with an oversight process consisting of the following progressive steps:

Step 1: Review by TVA Customer Service & Marketing (CS&M).

- (a) As a part of this step, Distributor may request additional information from TVA supporting the FCA amounts and TVA will provide that information subject to the qualifications in section 3 below.
- (b) Unless otherwise agreed, this step shall be completed within 30 days of its being initiated by Distributor.
- (c) If this step does not result in resolution of the issue(s), CS&M will provide Distributor with contact information for the appropriate senior TVA management representative(s) for step 2.

Step 2: Review by appropriate senior TVA management.

Unless otherwise agreed, this step shall be completed within 30 days of its being initiated by Distributor.

Step 3: Review by the TVA CEO.

Unless otherwise agreed, this step shall be completed within 30 days of its being initiated by Distributor.

Step 4: Appeal to the TVA Board.

If an FCA issue which has first been the subject of steps 1, 2, and 3 above presents policy questions, it may be appealed to the TVA Board by the distributor submitting a written request for review to the Finance, Strategy and Rates Committee of the Board, or to such other committee as may be designated by the Board, for such committee's recommendation to the Board. Any such request for Board review shall include:

- (a) a description of the issue(s),
- (b) a statement of the Distributor's position on the issue(s) and why it does not consider the results of the previous steps to have resulted in a satisfactory resolution of the issues, and
- (c) such other information as might be reasonably specified by TVA in procedures relating to such appeals.

- 1.3 **Board Decision Final.** The decision made by the TVA Board on any appeal to it under 1.2 above shall be final and shall not be subject to further review under, or based on or arising out of, any provision of this section 1. Further, it is expressly recognized and agreed that nothing in this section 1, shall be deemed to
- (a) create any right to any review of or oversight of TVA actions and decisions other than the process expressly provided for in this section 1;
  - (b) waive any otherwise applicable rights related to such review or oversight,
  - (c) relieve either Distributor or TVA of any obligation to continue to perform its contract obligations to the other party pending the outcome of said process; or
  - (d) in any way impair or restrict either party's ability to bring any action to enforce the FCA formula or the provisions of the other sections of this agreement.
- 1.4 **Process Revisions.** If either party believes that the oversight process provided for by 1.2 above should be revised for any reason, it shall propose such revisions and the parties shall endeavor to reach agreement upon revisions to the process. If after 90 days the parties have not reached agreement, TVA may, upon 30 days' written notice to Distributor implement:
- (a) any revisions related to steps 1, 2, and 3 of the process as are determined to be necessary or appropriate by its CEO, or
  - (b) any revisions related to step 4 of the process as are determined to be necessary or appropriate by its Board.
2. **Changes to FCA.** Section 6 of the Terms and Conditions to the Power Contract is amended in the respects necessary to provide that if TVA believes that any factors warrant a rate adjustment which would involve any change to or replacement of the FCA formula, TVA will not implement any such change or replacement of the FCA formula without first requesting that the parties or their representatives meet and endeavor to reach agreement upon the change or replacement. If within 90 days after any such request the parties have not reached agreement, TVA may, following a quarterly rate review as provided for in the paragraph entitled "Adjustment" of said section, publish an Adjustment Addendum implementing any such change or replacement of the FCA formula determined to be appropriate under the provisions of said paragraph.
3. **Confidentiality.** As a condition of any information provided by TVA to Distributor under this agreement, TVA may require Distributor to execute a confidentiality agreement in a form acceptable to TVA. Further, where deemed necessary by TVA to protect confidential or proprietary information, any such agreement may require that specified information provided for Distributor review remain in the possession of TVA, or a Distributor representative (such as the Tennessee Valley Public Power Association) that also enters into a confidentiality agreement with TVA, and that such information not be retained by Distributor or maintained as part of the record system of Distributor.

4. **No Limitation of Rate Adjustments.** Except as expressly set out in section 2 above with respect to any change to or replacement of the FCA formula, nothing in this agreement shall limit TVA's ability to adjust rates under the paragraph entitled "Adjustment" in section 6 of the Terms and Conditions to the Power Contract; provided, however, that it is further expressly recognized and agreed that nothing in this agreement shall be deemed to expand TVA's authority under said "Adjustment" paragraph or to in any way modify the rights and obligations of either party under any other provision of section 6 of the Terms and Conditions to the Power Contract.

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

**WEST KENTUCKY RURAL ELECTRIC  
COOPERATIVE CORPORATION**

By David E. Smart  
Title: President & CEO

**TENNESSEE VALLEY AUTHORITY**

By Theresa Alan Fox  
Executive Vice President  
Customer Service and Marketing

September 18, 2006

**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, as adjusted, are now in effect as a part of the Schedule of Rates and Charges attached to and made a part of the Power Contract, TV-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 October 2006 revenue month. It is expressly recognized that the adjustments set forth in the Adjustment Addendum to said Schedule of Rates and Charges dated October 1, 2006, shall continue to apply to the charges provided for by the attached schedules specified in (a) below.

(a) New resale rate schedules:

Residential Rate--Schedule RS (October 2006)  
General Power Rate--Schedule GSA (October 2006)  
General Power Rate--Schedule TGSA (October 2006)

(b) Existing resale rate schedules:

Residential Rate--Schedule RS (January 2005)  
General Power Rate--Schedule GSA (January 2005)  
General Power Rate--Schedule TGSA (January 2005)

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  
Title: Board President

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

**TENNESSEE VALLEY AUTHORITY**

By Theresa Alan Jones  
Executive Vice President  
Customer Resources

# WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

## RESIDENTIAL RATE--SCHEDULE RS

(October 2006)

### 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: \$1.71 per month

Right-of-way  
Clearing Surcharge: \$3.25 per meter per month

Energy Charge: 6.814¢ per kWh per month for first 800 kWh  
6.107¢ 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 under Adjustment 2 or Adjustment 4 of the wholesale power rate schedule applicable under contractual arrangements between TVA and Distributor.)

### 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.

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Service is subject to Rules and Regulations of Distributor.

# WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

## GENERAL POWER RATE--SCHEDULE GSA

(October 2006)

### 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

Right-of-way  
Clearing Surcharge: \$3.25 per meter per month

Energy Charge: 7.628¢ 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

Right-of-way  
Clearing Surcharge: \$3.25 per meter 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 \$13.32 per kW

Energy Charge: First 15,000 kWh per month at 7.628¢ per kWh  
Additional kWh per month at 3.337¢ per kWh

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

Customer Charge: \$100.00 per delivery point per month

Right-of-way  
Clearing Surcharge: \$3.25 per meter per month

Demand Charge: First 1,000 kW of billing demand per month, at \$12.63 per kW

Excess over 1,000 kW of billing demand per month, at  
\$13.62 per kW, plus an additional

\$13.62 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: 3.337¢ per kWh per month

### Adjustment

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

### Determination of Demand

Distributor shall meter the demands in kW of all customers having loads in excess of 50 kW. The metered demand for any month shall be the highest average during any 30-consecutive-minute period of the month of the load metered in kW. The measured demand for any month shall be the higher of the highest average during any 30-consecutive-minute period of the month of (a) the load metered in kW or (b) 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.

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Service is subject to Rules and Regulations of Distributor.

**WEST KENTUCKY RURAL ELECTRIC**  
**TIME-OF-DAY GENERAL POWER RATE--SCHEDULE TGSA**  
(October 2006)

Availability

This rate shall be available for the firm power requirements (where the higher of a customer's onpeak or offpeak 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, 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 service voltage available in the vicinity or agreed to by Distributor.

Base Charges

1. If the higher of (1) the higher of the customer's currently effective onpeak or offpeak contract demand or (2) the customer's highest onpeak or offpeak billing demand during the latest 12-month period is not more than 50 kW:

Customer Charge:       \$38.50 per delivery point per month

Right-of-way  
Clearing Surcharge:   \$3.25 per meter per month

Energy Charge:       11.964¢ per kWh per month for all onpeak kWh  
                              4.662¢ per kWh per month for all offpeak kWh

2. If the higher of (1) the higher of the customer's currently effective onpeak or offpeak contract demand or (2) the customer's highest onpeak or offpeak billing demand during the latest 12-month period is greater than 50 kW but no more than 1,000 kW:

Customer Charge: \$62.00 per delivery point per month

Right-of-way  
Clearing Surcharge: \$3.25 per meter per month.

Demand Charge: \$13.26 per kW of the customer's onpeak billing demand, plus  
\$6.51 per month for each kW, if any, of the amount by which the customer's offpeak billing demand exceeds its onpeak billing demand

Energy Charge: 5.200¢ per kWh per month for all onpeak kWh  
3.568¢ per kWh per month for all offpeak kWh

3. If the higher of (1) the higher of the customer's currently effective onpeak or offpeak contract demand or (2) the customer's highest onpeak or offpeak billing demand during the latest 12-month period is greater than 1,000 kW:

Customer Charge: \$125.00 per delivery point per month

Right-of-way  
Clearing Surcharge: \$3.25 per meter per month

Demand Charge: \$13.34 per kW per month of the customer's onpeak billing demand, plus  
\$5.28 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  
\$13.34 per kW per month for each kW, if any, of the amount by which (1) the customer's onpeak billing demand exceeds the higher of 2,500 kW or its onpeak contract demand or (2) the customer's offpeak billing demand exceeds the higher of 2,500 kW or its offpeak contract demand, whichever is higher

Energy Charge: 4.332¢ per kWh per month for all onpeak kWh  
2.700¢ per kWh per month for all offpeak kWh

### Adjustment

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

### 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 demand and the offpeak 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 higher of the highest average during any 30-consecutive-minute period beginning or ending on a clock hour 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, 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 30 percent of the customer's onpeak demand amount. The offpeak billing demand shall in no case be less than 30 percent of the customer's offpeak demand amount.

For purposes of this section, the onpeak demand amount referred to above shall be the higher of the currently effective onpeak contract demand or the highest onpeak billing demand established in the preceding 12 months, and the offpeak demand amount referred to above shall be the higher of the currently effective offpeak contract demand or the highest offpeak billing demand established in 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 portion of the base demand charge, as adjusted, applicable to onpeak billing demand applied to the customer's onpeak billing demand, (c) the portion of the base demand charge, as adjusted, applicable to the 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, (d) the base onpeak energy charge, as adjusted, applied to the customer's onpeak energy takings, (e) the base offpeak energy charge, as adjusted, applied to the customer's offpeak energy takings, and (f) the distribution capacity charge applied to the higher of the customer's onpeak or offpeak billing demand; provided, however, under 2 of the Base Charges, the monthly bill shall in no event be less than the sum of (a) the base customer charge, (b) 20 percent of the base onpeak demand charge, as adjusted, multiplied by the customer's onpeak billing demand, (c) 20 percent of the portion of the base demand charge, as adjusted, applicable to the 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, and (d) 20 percent of the distribution capacity charge, as adjusted, applied to the higher of the customer's onpeak or offpeak billing demand.

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 above and (2) \$4.00 per kW per month of the higher of the onpeak or offpeak billing demand under 2 and 3 above. 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 shall require contracts for all service provided under this rate schedule 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.

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 GSA. 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 GSA 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.

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Service is subject to Rules and Regulations of Distributor.



Issued: August 4, 2006  
 Applicable: October 1, 2006

**TENNESSEE VALLEY AUTHORITY**

October 2006

**STATEMENT OF AMOUNTS  
 APPLICABLE TO ENERGY AND DEMAND CHARGES  
 OF DESIGNATED RATE SCHEDULES  
 FOR  
 WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION**

The following table specifies the amounts to be added to the base demand and energy charges in the designated rate schedules. These amounts are to be used in calculating bills rendered from meter readings taken for TVA and Distributor monthly billing cycles scheduled to begin on or after October 1, 2006. The amounts set forth in each column (3) were calculated pursuant to the fuel cost adjustment formula in the Adjustment Addendum dated October 1, 2006. Also included in the table, for convenience, are all other adjustment amounts applicable under the designated rate schedules pursuant to the October 2006 Adjustment Addendum.

	Wholesale Power Rate - Schedule WS			Resale Schedules		
	(1)	(2)	(3)	(1)	(2)	(3)
<b>STANDARD SERVICE</b>						
<b>Residential Service</b>						
<u>Schedule RS</u>						
Energy Charge	Add	0.283¢ + 0.649¢ + 0.000¢		Add	0.305¢ * + 0.709¢ * + 0.000¢ *	
<b>General Power Service</b>						
<u>Schedule GSA</u>						
Part 1						
Energy Charge	Add	0.333¢ + 0.745¢ + 0.000¢		Add	0.353¢ * + 0.798¢ * + 0.000¢ *	
Part 2						
Demand Charge						
First 50 kW	Add	\$0.00 + \$0.00		Add	\$0.00 + \$0.00	
Excess over 50 kW	Add	\$0.46 + \$1.03		Add	\$0.47 + \$1.08	
Energy Charge						
First 15,000 kWh	Add	0.333¢ + 0.745¢ + 0.000¢		Add	0.353¢ + 0.798¢ + 0.000¢	
Additional kWh	Add	0.191¢ + 0.425¢ + 0.000¢		Add	0.198¢ + 0.445¢ + 0.000¢	
Part 3						
Demand Charge						
First 1,000 kW	Add	\$0.48 + \$1.08		Add	\$0.50 + \$1.13	
Excess over 1,000 kW	Add	\$0.58 + \$1.29		Add	\$0.61 ** + \$1.34 **	
Energy Charge	Add	0.191¢ + 0.425¢ + 0.000¢		Add	0.198¢ * + 0.445¢ * + 0.000¢ *	
<u>Schedule GSB</u>						
Demand Charge	Add	\$0.59 + \$1.32		Add	\$0.61 + \$1.37	
Energy Charge						
First 620 hours use of demand	Add	0.170¢ + 0.380¢ + 0.000¢		Add	0.175¢ + 0.392¢ + 0.000¢	
Additional kWh	Add	0.139¢ + 0.310¢ + 0.000¢		Add	0.143¢ + 0.319¢ + 0.000¢	
<u>Schedule GSC</u>						
Demand Charge	Add	\$0.59 + \$1.32		Add	\$0.61 + \$1.37	
Energy Charge						
First 620 hours use of demand	Add	0.170¢ + 0.380¢ + 0.000¢		Add	0.175¢ + 0.392¢ + 0.000¢	
Additional kWh	Add	0.139¢ + 0.310¢ + 0.000¢		Add	0.143¢ + 0.319¢ + 0.000¢	
<u>Schedule GSD</u>						
Demand Charge	Add	\$0.73 + \$1.64		Add	\$0.75 + \$1.69	
Energy Charge	Add	0.136¢ + 0.305¢ + 0.000¢		Add	0.140¢ + 0.314¢ + 0.000¢	

\* Applicable also to additional components of the resale energy charge.  
 \*\*Applicable also to additional components of the resale demand charge.

	Wholesale Power Rate - Schedule WS			Resale Schedules		
	(1)	(2)	(3)	(1)	(2)	(3)
<b>Manufacturing Service</b>						
<u>Schedule MSB</u>						
Part 1						
Demand Charge	Add	\$0.50 + \$1.13		Add	\$0.52 + \$1.17	
Energy Charge						
First 620 hours use of demand	Add	0.145¢ + 0.324¢ + 0.000¢		Add	0.149¢ + 0.334¢ + 0.000¢	
Additional kWh	Add	0.118¢ + 0.264¢ + 0.000¢		Add	0.121¢ + 0.271¢ + 0.000¢	
Part 2						
Demand Charge	Add	\$0.48 + \$1.06		Add	\$0.49 + \$1.10	
Energy Charge						
First 620 hours use of demand	Add	0.138¢ + 0.307¢ + 0.000¢		Add	0.142¢ + 0.317¢ + 0.000¢	
Additional kWh	Add	0.112¢ + 0.251¢ + 0.000¢		Add	0.115¢ + 0.259¢ + 0.000¢	
<u>Schedule MSC</u>						
Demand Charge	Add	\$0.48 + \$1.06		Add	\$0.49 + \$1.10	
Energy Charge						
First 620 hours use of demand	Add	0.138¢ + 0.307¢ + 0.000¢		Add	0.142¢ + 0.317¢ + 0.000¢	
Additional kWh	Add	0.112¢ + 0.251¢ + 0.000¢		Add	0.115¢ + 0.259¢ + 0.000¢	
<u>Schedule MSD</u>						
Demand Charge	Add	\$0.59 + \$1.32		Add	\$0.61 + \$1.37	
Energy Charge	Add	0.110¢ + 0.246¢ + 0.000¢		Add	0.113¢ + 0.254¢ + 0.000¢	
<b>Outdoor Lighting Service</b>						
<u>Schedule LS</u> Part A and B						
Energy Charge	Add	0.191¢ + 0.425¢ + 0.000¢		Add	0.206¢ + 0.464¢ + 0.000¢	
<b>Drainage Pumping Station</b>						
<u>Schedule DPS</u>						
Energy Charge	Add	0.191¢ + 0.425¢ + 0.000¢		Add	N/A + N/A + N/A	
<b>TIME-OF-DAY SERVICE</b>						
<b>Residential Service</b>						
<u>Schedule TRS</u>						
Energy Charge						
Onpeak	Add	0.481¢ + 1.103¢ + 0.000¢		Add	N/A + N/A + N/A	
Offpeak	Add	0.156¢ + 0.359¢ + 0.000¢		Add	N/A + N/A + N/A	
<b>General Power Service</b>						
<u>Schedule TGSA</u>						
Part 1						
Energy Charge						
Onpeak	Add	0.592¢ + 1.322¢ + 0.000¢		Add	0.628¢ + 1.371¢ + 0.000¢	
Offpeak	Add	0.156¢ + 0.350¢ + 0.000¢		Add	0.165¢ + 0.375¢ + 0.000¢	
Part 2						
Demand Charge						
Onpeak	Add	\$0.46 + \$1.03		Add	\$0.48 + \$1.08	
Excess Offpeak	Add	\$0.06 + \$0.12		Add	\$0.06 + \$0.13	
Energy Charge						
Onpeak	Add	0.250¢ + 0.558¢ + 0.000¢		Add	0.260¢ + 0.585¢ + 0.000¢	
Offpeak	Add	0.153¢ + 0.341¢ + 0.000¢		Add	0.159¢ + 0.356¢ + 0.000¢	
Part 3						
Demand Charge						
Onpeak	Add	\$0.54 + \$1.20		Add	\$0.56 + \$1.26	
Excess Offpeak	Add	\$0.06 + \$0.12		Add	\$0.06 + \$0.13	
Energy Charge						
Onpeak	Add	0.250¢ + 0.558¢ + 0.000¢		Add	0.260¢ + 0.585¢ + 0.000¢	
Offpeak	Add	0.153¢ + 0.341¢ + 0.000¢		Add	0.159¢ + 0.356¢ + 0.000¢	

N/A indicates not applicable

	Wholesale Power Rate - Schedule WS			Resale Schedules		
	(1)	(2)	(3)	(1)	(2)	(3)
<b>Schedule TGSB</b>						
Demand Charge						
Onpeak	Add	\$0.59 + \$1.32		Add	\$0.61 + \$1.37	
Excess Offpeak	Add	\$0.05 + \$0.12		Add	\$0.05 + \$0.13	
Energy Charge						
Onpeak	Add	0.229¢ + 0.512¢ + 0.000¢		Add	0.236¢ + 0.528¢ + 0.000¢	
Offpeak	Add	0.135¢ + 0.302¢ + 0.000¢		Add	0.139¢ + 0.311¢ + 0.000¢	
<b>Schedule TGSC</b>						
Demand Charge						
Onpeak	Add	\$0.59 + \$1.32		Add	\$0.61 + \$1.37	
Excess Offpeak	Add	\$0.05 + \$0.12		Add	\$0.05 + \$0.13	
Energy Charge						
Onpeak	Add	0.229¢ + 0.512¢ + 0.000¢		Add	0.236¢ + 0.528¢ + 0.000¢	
Offpeak	Add	0.135¢ + 0.302¢ + 0.000¢		Add	0.139¢ + 0.311¢ + 0.000¢	
<b>Schedule TGSD</b>						
Demand Charge						
Onpeak	Add	\$0.74 + \$1.65		Add	\$0.76 + \$1.70	
Excess Offpeak	Add	\$0.09 + \$0.21		Add	\$0.09 + \$0.22	
Energy Charge						
Onpeak	Add	0.143¢ + 0.319¢ + 0.000¢		Add	0.147¢ + 0.329¢ + 0.000¢	
Offpeak	Add	0.133¢ + 0.297¢ + 0.000¢		Add	0.137¢ + 0.306¢ + 0.000¢	
<b>Manufacturing Service</b>						
<b>Schedule TMSE</b>						
Part 1						
Demand Charge						
Onpeak	Add	\$0.50 + \$1.13		Add	\$0.52 + \$1.17	
Excess Offpeak	Add	\$0.04 + \$0.10		Add	\$0.04 + \$0.11	
Energy Charge						
Onpeak	Add	0.195¢ + 0.435¢ + 0.000¢		Add	0.201¢ + 0.447¢ + 0.000¢	
Offpeak	Add	0.115¢ + 0.257¢ + 0.000¢		Add	0.118¢ + 0.266¢ + 0.000¢	
Part 2						
Demand Charge						
Onpeak	Add	\$0.48 + \$1.06		Add	\$0.49 + \$1.10	
Excess Offpeak	Add	\$0.04 + \$0.08		Add	\$0.04 + \$0.09	
Energy Charge						
Onpeak	Add	0.185¢ + 0.413¢ + 0.000¢		Add	0.191¢ + 0.426¢ + 0.000¢	
Offpeak	Add	0.109¢ + 0.244¢ + 0.000¢		Add	0.112¢ + 0.252¢ + 0.000¢	
<b>Schedule TMSC</b>						
Demand Charge						
Onpeak	Add	\$0.48 + \$1.06		Add	\$0.49 + \$1.10	
Excess Offpeak	Add	\$0.04 + \$0.09		Add	\$0.04 + \$0.10	
Energy Charge						
Onpeak	Add	0.185¢ + 0.413¢ + 0.000¢		Add	0.191¢ + 0.426¢ + 0.000¢	
Offpeak	Add	0.109¢ + 0.244¢ + 0.000¢		Add	0.112¢ + 0.252¢ + 0.000¢	
<b>Schedule TMSD</b>						
Demand Charge						
Onpeak	Add	\$0.62 + \$1.37		Add	\$0.64 + \$1.41	
Excess Offpeak	Add	\$0.07 + \$0.15		Add	\$0.07 + \$0.16	
Energy Charge						
Onpeak	Add	0.119¢ + 0.265¢ + 0.000¢		Add	0.123¢ + 0.273¢ + 0.000¢	
Offpeak	Add	0.111¢ + 0.249¢ + 0.000¢		Add	0.114¢ + 0.257¢ + 0.000¢	

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

Date: March 24, 2007

TV-59577A, Supp. No. 70

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 (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, TVA, Distributor, and Kentucky-Tennessee Clay Company (Company), have entered into a contract dated April 24, 2004, (2004 Contract), covering arrangements for the supply of firm power and of Variable Price Interruptible power (VPI) to Company for operation of its clay mining and processing plant near Mayfield, Kentucky; and

WHEREAS, TVA, Distributor, and Company have entered into an agreement of even date herewith (Company Agreement) which amends the 2004 Contract to increase the firm power made available and terminate the availability of VPI, in consideration of Company's payment of an additional charge; and

WHEREAS, the parties wish to supplement the Power Contract in the respects necessary to provide for payment by Distributor to TVA of such additional charge;


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 that as compensation to TVA for the termination of VPI provided for by the Company Agreement, for the wholesale billing month that begins on March 24, 2007, TVA shall include in Distributor's wholesale power invoice a charge of \$7,200.

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 David E. Smart  
Title: *PRESIDENT/CEO*

**TENNESSEE VALLEY AUTHORITY**

By   
Senior Vice President  
Pricing and Contracts

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

Effective Date: December 1, 2007

TV-59577A, Supp. No. 71

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 (TVA Act);

**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, notwithstanding the termination notice dated August 13, 2007, the parties wish to supplement and amend the Power Contract in the respects necessary to reaffirm and revise the Enhanced Growth Credit Program to exclude large loads with certain operating characteristics;

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

**SECTION 1 - EGCP AGREEMENT AMENDED**

Under an agreement numbered TV-59577A, Supp. No. 34 and dated May 5, 1994 as amended (EGCP Agreement), TVA and Distributor are participating in an Enhanced Growth Credit Program (Program) to encourage the fuller and better balanced development of the resources of the region by applying credits against the electric bills of certain eligible new and expanding general power customers of Distributor.

(a) The parties wish to revise the Program in the respects necessary to exclude large industrial customers that exhibit certain adverse load characteristics (Nonconforming Loads). Accordingly, effective as of the Effective Date, (i) as is more expressly set forth in the EGC Participation Agreement Guidelines (December 2007), attached to and made a part of this agreement (Revised Guidelines), the EGCP Agreement is amended in the respects necessary to provide that the definition of Customer provided in Guideline 1.1 shall be not deemed to include

Nonconforming Loads, and (ii) all references to "Guidelines" in the EGCP Agreement shall be deemed to refer to the Revised Guidelines.

(b) It is expressly recognized and agreed that Distributor will continue to apply the credit amounts provided for in the Guidelines to any Customer which is eligible to receive credits under a Participation Agreement entered into prior to the Effective Date of this agreement.

**SECTION 2 - POWER CONTRACT AFFIRMED**

Except as expressly set out above, nothing in this agreement shall affect the other terms of the Power Contract and the termination notice shall be of no force and effect.

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

**WEST KENTUCKY RURAL ELECTRIC  
COOPERATIVE CORPORATION**

By David E. Smart  
Title: President & CEO

**TENNESSEE VALLEY AUTHORITY**

By Theresa Mann  
Senior Vice President  
Pricing and Contracts

# EGC PARTICIPATION AGREEMENT GUIDELINES

(December 2007)

## **GUIDELINE 1 - DEFINITION OF TERMS**

As used in these guidelines:

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

- (a) Standard Service Schedules GSA, GSB, GSC, or GSD,
- (b) Time-of-Day Service Schedules TGSA, TGSB, TGSC, or TGSD,
- (c) Standard Manufacturing Service Schedules MSB, MSC, or MSD, or
- (d) Time-of-Day Manufacturing Service Schedules TMSB, TMSC, or TMSD;

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

Further, "Customer" shall not be deemed to include customers with a total contract demand of more than 50 MW and with one or more of the following load characteristics (Nonconforming Loads):

- (i) expected load swings of approximately 50 MW or more and ramp rates of approximately 10 MW or more per minute,
- (ii) loads with expected daily reactive power ramp rates of 50 MVAR or more per minute,
- (iii) loads known to create voltage flicker exceeding the limits set out in the Institute of Electrical and Electronics Engineers (IEEE) Standard 1453, or
- (iv) loads known to create harmonic current distortions exceeding the limits set out in IEEE Standard 519;

provided, however, that for purposes of determining eligibility for any Nonconforming Load that is expanding under Guideline 3, if in TVA's sole discretion, the expansion load itself exhibits no Nonconforming Load characteristics (without regard to size), the expansion load could qualify for credits under the Program.

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



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

1.4 Contract Demand

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

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

1.5 Actual Firm Demand

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

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

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

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

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

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

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

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

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

- (a) the Customer's space conditioning is accomplished solely by an all-electric heating, ventilating, and air conditioning system (HVAC System),
- (b) at least fifty percent (50%) of the Customer's interior floor space at that location is heated and cooled by the all-electric HVAC System, and
- (c) at least fifty percent (50%) of the rated electric load served under the Power Supply Contract is for interior lighting, cooking, and the HVAC System.

## **GUIDELINE 2 - NEW CUSTOMERS**

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

- (a) initiates operations at an entirely new facility through a new delivery point, or
- (b) restarts an existing facility with no current Contract Demand which has been operationally shut down for a period of at least 12 consecutive months.

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

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

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

(c) provide for a monthly credit to the Customer for the time period and in the credit amount specified in Guideline 4.2, 4.3, 4.4, or 4.5 below for each kW of the Customer's Actual Firm Demand in the month (up to and including the kW amount of the Contract Demand); provided, however, to receive a credit in any month

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

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

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

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

### **GUIDELINE 3 - EXPANSION CUSTOMER**

#### **3.1 Qualification**

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

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

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

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

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

(b) on or before the effective date of the Participation Agreement, enters into a written Power Supply Contract specifying a Contract Demand which

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, 4.3, 4.4, or 4.5 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:

(a) one of the two credit options set forth in 4.2 and 4.3 below, for those customers which qualify for participation in the Program before October 1, 2003, or

(b) one of the two credit options set forth in 4.4 and 4.5 below, for those customers which qualify for participation in the Program on or after October 1, 2003

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, entered into before October 1, 2003. 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, entered into before October 1, 2003. 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.

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

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

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

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

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

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

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

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

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

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

#### **GUIDELINE 5 - EXPANSION DURING GROWTH CREDIT PARTICIPATION**

It is recognized that a Customer receiving credits under the EGC 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 EGC agreements which are still effective.

January 8, 2008

**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, as adjusted, are now in effect as a part of the Schedule of Rates and Charges attached to and made a part of the Power Contract, TV-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 February 2008 revenue month. It is expressly recognized that the adjustments set forth in the Adjustment Addendum to said Schedule of Rates and Charges dated October 1, 2006, shall continue to apply to the charges provided for by the attached schedules specified in (a) below.

(a) New resale rate schedules:

Residential Rate--Schedule RS (February 2008)  
General Power Rate--Schedule GSA (February 2008)  
Time-of-Day General Power Rate--Schedule TGSA (February 2008)

(b) Existing resale rate schedules:

Residential Rate--Schedule RS (October 2006)  
General Power Rate--Schedule GSA (October 2006)  
Time-of-Day General Power Rate--Schedule TGSA (October 2006)

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 David E. Smart  
Title: President & CEO

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

**TENNESSEE VALLEY AUTHORITY**

By K.R. Breeden  
Executive Vice President  
Customer Resources



# WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

## RESIDENTIAL RATE--SCHEDULE RS

(February 2008)

### 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: \$1.71 per month

Right-of-way  
Clearing Surcharge: \$3.25 per meter per month

Energy Charge: 7.076¢ per kWh per month for first 800 kWh  
6.345¢ 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 under Adjustment 2 or Adjustment 4 of the wholesale power rate schedule applicable under contractual arrangements between TVA and Distributor.)

### 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.

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Service is subject to Rules and Regulations of Distributor.

# WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

## GENERAL POWER RATE--SCHEDULE GSA

(February 2008)

### 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

Right-of-way  
Clearing Surcharge: \$3.25 per meter per month

Energy Charge: 7.922¢ 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

Right-of-way  
Clearing Surcharge: \$3.25 per meter 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 \$13.82 per kW

Energy Charge: First 15,000 kWh per month at 7.922¢ per kWh  
Additional kWh per month at 3.470¢ per kWh

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

Customer Charge: \$100.00 per delivery point per month

Right-of-way  
Clearing Surcharge: \$3.25 per meter per month

Demand Charge: First 1,000 kW of billing demand per month, at \$13.11 per kW

Excess over 1,000 kW of billing demand per month, at  
\$14.14 per kW, plus an additional

\$14.14 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: 3.470¢ per kWh per month

### Adjustment

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

### Determination of Demand

Distributor shall meter the demands in kW of all customers having loads in excess of 50 kW. The metered demand for any month shall be the highest average during any 30-consecutive-minute period of the month of the load metered in kW. The measured demand for any month shall be the higher of the highest average during any 30-consecutive-minute period of the month of (a) the load metered in kW or (b) 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.

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Service is subject to Rules and Regulations of Distributor.

**WEST KENTUCKY RURAL ELECTRIC**  
**TIME-OF-DAY GENERAL POWER RATE--SCHEDULE TGSA**  
(February 2008)

Availability

This rate shall be available for the firm power requirements (where the higher of a customer's onpeak or offpeak 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, 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 service voltage available in the vicinity or agreed to by Distributor.

Base Charges

1. If the higher of (1) the higher of the customer's currently effective onpeak or offpeak contract demand or (2) the customer's highest onpeak or offpeak billing demand during the latest 12-month period is not more than 50 kW:

Customer Charge:       \$38.50 per delivery point per month

Right-of-way  
Clearing Surcharge:     \$3.25 per meter per month

Energy Charge:         12.431¢ per kWh per month for all onpeak kWh  
                              4.836¢ per kWh per month for all offpeak kWh

2. If the higher of (1) the higher of the customer's currently effective onpeak or offpeak contract demand or (2) the customer's highest onpeak or offpeak billing demand during the latest 12-month period is greater than 50 kW but no more than 1,000 kW:

Customer Charge: \$62.00 per delivery point per month

Right-of-way  
Clearing Surcharge: \$3.25 per meter per month

Demand Charge: \$13.76 per kW of the customer's onpeak billing demand, plus  
\$6.73 per month for each kW, if any, of the amount by which the customer's offpeak billing demand exceeds its onpeak billing demand

Energy Charge: 5.402¢ per kWh per month for all onpeak kWh  
3.705¢ per kWh per month for all offpeak kWh

3. If the higher of (1) the higher of the customer's currently effective onpeak or offpeak contract demand or (2) the customer's highest onpeak or offpeak billing demand during the latest 12-month period is greater than 1,000 kW:

Customer Charge: \$125.00 per delivery point per month

Right-of-way  
Clearing Surcharge: \$3.25 per meter per month

Demand Charge: \$13.85 per kW per month of the customer's onpeak billing demand, plus  
\$5.46 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

\$13.85 per kW per month for each kW, if any, of the amount by which (1) the customer's onpeak billing demand exceeds the higher of 2,500 kW or its onpeak contract demand or (2) the customer's offpeak billing demand exceeds the higher of 2,500 kW or its offpeak contract demand, whichever is higher

Energy Charge: 4.505¢ per kWh per month for all onpeak kWh  
2.808¢ per kWh per month for all offpeak kWh

### Adjustment

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

### 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 demand and the offpeak 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 higher of the highest average during any 30-consecutive-minute period beginning or ending on a clock hour 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, 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 30 percent of the customer's onpeak demand amount. The offpeak billing demand shall in no case be less than 30 percent of the customer's offpeak demand amount.

For purposes of this section, the onpeak demand amount referred to above shall be the higher of the currently effective onpeak contract demand or the highest onpeak billing demand established in the preceding 12 months, and the offpeak demand amount referred to above shall be the higher of the currently effective offpeak contract demand or the highest offpeak billing demand established in 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 portion of the base demand charge, as adjusted, applicable to onpeak billing demand applied to the customer's onpeak billing demand, (c) the portion of the base demand charge, as adjusted, applicable to the 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, (d) the base onpeak energy charge, as adjusted, applied to the customer's onpeak energy takings, (e) the base offpeak energy charge, as adjusted, applied to the customer's offpeak energy takings, and (f) the distribution capacity charge applied to the higher of the customer's onpeak or offpeak billing demand; provided, however, under 2 of the Base Charges, the monthly bill shall in no event be less than the sum of (a) the base customer charge, (b) 20 percent of the base onpeak demand charge, as adjusted, multiplied by the customer's onpeak billing demand, (c) 20 percent of the portion of the base demand charge, as adjusted, applicable to the 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, and (d) 20 percent of the distribution capacity charge, as adjusted, applied to the higher of the customer's onpeak or offpeak billing demand.

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 above and (2) \$4.00 per kW per month of the higher of the onpeak or offpeak billing demand under 2 and 3 above. 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 shall require contracts for all service provided under this rate schedule 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.

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 GSA. 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 GSA 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.

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Service is subject to Rules and Regulations of Distributor.



Tennessee Valley Authority, 400 West Summit Hill Drive, Knoxville, Tennessee 37902-1401

March 26, 2008

TV-59577A, Supp. No. 73

Mr. David Smart, President/CEO  
West Kentucky Rural Electric  
Cooperative Corporation  
Post Office Box 589  
Mayfield, Kentucky 42066-0589

Dear Mr. Smart:

This letter confirms the understanding between the West Kentucky Rural Electric Cooperative Corporation (Distributor) and the Tennessee Valley Authority (TVA) concerning the reimbursement plan for Distributor's costs of preparing or having prepared a Statement on Auditing Standards No. 70 (SAS 70) Type II audit of internal controls (Report) including an opinion of a certified public accountant (Opinion) as described in section 1 below in support of TVA's efforts related to Section 404 of the Sarbanes-Oxley Act of 2002. It is recognized (a) that TVA's internal control structure is impacted by the nature of its current end-use billing arrangements with Distributor, (b) that under these arrangements, Distributor calculates major components of its power bills, and (c) that TVA will rely on the Report provided for by this agreement in assessing the effectiveness of TVA's internal controls over the end-use billing process as well as the effectiveness of related controls performed by Distributor.

In accordance with the following timetable and conditions, TVA will reimburse Distributor the applicable amount provided for in Attachment A to this agreement:

1. Distributor agrees to prepare or have prepared a Report.
  - a. The Report shall provide TVA assurance that controls are in place to achieve the following control objectives related to the end-use billing process:
    - i. The end-use customer master file, including end-use customer classifications and applicable industry codes (such as SIC or NAICS), is accurate, and only valid changes are made to the file by authorized individuals;
    - ii. All actual power usage for the period is captured and meter readings for energy usage (kWh) and peak demands (kW) are transferred completely and accurately to the computer system used to compute the "Schedule 1" power invoice;
    - iii. All adjustments to energy usage (kWh) and interval meter data (kW) are valid (e.g., based on prior inaccurate meter readings or other valid support), are made by authorized personnel, and are calculated using the appropriate billing rate in effect at the time of the original billing;

- iv. Processes are in place to periodically verify the proper performance of commercial and industrial meters used for demand charge calculations;
- v. "Schedule 1" summaries and any other billing information reported to TVA (e.g., minimum bill data, itemized statements, and support for adjustments) are accurately calculated (using correct power usage, product and credit charge codes, customer classifications, usage calculations, credit calculations, contract terms, valid rates, and appropriate factors) and are conveyed completely and accurately to TVA on a timely basis;
- vi. Logical access to system resources (e.g., programs, data, tables, and parameters) in distributor and third party processor systems used in the end-use billing process is restricted for proper system security and segregation of duties;
- vii. New systems and applications purchased or developed for use in the end-use billing process are authorized, tested, approved, properly implemented and documented;
- viii. Changes to existing systems and applications used in the end-use billing process are approved, tested, and documented to ensure data that has been recorded, processed, and reported remains complete, accurate, and valid throughout the update and storage process;
- ix. System and application processing (such as batch jobs and interfaces) are appropriately authorized and scheduled. Deviations or problems arising from scheduled processing are identified and resolved through a properly controlled computer operations environment including the appropriate maintenance and testing of system backups; and
- x. Key spreadsheets and reports used as data sources or inputs to the end-use billing process are controlled and validated.

If Distributor relies on a third party to perform any of the control objectives above, Distributor is to obtain a separate Report, including Opinion, from the third party on the related controls.

- b. The Opinion shall address the following four components:
  - i. Fair presentation of the description of controls,
  - ii. Design effectiveness of controls,
  - iii. Operating effectiveness as of a specified date, and

Mr. David Smart  
Page 3  
March 26, 2008

- iv. Whether or not the Distributor's or third party billing agencies' controls are operating effectively over a specified period of time.
2. On or before August 31, 2008, Distributor shall submit to TVA the required Report(s), including Opinion(s) and descriptions of controls performed to meet each of the control objectives and audit requirements listed under section 1 above; the nature of the tests conducted; and the results of each test as described in TVA's "End-Use Billing Process" Audit Plan.

Distributor agrees to submit the Report(s) by either mail or e-mail as listed below. If submitted by mail, two (2) copies of the Report(s) shall be included.

By Mail: Tennessee Valley Authority  
Attn: Controller  
400 West Summit Hill Drive  
WT 4B-K  
Knoxville, Tennessee 37902

E-mail: [dsasrepo@tva.gov](mailto:dsasrepo@tva.gov)

3. If (1) TVA receives the Report(s) and Opinion(s) meeting the requirements of section 1 above on or before the deadline provided for in section 2 above, (2) TVA receives a copy of the auditor's invoice, and (3) TVA's specific concerns on deficiencies identified in the Report(s) are satisfactorily addressed, TVA shall reimburse Distributor in accordance with Attachment A by applying a credit on the Distributor's next power invoice. TVA will not reimburse Distributor if the auditor cannot express an opinion on Distributor's internal controls or if the Report(s) include a disclaimer.
4. Nothing in this agreement is intended to subject a Distributor that is not otherwise legally subject to the provisions of the Sarbanes-Oxley Act of 2002 to this act. The Report(s) and Opinion(s) described in this agreement support TVA's efforts under the act.

Mr. David Smart  
Page 4  
March 26, 2008

If this correctly states our understanding, please have a duly authorized representative sign and date both duplicate originals of this letter on behalf of Distributor and return them to Ernie Peterson. A fully executed original will be returned to you.

Sincerely,



John M. Thomas III  
Vice President & Controller

Accepted and agreed to as of  
the 4<sup>th</sup> day of June, 2008

**WEST KENTUCKY RURAL ELECTRIC  
COOPERATIVE CORPORATION**

By: David E. Smart  
Title: President + CEO

## SAS 70 Audit Cost - Reimbursement Scale Fiscal Year 2008

Distributor MWh Usage TVA's FY 2007	Reimbursement Amounts
Less Than 500,000	\$ 20,000
500,000 up to but not including 1 Million	\$ 25,000
1 Million up to but not including 2 Million	\$ 30,000
2 Million up to but not including 6 Million	\$ 40,000
6 Million or More	\$ 80,000

The above table presents the reimbursement amounts distributors will receive for their SAS 70 Type II audit reports and opinions provided in accordance with the preceding letter agreement. The reimbursement will be in the form of a credit to the most current power invoice after the following requirements are met: TVA is in receipt of the completed SAS 70 audit report(s) and opinion(s) meeting the requirements of section 1 of this agreement on or before the deadline provided for in section 2 of this agreement; TVA receives a copy of the auditor's invoice; and TVA's specific concerns on deficiencies identified in the report are satisfactorily addressed. There will be no reimbursement for an audit in which the auditor cannot express an opinion on the distributor's internal controls or for a report that includes a disclaimer.

April 1, 2009

**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, as adjusted, are now in effect as a part of the Schedule of Rates and Charges attached to and made a part of the Power Contract, TV-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 April 2009 revenue month and shall continue through the December 2012 revenue month. It is expressly recognized that the adjustments set forth in the applicable Adjustment Addendum to said Schedule of Rates and Charges shall continue to apply to the charges provided for by the attached schedules specified in (a) below. It is further understood and agreed that the resale rate substitution agreements, numbered TV-59577A, Supplement No. 62, and TV-59577A, Supplement No. 63, (Previous Agreements) whereby Distributor and TVA agreed to substitute for a temporary period certain resale rate schedules is amended in the respects necessary to provide that the temporary substitution provided for in the Previous Agreements, except for schedules RS, GSA and TGSA, shall continue through the December 2012 revenue month.

(a) New resale rate schedules:

Residential Rate--Schedule RS (April 2009)  
 General Power Rate--Schedule GSA (April 2009)  
 Time-of-Day General Power Rate--Schedule TGSA (April 2009)

(b) Existing resale rate schedules:

Residential Rate--Schedule RS (February 2008)  
 General Power Rate--Schedule GSA (February 2008)  
 Time-of-Day General Power Rate--Schedule TGSA (February 2008)

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 David E. Smart  
 Title: President & CEO

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

**TENNESSEE VALLEY AUTHORITY**

By [Signature]  
 Vice President  
 Strategy, Pricing and Contracts

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

Date: February 7, 2006

TV-59577A, Supp. No. 66

THIS AGREEMENT, made and entered into between WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION (WKRECC), 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, WKRECC and TVA have entered into a contract dated April 26, 1982, as amended (Power Contract), under which WKRECC purchases its entire requirements for electric power and energy from TVA for resale at specified delivery points, including a 69-kV delivery point at the Gilbertsville 69-kV Substation (69-kV Substation); and

WHEREAS, due to circumstances beyond WKRECC's control, WKRECC's 13-kV service to the east bank of the Tennessee River (East Bank Customers) from the 69-kV Substation was interrupted and subsequently replaced on a temporary and emergency basis by a 13-kV feed (Emergency Feed) providing an electrical path between Jackson Purchase Rural Electric Cooperative Corporation's (JPRECC) distribution system and the East Bank Customers; and

WHEREAS, as a result of the configuration of the Emergency Feed, JPRECC's Vulcan, Incorporated (Vulcan), power charges included charges associated with power and energy used by East Bank Customers that was delivered through the Emergency Feed (East Bank Customer Charges); and

WHEREAS, TVA has agreed with WKRECC that it is appropriate to reimburse Vulcan for the East Bank Customer Charges; and

WHEREAS, to expedite reimbursement to Vulcan, WKRECC has agreed to pay Vulcan for the East Bank Customer Charges and that TVA would keep WKRECC whole in this reimbursement; and

WHEREAS, WKRECC and TVA wish to agree on the arrangements for such reimbursement to Vulcan, including appropriate adjustments to WKRECC's monthly wholesale bill;



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

**SECTION 1 - TERM OF AGREEMENT**

This agreement shall become effective as of the date first written above and remains in effect until all obligations of the parties under it have been fulfilled.

**SECTION 2 - WHOLESALE BILLING ADJUSTMENT**

It is recognized that, through a separate agreement, Vulcan has accepted reimbursement of \$71,120.02 from WKRECC for any and all East Bank Customer Charges resulting from the configuration of the Emergency Feed. Accordingly, as soon as practicable, TVA shall include in WKRECC's monthly power invoice a credit in the amount of \$71,120.02 to keep WKRECC whole.

**SECTION 3 - POWER CONTRACT AFFIRMED**

Except as expressly set out above, nothing in this agreement shall affect the other terms of the Power Contract, which is 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 representatives, as of the day and year first above written.

**WEST KENTUCKY RURAL ELECTRIC  
COOPERATIVE CORPORATION**

By David E. Smart  
Title: President + CEO

**TENNESSEE VALLEY AUTHORITY**

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



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

March 23, 2006

TV-59577A  
Supp. No. 61

Mr. David Smart, President/CEO  
West Kentucky Rural Electric  
Cooperative Corporation  
Post Office Box 589  
Mayfield, Kentucky 42066-0589

Dear Mr. Smart:

This is to confirm the understanding between West Kentucky Rural Electric Cooperative Corporation (Distributor) and Tennessee Valley Authority (TVA) concerning the reimbursement plan for Distributor's costs of preparing or having prepared a Statement on Auditing Standards No. 70 (SAS 70) Type II audit of internal controls (Report) including an opinion of a certified public accountant (Opinion) as described in section 1 below in support of TVA efforts related to Section 404 of the Sarbanes-Oxley Act of 2002. It is recognized that (a) TVA's internal control structure is impacted by the nature of its current end-use billing arrangements with Distributor, (b) that under these arrangements, Distributor calculates major components of its power bills, and (c) that TVA will rely on the Report provided for by this agreement in assessing the effectiveness of TVA's internal controls over the end-use billing process as well as the effectiveness of related controls performed by Distributor.

In accordance with the following timetable and conditions, TVA will reimburse Distributor at the flat rate provided for in Attachment A to this agreement:

1. Distributor agrees to prepare or have prepared a Report.
  - a. The Report will cover, at least, the following 12 control objectives:
    - i. Correct billing rates are associated with contractual end-use customer classifications in the computer system(s) used by Distributor, and only valid changes are made by authorized individuals;
    - ii. The end-use customer master file, including end-use customer classifications and applicable SIC codes, is accurate, and only valid changes are made to the file by authorized individuals;
    - iii. Meter readings for energy usage (kWh) and peak demands (kW) accurately report the service provided;

- iv. All actual power usage for the period is captured and meter readings for energy usage (kWh) and peak demands (kW) are transferred completely and accurately to the computer system used to compute the "Schedule 1" power invoice;
- v. All adjustments to energy usage (kWh) and interval meter data (kW) are valid (for example, based on prior inaccurate meter readings or other valid support) and made by authorized personnel;
- vi. Processes are in place to verify periodically the proper performance of commercial and industrial meters used for demand charge calculations;
- vii. "Schedule 1" summaries are accurately calculated (using correct power usage, product and credit charge codes, customer classifications, usage calculations, credit calculations, contract terms, valid rates, and appropriate factors) and conveyed completely and accurately to TVA on a timely basis;
- viii. Logical access controls exist in Distributor and/or third party processor systems for proper system security and segregation of duties;
- ix. Data that has been recorded, processed, and reported remains complete, accurate, and valid throughout the update and storage process;
- x. Controls are in place for computer operations, program development and change, and records management;
- xi. Related spreadsheets and reports are controlled and validated; and
- xii. System backups are maintained and tested to ensure that recovery of systems can occur.

If Distributor relies on a third party to perform any of the control objectives above, Distributor is to obtain a separate Report, including Opinion, from the third party on the related controls.

- b. The Opinion will address the following four components:
  - i. Fair presentation of the description of controls,

- ii. Design effectiveness of controls,
  - iii. Operating effectiveness as of a specified date, and
  - iv. Whether or not the Distributor's or third party possessor's controls are operating effectively over a specified period of time.
2. On or before August 31, 2006, Distributor will submit to TVA the required Report(s), including Opinion(s) and descriptions of controls performed to meet each of the 12 control objectives listed under subsection 1a above; the nature of the tests conducted; and the results of each test as described in TVA's "Audit Plan-End-Use Billing Process;" provided, however, that if Distributor informs TVA of adequate explanation of why the Report(s) cannot be ready by August 31, 2006, TVA may agree in writing to accept the Report(s) after August 31, 2006.

Distributor agrees to submit the Report(s) by either mail or e-mail as listed below. If submitted by mail, two (2) copies of the Report(s) will be included.

By Mail: Tennessee Valley Authority  
Attn: Controller  
400 West Summit Hill Drive  
WT 4B-K  
Knoxville, Tennessee 37902

E-mail: dsasrepo@tva.gov

3. TVA will provide an advance of one-half of the applicable flat rate, set out under Attachment A to this agreement, by applying a credit equal to that amount on the Distributor's next power invoice calculated after the execution of this agreement.
4. If TVA receives the Report(s) meeting the requirements of section 1 above on or before the deadline provided for in section 2 above (as such deadline may be extended in accordance with the provisions of that section), TVA will reimburse the second half of the applicable flat rate by applying a credit on the Distributor's next power invoice.
5. If TVA does not receive such Report(s) by such deadline, Distributor's next power invoice will be subject to a charge equal to the advance reimbursement provided by TVA under section 3 above.

Mr. David Smart  
Page 4  
March 23, 2006

6. Nothing in this agreement is intended to subject a distributor that is not otherwise legally subject to the provisions of the Sarbanes-Oxley Act of 2002 to this act. The Report(s) and Opinion(s) described in this agreement support TVA's efforts under the act.

If this correctly states our understanding, please have a duly authorized representative sign and date both duplicate originals of this letter on behalf of Distributor and return them to your TVA Customer Service Manager. A fully executed original will be returned to you.

Sincerely,



Kenneth R. Breeden  
Executive Vice President  
Customer Service and Marketing

Accepted and agreed to as of  
the 23<sup>rd</sup> day of March, 2006

WEST KENTUCKY RURAL ELECTRIC  
COOPERATIVE CORPORATION

By: David E. Smart  
Title: President & CEO

## SAS 70 Audit Cost - Reimbursement Amounts Fiscal Year 2006

Distributor MWh Usage TVA's FY 2005	Reimbursement Amounts
Less Than 500,000	\$ 25,000
500,000 to 1 Million	\$ 35,000
1 to 2 Million	\$ 45,000
2 to 5 Million	\$ 55,000
5 to 10 Million	\$ 75,000
Over 10 Million	\$ 100,000

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

Date: October 1, 2006

TV-59577A, Supp. No. 68

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 (TVA Act);

**WITNESSETH:**

WHEREAS, TVA and Distributor have a longstanding relationship as seller and buyer of power, under which Distributor currently purchases all of its power requirements from TVA pursuant to Power Contract TV-59577A, dated April 26, 1982, as amended (Power Contract); and

WHEREAS, in accordance with the rate adjustment provisions in section 6 of the Terms and Conditions to the Power Contract, TVA has published an Adjustment Addendum, effective October 1, 2006, which includes a Fuel Cost Adjustment (FCA) formula under which rates will be automatically adjusted quarterly to reflect changes in costs for fuel and purchased power; and

WHEREAS, TVA and Distributor wish to agree upon a communication and oversight process under which FCA issues could be raised with TVA staff, TVA management, and the TVA Chief Executive Officer (CEO), and following such process, FCA policy issues could be ultimately appealed to the TVA Board; and

WHEREAS, TVA and Distributor also wish to agree upon an additional process to be applicable with respect to any proposed changes to or replacement of the FCA formula;

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

**1. Communication and Oversight Process.**

- 1.1 FCA Information. TVA will endeavor to provide the following Information related to the FCA at least 45 days prior to the quarterly operation of the FCA or as soon thereafter as practicable; provided, however, that such information shall in no event be provided later than 15 days in advance of such quarterly operation:

- (a) The FCA adjustment amounts for the following quarter.
- (b) Reconciliation between the prior quarter's forecast data and actual data, including the resulting deferred account impact.
- (c) A revised preliminary forecast for each of the next four quarters following the quarter for which FCA adjustment amounts are provided under (a).

1.2 Oversight. TVA and Distributor agree to use their best efforts to resolve any FCA issues that may arise informally at the lowest possible levels of decision making. Accordingly, any such issues may be submitted by Distributor to TVA in accordance with an oversight process consisting of the following progressive steps:

Step 1: Review by TVA Customer Service & Marketing (CS&M).

- (a) As a part of this step, Distributor may request additional information from TVA supporting the FCA amounts and TVA will provide that information subject to the qualifications in section 3 below.
- (b) Unless otherwise agreed, this step shall be completed within 30 days of its being initiated by Distributor.
- (c) If this step does not result in resolution of the issue(s), CS&M will provide Distributor with contact information for the appropriate senior TVA management representative(s) for step 2.

Step 2: Review by appropriate senior TVA management.

Unless otherwise agreed, this step shall be completed within 30 days of its being initiated by Distributor.

Step 3: Review by the TVA CEO.

Unless otherwise agreed, this step shall be completed within 30 days of its being initiated by Distributor.

Step 4: Appeal to the TVA Board.

If an FCA issue which has first been the subject of steps 1, 2, and 3 above presents policy questions, it may be appealed to the TVA Board by the distributor submitting a written request for review to the Finance, Strategy and Rates Committee of the Board, or to such other committee as may be designated by the Board, for such committee's recommendation to the Board. Any such request for Board review shall include:

- (a) a description of the issue(s),
- (b) a statement of the Distributor's position on the issue(s) and why it does not consider the results of the previous steps to have resulted in a satisfactory resolution of the issues, and
- (c) such other information as might be reasonably specified by TVA in procedures relating to such appeals.



- 1.3 **Board Decision Final.** The decision made by the TVA Board on any appeal to it under 1.2 above shall be final and shall not be subject to further review under, or based on or arising out of, any provision of this section 1. Further, it is expressly recognized and agreed that nothing in this section 1, shall be deemed to
- (a) create any right to any review of or oversight of TVA actions and decisions other than the process expressly provided for in this section 1;
  - (b) waive any otherwise applicable rights related to such review or oversight,
  - (c) relieve either Distributor or TVA of any obligation to continue to perform its contract obligations to the other party pending the outcome of said process; or
  - (d) in any way impair or restrict either party's ability to bring any action to enforce the FCA formula or the provisions of the other sections of this agreement.
- 1.4 **Process Revisions.** If either party believes that the oversight process provided for by 1.2 above should be revised for any reason, it shall propose such revisions and the parties shall endeavor to reach agreement upon revisions to the process. If after 90 days the parties have not reached agreement, TVA may, upon 30 days' written notice to Distributor implement:
- (a) any revisions related to steps 1, 2, and 3 of the process as are determined to be necessary or appropriate by its CEO, or
  - (b) any revisions related to step 4 of the process as are determined to be necessary or appropriate by its Board.
2. **Changes to FCA.** Section 6 of the Terms and Conditions to the Power Contract is amended in the respects necessary to provide that if TVA believes that any factors warrant a rate adjustment which would involve any change to or replacement of the FCA formula, TVA will not implement any such change or replacement of the FCA formula without first requesting that the parties or their representatives meet and endeavor to reach agreement upon the change or replacement. If within 90 days after any such request the parties have not reached agreement, TVA may, following a quarterly rate review as provided for in the paragraph entitled "Adjustment" of said section, publish an Adjustment Addendum implementing any such change or replacement of the FCA formula determined to be appropriate under the provisions of said paragraph.
3. **Confidentiality.** As a condition of any information provided by TVA to Distributor under this agreement, TVA may require Distributor to execute a confidentiality agreement in a form acceptable to TVA. Further, where deemed necessary by TVA to protect confidential or proprietary information, any such agreement may require that specified information provided for Distributor review remain in the possession of TVA, or a Distributor representative (such as the Tennessee Valley Public Power Association) that also enters into a confidentiality agreement with TVA, and that such information not be retained by Distributor or maintained as part of the record system of Distributor.

4. **No Limitation of Rate Adjustments.** Except as expressly set out in section 2 above with respect to any change to or replacement of the FCA formula, nothing in this agreement shall limit TVA's ability to adjust rates under the paragraph entitled "Adjustment" in section 6 of the Terms and Conditions to the Power Contract; provided, however, that it is further expressly recognized and agreed that nothing in this agreement shall be deemed to expand TVA's authority under said "Adjustment" paragraph or to in any way modify the rights and obligations of either party under any other provision of section 6 of the Terms and Conditions to the Power Contract.

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

**WEST KENTUCKY RURAL ELECTRIC  
COOPERATIVE CORPORATION**

By David E. Smart  
Title: President & CEO

**TENNESSEE VALLEY AUTHORITY**

By Theresa Alam Jr.  
Executive Vice President  
Customer Service and Marketing

September 18, 2006

**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, as adjusted, are now in effect as a part of the Schedule of Rates and Charges attached to and made a part of the Power Contract, TV-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 October 2006 revenue month. It is expressly recognized that the adjustments set forth in the Adjustment Addendum to said Schedule of Rates and Charges dated October 1, 2006, shall continue to apply to the charges provided for by the attached schedules specified in (a) below.

(a) New resale rate schedules:

- Residential Rate--Schedule RS (October 2006)
- General Power Rate--Schedule GSA (October 2006)
- General Power Rate--Schedule TGSA (October 2006)

(b) Existing resale rate schedules:

- Residential Rate--Schedule RS (January 2005)
- General Power Rate--Schedule GSA (January 2005)
- General Power Rate--Schedule TGSA (January 2005)

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  
Title: Board President

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

**TENNESSEE VALLEY AUTHORITY**

By Theresa Stamm Fori  
Executive Vice President  
Customer Resources

# WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

## RESIDENTIAL RATE--SCHEDULE RS

(October 2006)

### 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: \$1.71 per month

Right-of-way  
Clearing Surcharge: \$3.25 per meter per month

Energy Charge: 6.814¢ per kWh per month for first 800 kWh  
6.107¢ 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 under Adjustment 2 or Adjustment 4 of the wholesale power rate schedule applicable under contractual arrangements between TVA and Distributor.)

### 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.

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Service is subject to Rules and Regulations of Distributor.

# WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

## GENERAL POWER RATE--SCHEDULE GSA

(October 2006)

### 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

Right-of-way  
Clearing Surcharge: \$3.25 per meter per month

Energy Charge: 7.628¢ 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

Right-of-way  
Clearing Surcharge: \$3.25 per meter 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 \$13.32 per kW

Energy Charge: First 15,000 kWh per month at 7.628¢ per kWh  
Additional kWh per month at 3.337¢ per kWh

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

Customer Charge: \$100.00 per delivery point per month

Right-of-way  
Clearing Surcharge: \$3.25 per meter per month

Demand Charge: First 1,000 kW of billing demand per month, at \$12.63 per kW

Excess over 1,000 kW of billing demand per month, at  
\$13.62 per kW, plus an additional

\$13.62 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: 3.337¢ per kWh per month

### Adjustment

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

### Determination of Demand

Distributor shall meter the demands in kW of all customers having loads in excess of 50 kW. The metered demand for any month shall be the highest average during any 30-consecutive-minute period of the month of the load metered in kW. The measured demand for any month shall be the higher of the highest average during any 30-consecutive-minute period of the month of (a) the load metered in kW or (b) 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.

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Service is subject to Rules and Regulations of Distributor.



**WEST KENTUCKY RURAL ELECTRIC**  
**TIME-OF-DAY GENERAL POWER RATE--SCHEDULE TGSA**  
(October 2006)

Availability

This rate shall be available for the firm power requirements (where the higher of a customer's onpeak or offpeak 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, 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 service voltage available in the vicinity or agreed to by Distributor.

Base Charges

1. If the higher of (1) the higher of the customer's currently effective onpeak or offpeak contract demand or (2) the customer's highest onpeak or offpeak billing demand during the latest 12-month period is not more than 50 kW:

Customer Charge:       \$38.50 per delivery point per month

Right-of-way  
Clearing Surcharge:   \$3.25 per meter per month

Energy Charge:        11.964¢ per kWh per month for all onpeak kWh  
                              4.662¢ per kWh per month for all offpeak kWh

2. If the higher of (1) the higher of the customer's currently effective onpeak or offpeak contract demand or (2) the customer's highest onpeak or offpeak billing demand during the latest 12-month period is greater than 50 kW but no more than 1,000 kW:

Customer Charge: \$62.00 per delivery point per month

Right-of-way  
Clearing Surcharge: \$3.25 per meter per month.

Demand Charge: \$13.26 per kW of the customer's onpeak billing demand, plus  
\$6.51 per month for each kW, if any, of the amount by which the customer's offpeak billing demand exceeds its onpeak billing demand

Energy Charge: 5.200¢ per kWh per month for all onpeak kWh  
3.568¢ per kWh per month for all offpeak kWh

3. If the higher of (1) the higher of the customer's currently effective onpeak or offpeak contract demand or (2) the customer's highest onpeak or offpeak billing demand during the latest 12-month period is greater than 1,000 kW:

Customer Charge: \$125.00 per delivery point per month

Right-of-way  
Clearing Surcharge: \$3.25 per meter per month

Demand Charge: \$13.34 per kW per month of the customer's onpeak billing demand, plus  
\$5.28 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  
\$13.34 per kW per month for each kW, if any, of the amount by which (1) the customer's onpeak billing demand exceeds the higher of 2,500 kW or its onpeak contract demand or (2) the customer's offpeak billing demand exceeds the higher of 2,500 kW or its offpeak contract demand, whichever is higher

Energy Charge: 4.332¢ per kWh per month for all onpeak kWh  
2.700¢ per kWh per month for all offpeak kWh

### Adjustment

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

### 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 demand and the offpeak 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 higher of the highest average during any 30-consecutive-minute period beginning or ending on a clock hour 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, 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 30 percent of the customer's onpeak demand amount. The offpeak billing demand shall in no case be less than 30 percent of the customer's offpeak demand amount.

For purposes of this section, the onpeak demand amount referred to above shall be the higher of the currently effective onpeak contract demand or the highest onpeak billing demand established in the preceding 12 months, and the offpeak demand amount referred to above shall be the higher of the currently effective offpeak contract demand or the highest offpeak billing demand established in 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 portion of the base demand charge, as adjusted, applicable to onpeak billing demand applied to the customer's onpeak billing demand, (c) the portion of the base demand charge, as adjusted, applicable to the 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, (d) the base onpeak energy charge, as adjusted, applied to the customer's onpeak energy takings, (e) the base offpeak energy charge, as adjusted, applied to the customer's offpeak energy takings, and (f) the distribution capacity charge applied to the higher of the customer's onpeak or offpeak billing demand; provided, however, under 2 of the Base Charges, the monthly bill shall in no event be less than the sum of (a) the base customer charge, (b) 20 percent of the base onpeak demand charge, as adjusted, multiplied by the customer's onpeak billing demand, (c) 20 percent of the portion of the base demand charge, as adjusted, applicable to the 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, and (d) 20 percent of the distribution capacity charge, as adjusted, applied to the higher of the customer's onpeak or offpeak billing demand.

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 above and (2) \$4.00 per kW per month of the higher of the onpeak or offpeak billing demand under 2 and 3 above. 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 shall require contracts for all service provided under this rate schedule 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.

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 GSA. 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 GSA 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.

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Service is subject to Rules and Regulations of Distributor.

Issued: August 4, 2006  
 Applicable: October 1, 2006

TENNESSEE VALLEY AUTHORITY

October 2006

STATEMENT OF AMOUNTS  
 APPLICABLE TO ENERGY AND DEMAND CHARGES  
 OF DESIGNATED RATE SCHEDULES  
 FOR  
 WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

The following table specifies the amounts to be added to the base demand and energy charges in the designated rate schedules. These amounts are to be used in calculating bills rendered from meter readings taken for TVA and Distributor monthly billing cycles scheduled to begin on or after October 1, 2006. The amounts set forth in each column (3) were calculated pursuant to the fuel cost adjustment formula in the Adjustment Addendum dated October 1, 2006. Also included in the table, for convenience, are all other adjustment amounts applicable under the designated rate schedules pursuant to the October 2006 Adjustment Addendum.

	Wholesale Power Rate - Schedule WS			Resale Schedules		
	(1)	(2)	(3)	(1)	(2)	(3)
<b>STANDARD SERVICE</b>						
<u>Residential Service</u>						
<u>Schedule RS</u>						
Energy Charge	Add	0.283¢ + 0.649¢ + 0.000¢		Add	0.305¢ * + 0.709¢ * + 0.000¢ *	
<u>General Power Service</u>						
<u>Schedule GSA</u>						
Part 1						
Energy Charge	Add	0.333¢ + 0.745¢ + 0.000¢		Add	0.353¢ * + 0.798¢ * + 0.000¢ *	
Part 2						
Demand Charge						
First 50 kW	Add	\$0.00 + \$0.00		Add	\$0.00 + \$0.00	
Excess over 50 kW	Add	\$0.46 + \$1.03		Add	\$0.47 + \$1.08	
Energy Charge						
First 15,000 kWh	Add	0.333¢ + 0.745¢ + 0.000¢		Add	0.353¢ + 0.798¢ + 0.000¢	
Additional kWh	Add	0.191¢ + 0.425¢ + 0.000¢		Add	0.198¢ + 0.445¢ + 0.000¢	
Part 3						
Demand Charge						
First 1,000 kW	Add	\$0.48 + \$1.08		Add	\$0.50 + \$1.13	
Excess over 1,000 kW	Add	\$0.58 + \$1.29		Add	\$0.61 ** + \$1.34 **	
Energy Charge	Add	0.191¢ + 0.425¢ + 0.000¢		Add	0.198¢ * + 0.445¢ * + 0.000¢ *	
<u>Schedule GSB</u>						
Demand Charge	Add	\$0.59 + \$1.32		Add	\$0.61 + \$1.37	
Energy Charge						
First 620 hours use of demand	Add	0.170¢ + 0.380¢ + 0.000¢		Add	0.175¢ + 0.392¢ + 0.000¢	
Additional kWh	Add	0.139¢ + 0.310¢ + 0.000¢		Add	0.143¢ + 0.319¢ + 0.000¢	
<u>Schedule GSC</u>						
Demand Charge	Add	\$0.59 + \$1.32		Add	\$0.61 + \$1.37	
Energy Charge						
First 620 hours use of demand	Add	0.170¢ + 0.380¢ + 0.000¢		Add	0.175¢ + 0.392¢ + 0.000¢	
Additional kWh	Add	0.139¢ + 0.310¢ + 0.000¢		Add	0.143¢ + 0.319¢ + 0.000¢	
<u>Schedule GSD</u>						
Demand Charge	Add	\$0.73 + \$1.64		Add	\$0.75 + \$1.69	
Energy Charge	Add	0.136¢ + 0.305¢ + 0.000¢		Add	0.140¢ + 0.314¢ + 0.000¢	

\* Applicable also to additional components of the resale energy charge.  
 \*\*Applicable also to additional components of the resale demand charge.

	Wholesale Power Rate - Schedule WS			Resale Schedules		
	(1)	(2)	(3)	(1)	(2)	(3)
<b>Manufacturing Service</b>						
<b>Schedule MSB</b>						
Part 1						
Demand Charge	Add	\$0.50	+	\$1.13	Add	\$0.52 + \$1.17
Energy Charge						
First 620 hours use of demand	Add	0.145¢	+	0.324¢	+	0.000¢
Additional kWh	Add	0.118¢	+	0.264¢	+	0.000¢
Part 2						
Demand Charge	Add	\$0.48	+	\$1.06	Add	\$0.49 + \$1.10
Energy Charge						
First 620 hours use of demand	Add	0.138¢	+	0.307¢	+	0.000¢
Additional kWh	Add	0.112¢	+	0.251¢	+	0.000¢
<b>Schedule MSC</b>						
Demand Charge	Add	\$0.48	+	\$1.06	Add	\$0.49 + \$1.10
Energy Charge						
First 620 hours use of demand	Add	0.138¢	+	0.307¢	+	0.000¢
Additional kWh	Add	0.112¢	+	0.251¢	+	0.000¢
<b>Schedule MSD</b>						
Demand Charge	Add	\$0.59	+	\$1.32	Add	\$0.61 + \$1.37
Energy Charge	Add	0.110¢	+	0.246¢	+	0.000¢
<b>Outdoor Lighting Service</b>						
<b>Schedule LS Part A and B</b>						
Energy Charge	Add	0.191¢	+	0.425¢	+	0.000¢
<b>Drainage Pumping Station</b>						
<b>Schedule DPS</b>						
Energy Charge	Add	0.191¢	+	0.425¢	+	0.000¢
<b>TIME-OF-DAY SERVICE</b>						
<b>Residential Service</b>						
<b>Schedule TRS</b>						
Energy Charge						
Onpeak	Add	0.481¢	+	1.103¢	+	0.000¢
Offpeak	Add	0.156¢	+	0.359¢	+	0.000¢
<b>General Power Service</b>						
<b>Schedule TGSA</b>						
Part 1						
Energy Charge						
Onpeak	Add	0.592¢	+	1.322¢	+	0.000¢
Offpeak	Add	0.156¢	+	0.350¢	+	0.000¢
Part 2						
Demand Charge						
Onpeak	Add	\$0.46	+	\$1.03	Add	\$0.48 + \$1.08
Excess Offpeak	Add	\$0.06	+	\$0.12	Add	\$0.06 + \$0.13
Energy Charge						
Onpeak	Add	0.250¢	+	0.558¢	+	0.000¢
Offpeak	Add	0.153¢	+	0.341¢	+	0.000¢
Part 3						
Demand Charge						
Onpeak	Add	\$0.54	+	\$1.20	Add	\$0.56 + \$1.26
Excess Offpeak	Add	\$0.06	+	\$0.12	Add	\$0.06 + \$0.13
Energy Charge						
Onpeak	Add	0.250¢	+	0.558¢	+	0.000¢
Offpeak	Add	0.153¢	+	0.341¢	+	0.000¢

N/A indicates not applicable

	Wholesale Power Rate - Schedule WS			Resale Schedules		
	(1)	(2)	(3)	(1)	(2)	(3)
<u>Schedule TGSB</u>						
Demand Charge						
Onpeak	Add \$0.59	+ \$1.32		Add \$0.61	+ \$1.37	
Excess Offpeak	Add \$0.05	+ \$0.12		Add \$0.05	+ \$0.13	
Energy Charge						
Onpeak	Add 0.229¢	+ 0.512¢ + 0.000¢		Add 0.236¢	+ 0.528¢ + 0.000¢	
Offpeak	Add 0.135¢	+ 0.302¢ + 0.000¢		Add 0.139¢	+ 0.311¢ + 0.000¢	
<u>Schedule TGSC</u>						
Demand Charge						
Onpeak	Add \$0.59	+ \$1.32		Add \$0.61	+ \$1.37	
Excess Offpeak	Add \$0.05	+ \$0.12		Add \$0.05	+ \$0.13	
Energy Charge						
Onpeak	Add 0.229¢	+ 0.512¢ + 0.000¢		Add 0.236¢	+ 0.528¢ + 0.000¢	
Offpeak	Add 0.135¢	+ 0.302¢ + 0.000¢		Add 0.139¢	+ 0.311¢ + 0.000¢	
<u>Schedule TGSD</u>						
Demand Charge						
Onpeak	Add \$0.74	+ \$1.65		Add \$0.76	+ \$1.70	
Excess Offpeak	Add \$0.09	+ \$0.21		Add \$0.09	+ \$0.22	
Energy Charge						
Onpeak	Add 0.143¢	+ 0.319¢ + 0.000¢		Add 0.147¢	+ 0.329¢ + 0.000¢	
Offpeak	Add 0.133¢	+ 0.297¢ + 0.000¢		Add 0.137¢	+ 0.306¢ + 0.000¢	
<u>Manufacturing Service</u>						
<u>Schedule TMSB</u>						
Part 1						
Demand Charge						
Onpeak	Add \$0.50	+ \$1.13		Add \$0.52	+ \$1.17	
Excess Offpeak	Add \$0.04	+ \$0.10		Add \$0.04	+ \$0.11	
Energy Charge						
Onpeak	Add 0.195¢	+ 0.435¢ + 0.000¢		Add 0.201¢	+ 0.447¢ + 0.000¢	
Offpeak	Add 0.115¢	+ 0.257¢ + 0.000¢		Add 0.118¢	+ 0.266¢ + 0.000¢	
Part 2						
Demand Charge						
Onpeak	Add \$0.46	+ \$1.06		Add \$0.49	+ \$1.10	
Excess Offpeak	Add \$0.04	+ \$0.08		Add \$0.04	+ \$0.09	
Energy Charge						
Onpeak	Add 0.185¢	+ 0.413¢ + 0.000¢		Add 0.191¢	+ 0.426¢ + 0.000¢	
Offpeak	Add 0.109¢	+ 0.244¢ + 0.000¢		Add 0.112¢	+ 0.252¢ + 0.000¢	
<u>Schedule TMSC</u>						
Demand Charge						
Onpeak	Add \$0.48	+ \$1.06		Add \$0.49	+ \$1.10	
Excess Offpeak	Add \$0.04	+ \$0.09		Add \$0.04	+ \$0.10	
Energy Charge						
Onpeak	Add 0.185¢	+ 0.413¢ + 0.000¢		Add 0.191¢	+ 0.426¢ + 0.000¢	
Offpeak	Add 0.109¢	+ 0.244¢ + 0.000¢		Add 0.112¢	+ 0.252¢ + 0.000¢	
<u>Schedule TMSD</u>						
Demand Charge						
Onpeak	Add \$0.62	+ \$1.37		Add \$0.64	+ \$1.41	
Excess Offpeak	Add \$0.07	+ \$0.15		Add \$0.07	+ \$0.16	
Energy Charge						
Onpeak	Add 0.119¢	+ 0.265¢ + 0.000¢		Add 0.123¢	+ 0.273¢ + 0.000¢	
Offpeak	Add 0.111¢	+ 0.249¢ + 0.000¢		Add 0.114¢	+ 0.267¢ + 0.000¢	